THE CHIEF CONSTABLE OF DYFED-POWYS POLICE

STATEMENT OF ACCOUNTS



FOR THE YEAR ENDED
31 MARCH 2026

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Narrative Report

1. Introduction

The Police Reform and Social Responsibility Act 2011 created two corporations sole within each police force area; the Police and Crime Commissioner (PCC) and the Chief Constable. Each has a clear and separate statutory remit.

The establishment of the two corporations sole requires each body to produce their own Statement of Accounts with the Commissioner producing a Statement of Accounts for the Group and Police Pension Fund. The Chief Constable produces separate accounts for the Dyfed-Powys Police Force.

Mr Dafydd Llywelyn was re-elected for a third term as Commissioner in May 2024. Dr Richard Lewis took up the post of Chief Constable in December 2021, returning to the Force after two years as Chief Constable of Cleveland Police. The Commissioner and Chief Constable have continued to work together constructively to deliver positive outcomes for the communities of the Dyfed-Powys area. Dr Richard Lewis relinquished the post of Chief Constable on 16 June 2025, with the Deputy Chief Constable Ifan Charles being appointed as Temporary Chief Constable from that date. Ifan Charles was subsequently appointed as the permanent Chief Constable on 7 October 2025.

This Narrative Report outlines the main objectives, strategies, and principal risks that the Commissioner and the Chief Constable of Dyfed-Powys Police face. It provides a commentary on how resources have been used to achieve desired outcomes in line with these objectives and strategies.

It aims to give a fair, balanced, and understandable analysis of financial and operational performance. This can be used to provide context to the information included with the financial statements to aid the reader's understanding. The Narrative Report focuses on the following areas:

- Organisational Overview and External Environment
- Governance and Performance
- The Organisational Model
- Financial Performance
- Risks, Opportunities, and the Medium-Term Financial Outlook
- Police Reform
- Basis of Preparation and Presentation

2 Organisational Overview and External Environment

Spanning 4,188 square miles, Dyfed-Powys is geographically the largest police force in England and Wales. With 8,500 miles of roads, two large ports, 350 miles of coastline and vast areas of countryside, the geography presents significant demand and resourcing challenges.



The resident population of around 524,300 is spread across extensive rural areas, holiday, and market towns as well as more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents its own implications for crime, anti-social behaviour, and roads policing.

The Welsh language is spoken by 42% of the residents of the Dyfed-Powys area compared to the national average of 33%. Both the Commissioner and the Chief Constable are committed to ensuring that the workforce is representative of the communities it serves so that members of the public are, whenever possible, afforded the opportunity to communicate in the Welsh language.

Policing is a non-devolved policy area in Wales, with powers reserved to the UK Government rather than the Welsh Government. Much of the work undertaken across the four county areas is however, rightly done in partnership with local authorities, fire authorities, local health boards, and many other partners including the third sector. Dyfed-Powys Police, along with the Commissioner and his Office, also collaborate with other Welsh forces across a broad range of policing and business support functions including armed response and responding to the threat of organised crime and terrorism.

Pressures continue to arise from the changing nature of crime and incidents and more recently from a complex array of financial and economic consequences arising from the cost-of-living crisis and various conflicts which have affected the UK economy. This has resulted in significant inflationary cost pressures for Dyfed-Powys Police, necessitating the incorporation of a £2.8m cost reduction plan to balance the 2025/26 budget, despite an 8.6% increase in council tax at Band D and the utilisation of £2.2m from reserves to meet one-off expenditure pressures during the year.

Against a challenging financial backdrop, operational demands continue to grow and become increasingly complex. The Force continues to evolve quickly to respond to new risks, threats, and changes in technology, many of which have required new ways of working. In order to secure uplift funding, the Force was required to meet an officer uplift target set by the Home Office, by maintaining an overall officer headcount of 1,310 in September 2025 and March 2026. It also needed to expand the number of officers undertaking Neighbourhood Policing roles by 33

positions by March 2026. Both these targets were achieved in the year. The summer period was challenging in relation to demand, exacerbated by the need to provide support to other forces with the national response to riots and protests.

The Commissioner is responsible for setting strategic priorities for policing in the Dyfed-Powys area through the production of a Police and Crime Plan, ensuring business is conducted in accordance with the law and that proper standards are achieved and maintained.

After extensive consultation, the Commissioner launched a new Police and Crime Plan in February 2025 covering the period 2025 to 2029. The overarching vision is to improve trust and confidence in Dyfed-Powys Police and the criminal justice system in its totality. The plan sets out three priorities and six guiding principles which will underpin delivery:

Priorities	Guiding Principles
Supporting Victims and Preventing Victimisation	Partnership Working
Supporting Safe Communities by Preventing Harm	Shared Endeavours for Policing in Wales
Support a more Effective Justice System	Governance and Accountability
	Sustainability
	Engagement and being the Voice of the Community
	A Tailored, Person-Centred Approach

After considerable engagement with the workforce, partners and the public, the Chief Constable set out updated Force organisational priorities in an “Our Plan” document released in 2025. This includes the following complementary priorities:

Priorities
A compassionate response to victims of domestic abuse and stalking and the relentless pursuit of offenders
Making Dyfed-Powys Police hostile to those that deal drugs
A compassionate response to victims of rape and sexual assault and the relentless pursuit of offenders

Detailed strategies and delivery plans have been developed to underpin and support the delivery of the Police and Crime Plan and the Chief Constable’s priorities. The Plan is underpinned by the values:

- We act with courage
- We treat everyone with respect and empathy
- We take pride in delivering a public service

The Plan also sets out several enablers and a Force Culture Pledge that sets out our expectations from our leaders.

3 Governance and Performance

Governance

The Governance arrangements by which the Commissioner and the Chief Constable operate are complex. These have been critically reviewed over recent years and continue to be strengthened and streamlined to ensure effective organisational management, oversight and scrutiny.

The Joint Corporate Governance Framework sets out the principles, structures and processes by which the Office of the Police and Crime Commissioner and Dyfed-Powys Police are governed, both jointly and separately, and this is reviewed and updated annually.

The Commissioner and the Chief Constable each have a clear and separate statutory remit. The Commissioner is statutorily responsible for securing an efficient and effective police force and holding the Chief Constable to account for the exercise of his functions. The Commissioner is responsible for setting the annual police budget (including precept level) and ensuring that public money is accounted for and used economically, efficiently and effectively.

The operational independence of the Chief Constable is protected in legislation. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force. The Chief Constable is accountable in law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and Force expenditure. The Chief Constable holds Office under the Crown and is responsible for maintaining the King's Peace.

An Annual Governance Statement (AGS) is published separately, and this provides greater detail on the internal control environment and an evaluation of the governance arrangements against the seven principles for delivering good governance. All parties are expected to abide by the seven principles set out in the Standards in Public Life, known as the Nolan Principles, as well as the Code of Ethics published by the College of Policing.

Performance

From a Force perspective, performance against key objectives is monitored and reported locally at all levels within the organisation as well as at weekly, monthly and quarterly force performance events and two-weekly Policing Board meetings.

During 2025/26, a total of 35,905 crimes were recorded, compared with 37,939 in 2024/25 – representing a decrease of 2,034 offences (5.36%), as shown in the following table:

Crimes Recorded by Crime Type	2024/25	2025/26	Difference	Difference
	Number of Recorded Crimes	Number of Recorded Crimes	Number of Recorded Crimes	%
Violence Against the Person	17,958	16,771	(1,187)	(6.61%)
Theft	4,617	4,277	(340)	(7.36%)
Arson and Criminal Damage	4,011	4,077	66	1.65%
Public Order Offences	3,938	3,479	(459)	(11.66%)
Drug Offences	1,797	2,051	254	14.13%
Sexual Offences	1,756	1,658	(98)	(5.58%)
Burglary	1,601	1,350	(251)	(15.68%)
Miscellaneous Offences	1,020	1,038	18	1.76%
Vehicle Offences	719	675	(44)	(6.12%)
Possession of Weapons	418	431	13	3.11%
Robbery	104	98	(6)	(5.77%)
Total	**37,939**	**35,905**	**(2,034)**	**(5.36%)**

Looking at the year's figures, further improvements have been made in crime recording to comply with the changes to the Home Office Counting Rules (HOCR), alongside increased proactivity in ensuring adherence to both the National Crime Recording Standard (NCRS) and the HOCR. Anti-Social Behaviour and Harassment offences have been subject to increased scrutiny nationally, which is reflected by a reduction in public order offences. This area of work remains under scrutiny, and further work is planned to ensure no crimes are being overlooked. Malicious Communication offences also remain in the spotlight to ensure the threshold is met before an offence is recorded.

35,905 crimes were assigned an outcome during 2025/26. 15% of these were Solved Outcomes (Previously referred to as 'Positive Outcomes': Outcomes 1 – 8, excluding Outcome 5), 4% were Resolved (Outcomes 5,9,10,20,22 – policing has done what it can, there is sufficient evidence, however offender not alive to prosecute, it is not in the public interest, or a diversionary route can address the behaviour). Noteworthy improvements have been made with the Solved Outcome rates for Sexual Offences (2025/26: 11%) and Shoplifting (2025/26: 35%).

The Force continues to maintain an effective and efficient 999 telephony service. 999 calls are, inevitably, prioritised above all others as they represent urgent emergency requests for assistance where time is of the essence. 67,545 999 calls were received during 2025/26 (9.3% increase). Reflecting on national reported data during the period 2025/26, the Force's average call wait time was 4.84 seconds. In terms of the Force's performance, cognisance must be given to the latency time – the time taken for a call to be transferred from the BT exchange to the Force Control Centre which is included within this reported data. Dyfed-Powys Police maintain a performance record which provides reassurance that, during the period 2025/26, 95.1% of 999 calls were answered in under 10 seconds. The Force has consistently met the monthly National Home Office 999 Key Performance Indicator (KPI) of 90% of all 999 calls presented to the Force answered within 10 seconds, monthly since January 2025. This performance evidences the continued positive impact of the new telephony and radio system that went live in November 2024, supported by additional staffing.

The public largely consider the 101 service to be a contact channel for reporting non-emergency incidents to the Police (generally, calls that do not warrant a 999 call). 176,971 101 calls were received during 2025/26 (2.5% increase). The Force has maintained its performance with answering 101 calls, with the average call waiting time for 2025/26 being 42 seconds. This is a vast improvement from 140 seconds recorded for 2024/25. This reduction in the answer time has consequently meant that callers have been less likely to abandon their calls whilst queuing, which has been positively reflected in the abandonment rate.

Abandonment levels on this service were recorded as 8.3% in March 2026. The Force has consistently remained within the national KPI of a 10% abandonment rate since January 2025. This is a vast improvement from the 33.09% abandonment rate recorded in April 2024.

The maintained increase in performance has been attributable to a number of considered measures introduced, namely the implementation of a new telephony system, a significant investment in staffing levels, changes to the existing operating model including the introduction of an omni-competent programme intended to strengthen resilience across the department, as well as the introduction of a new rota and shift pattern. This has enabled on-duty staffing levels to be maximised at any one time in line with the demand profile.

The Force offers a 24/7 Digital Contact Service which includes the Single Online Home online reporting platform (accessed via the Force website) and two-way social media communications.

During 2025/26, a total of 24,821 Single Online Home forms were submitted, an increase of 15.1% from the previous year (data source: Knowledge Hub). This demand is ever increasing with new submission form categories and services being introduced regularly. In terms of various social media channels and email communication, data shows that during 2025/26, a total of 17,897 conversations were held through social media (these include both direct messages and conversations on open channels) - this is a 7.8% increase from 16,595 conversations in 2024/25. While not yet fully quantified, direct email contact is estimated at approximately 200 emails per day.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

The Force was previously inspected under the HMICFRS's Police Effectiveness, Efficiency and Legitimacy (PEEL) 2023-25 Inspection Programme in 2023. Over this 12-month financial period, the Force has continued to make significant progress in relation to completing and signing off areas for improvement (AFIs) allocated from previous PEEL Inspections. During this period, 19 PEEL AFIs from the 2021-23 and 2023-25 inspection periods were signed off, verified and closed by HMICFRS. The remaining 4 areas for improvement have been signed off by the Force and are subject to review by HMICFRS as part the current ongoing 2025-27 PEEL inspection. An additional 5 areas for improvement from the HMICFRS thematic inspection report in relation to Vetting, Misconduct and Integrity, have also been signed off and closed within the past 12-month period.

The Force is actively engaged in the current HMICFRS PEEL 2025-27 inspection programme, which has been ongoing over the past 12-month period. This PEEL inspection is due to conclude in early June 2026, following the final 2-week evidence gathering period.

From the last completed PEEL inspection in 2023, concerns had been highlighted, and areas for improvement allocated for: the abandonment of non-emergency calls and reviewing and understanding of risk and demand within the Force control room and the response to incidents. Both AFIs have been signed off and closed by HMICFRS following a significant programme of change, including a new contact telephony and radio system, increased resourcing and a new operating model to include omnicompetence with the Force Control Centre (FCC). This has improved service delivery, with the Force now consistently exceeding key performance indicators for call abandonment and answering times and improved focus on call volumes and ownership of incidents in lower response grades.

From the PEEL inspection in 2023, the Force were graded as 'requiring improvement' on building, supporting and protecting the workforce. Three areas for improvement were highlighted by the Inspectorate: improving training for supervisors, the effectiveness and value of the personal development reviews (PDR) and considering the welfare of officers and staff. The Force has initiated a significant programme of change through the ongoing Force and Operating Model Programme, to bolster uniform response teams whilst improving organisational effectiveness and efficiency. Training has been delivered to ensure supervisors are equipped for their roles and changes have been implemented to the PDR process to better reflect personal and departmental objectives. In addition, the Force has also invested significantly in Occupational Health and Wellbeing resources, with a focus on providing a broader range of wellbeing measures, including support for high-risk roles, and raising awareness of support services available to all staff and officers across the Force. The Force has met all these workforce AFIs over the past 12 months, with two verified by HMICFRS and one subject to review as part of the ongoing PEEL 2025-2027 inspection.

The Force has also addressed areas for improvement to increase visibility and accessibility of neighbourhood officers and improving the way it communicates with local people. The Force has a new Neighbourhood Policing Prevention Team (NPPT) Strategy & Engagement Plan, updated policy and guidance to reduce abstractions of NPPT resources. The Force has also launched a new community engagement application to improve contact and connection with our communities.

Dyfed-Powys Police has also addressed areas for improvement for protecting vulnerable people, highlighted from the PEEL Inspection in 2023. The Force has improved scrutiny and secondary review of all domestic abuse incidents, delivered comprehensive training for officers and staff in specialist vulnerability roles, and enhanced governance and performance monitoring to effectively protect vulnerable people. All these AFIs relating to the protection of vulnerable people have also been signed off and closed by HMICFRS within the past 12-month period.

Dyfed-Powys Police has also addressed areas for improvement in relation to standards of investigation, victim service and achieving appropriate outcomes for victims of crime. The Force has improved the process for quality assuring and auditing of crime investigations and has used technology to improve the capture of victim contract compliance and quality. Again, three AFIs that were previously allocated relating to improving investigation standards have also been signed off and closed by HMICFRS. The Force has also improved the effectiveness of governance processes to support its performance framework, and the understanding of how investments in ICT systems are improving productivity.

During this reporting period, the Force has also been subject to other HMICFRS inspection activity and direct involvement in inspection. The Force was inspected as part of the Serious and Organised Crime Inspection, (SOC) and has been graded as "Adequate" from this inspection with positive findings including: the prioritisation and management of the response to serious and organised crime, specialist resourcing, prevention work and improving the collection of intelligence to tackle SOC. Two areas for improvement were also identified around improving the overall workforce understanding of SOC and the management of offenders, which are already being addressed.

The Force was also involved in a South Wales area Joint Inspection of Case Building by the Police and CPS in June 2025. This report is not yet published.

From other HMICFRS thematic inspection activity conducted nationally, additional recommendations have also been allocated to all forces from reports published during this 12-month period. These include;

- Inspection into how effectively police investigate crime (8 Recommendations) – published March 2025
- Improving the response to organised immigration crime (4 Recommendations) – published May 2025
- How effectively do police record crime? PEEL Spotlight Report (3 Recommendations) – published August 2025
- The effectiveness of diverting children from the criminal justice system: meeting needs, ensuring safety, and preventing reoffending (1 Recommendation) – published October 2025
- Inspection of the effectiveness of police and law enforcement bodies' response to group-based child sexual exploitation: A progress report (4 Recommendations) – published October 2025

Progress is being made with respect to all recommendations from these thematic inspections, which are reported to and discussed at the respective quarterly strategic governance board meetings. The Force has signed off 25 recommendations from thematic inspections during this reporting period.

As previously stated, at this time, the Force is actively engaged in the current HMICFRS PEEL 2025-27 inspection, due to conclude in early June 2026. The findings from this ongoing HMICFRS PEEL inspection will be published later this year and indeed the Force will again ensure a proactive approach is taken to address any improvements, which might be required to continually maintain and enhance the service provided to our communities.

Force Management Statement (FMS)

The Chief Constable submitted the most recent FMS 8 (2025) to HMICFRS in May 2026, providing an updated assessment of operational capacity for Dyfed-Powys Police against current and expected future demand. The FMS is cognisant of several factors within the Force including:

- Priorities set out by the Chief (themed around domestic abuse, drugs, rape and sexual offences).

- Continuation of a Force Change Programme, now referred to as the Force Operating Model, remains a key driver for the identification of operational business improvements, with several workstreams at implementation or first-year evaluation stage.
- Further development of business intelligence dashboards to drive and support more effective performance frameworks and performance management. Momentum is building, supported by migration to a Fabric data environment and a focus on data literacy, quality, and accuracy.

The FMS is cognisant of each of the above factors and the impact they have had on the Force as a whole. It provides an update on key risks and any new risks that have emerged. Each business area section of the FMS considers the condition, performance, composition, capacity, capability, wellbeing, and security of supply of the Force's workforce and other assets against current and foreseeable future demand requirements. These are outlined in four steps that form part of HMICFRS guidance and directly support business planning and decision-making rationale, as part of the wider annual Strategic Planning and Assurance Cycle (S-PAC).

The FMS identified several cross-cutting themes and priorities, specifically in relation to service demand changes. It also highlighted the key areas of planning and prioritisation required to maintain and improve service provision, ensuring that these were reported via the S-PAC process. The report findings are summarised across the following headings:

- Workforce investment, training and accreditation, recruitment (including vetting), retention resilience, and wellbeing.
- Financial challenges; budgetary pressures remain with uncertainty linked to ongoing Home Office Police Reform considerations and potential reductions and/or changes to Government funding to overcome.
- Environmental issues and sustainability.
- Performance and demand analysis and the visualisation of data.
- Estates - long-term programme of investment to ensure we can maintain visibility as part of our Neighbourhood Policing and Prevention Strategy.
- Information Communications Technology (ICT) infrastructure and technical skills, and the increasing demand for the use of Artificial Intelligence and innovative technologies.
- Information and data management.

The current FMS approach is centrally coordinated and was more closely aligned to the Medium-Term Financial Plan (MTFP), strategic planning and budget process for 2025/26. The Force will continue to revise its methodology for producing the FMS to ensure the most efficient and effective approach to strategic planning. The next FMS cycle (FMS 9 - 2026) will see the introduction of Microsoft 365 products to increase efficiency in the analysis of qualitative data and improve visibility of our organisational risk assessment of each business area.

4 The Organisational Model

Dyfed-Powys Police is organised on both a geographical and functional basis. The Chief Constable is supported by a Chief Officer Team which comprises the Deputy Chief Constable,

the Assistant Chief Constable, the Director of People and Organisation Development, and the Director of Finance.

The main responsibilities of the four positions supporting the Chief Constable are shown in the table below:

Deputy Chief Constable	Assistant Chief Constable	Director of People and Organisation Development	Director of Finance
Legal Department	Local Policing	Human Resources	Corporate Finance
Service Improvement/Force Review	Investigations	Occupational Health and Wellbeing	Information Systems and Technology
Information Management	Specialist Response	Development Services	Procurement
Performance	Force Contact Centre	Staff Associations and Employee Relations	Fleet
Collaboration	Scientific Support		Estates
Professional Standards	Custody and Criminal Justice		
Health and Safety	Partnerships		
HMICFRS Inspection	Corporate Communications		

The Force has an excellent track record of delivering strategic cost reductions of £14.8m since 2023/24 which, along with precept increases, have enabled the Force to improve financial resilience and make important prioritised investments. Such investments have successfully addressed key service challenges, cost pressures and enabled technology and infrastructure improvements. These have resulted in tangible improvements across a range of services including the control room, custody, prevention initiatives and business support functions. The Force Operating Model work and governance meeting structures are ensuring that the Force continues to look inwardly and collaboratively at ways to improve services to meet the expectations of victims, the public, partners and ultimately the workforce itself.

The Force budget for 2025/26 incorporated a £2.8m saving. Comprehensive budget holder engagement, monitoring and Finance Business Partnering support has continued through the year.

The Force has continued to re-shape to meet demand. However, it is recognised that the landscape of policing is forever changing.

For the 2025/26 financial year, the Commissioner and Force had a budgeted establishment of 1,298 Police Officers, 133 PCSOs, and 924 Police Staff. A breakdown of the distribution of staffing is shown in the following table:

	Police Officers	PCSOs	Police Staff	Total
Budgeted Positions 2025/26	**Full Time Equivalent (FTE)**			
Local Policing	586	133	45	764
Investigations	457	0	163	620
Operational Support (including Call Handling)	127	0	177	304
Criminal Justice	2	0	80	82
Scientific Support and Digital Forensics	4	0	66	70
Professional Standards	10	0	21	31
Other (including Business Support)	36	0	320	356
Office of the Police and Crime Commissioner	0	0	22	22
Seconded and Funded Areas	76	0	30	106
Total	**1,298**	**133**	**924**	**2,355**

Recruitment intakes have been carefully planned and managed during the year to ensure optimal resourcing levels, availability of specialist skills, and to allow the proportionate geographical distribution of staff. The Police Education Qualifications Framework (PEQF) continues to see intakes of student constables each year with external course providers delivering core elements of their training.

The Force has experienced a high volume of police officers and staff leavers during the year. This, combined with unavoidable delays in the recruitment of staff and transferees, has resulted in significant pressure in recruitment and vetting teams and unplanned savings against pay budgets. As well as recruiting to replace normal retirements and leavers, the Force has also been increasing establishment in line with the Home Office Police Uplift Programme resulting in a headcount target of 1,314 officers by March 2026 which was maintained. In addition, the Force faced a target of increasing Neighbourhood Policing functions by 33 FTE by March 2026, and this was successfully delivered.

The Commissioner has an Office which supports him to deliver the statutory responsibilities as set out in The Policing Protocol Order 2011. In addition to the statutory roles of Monitoring Officer and Chief Finance Officer, the Commissioner has a team of professionals to advise on matters relating to finance, policy, performance, engagement, commissioning, and partnerships. The Commissioner had a budgeted establishment of 22 FTE for 2025/26.

5 Financial Performance

The Chief Constable's Statement of Accounts shows the financial performance of the Force. This has been prepared based on proper accounting practice to comply with the requirements of the CIPFA Code of Practice. This differs slightly from the budgets that are managed and monitored on a day-to-day basis as these exclude some elements such as depreciation and movements on pension liabilities which do not need to be financed fully in the year under statutory requirements.

The cost of services included within the Comprehensive Income and Expenditure Statement (CIES) shows that £170.1m has been spent on providing policing services to the public of Dyfed-Powys in 2025/26 (2024/25: £166.2m). The Statement provides an analysis across the main cost components. The largest element was spent on Police Officer Pay and Pensions, which

accounted for £82.5m of the total in 2025/26 (2024/25: £82.6m). The variation in cost of service is impacted significantly by the movement in pension liabilities and capital depreciation entries.

The balance sheet provides a snapshot of the Chief Constable's assets and liabilities at 31 March 2026.

The balance sheet is dominated by a long-term liability of £952.3m (2024/25: £922.9m) relating to future pension liabilities for police officers and staff. This represents the estimated amount that needs to be set aside at the balance sheet date to meet the cost of pension payments for all current/serving and retired officers and staff. This figure has been calculated independently on an actuarial basis, taking into account factors such as of future salary levels, inflation, mortality rates, etc.

The next largest item on the balance sheet is the £21.6m (2024/25: £19.9m) of short-term creditors representing the amounts owed by the Chief Constable at the end of the year. Further details and breakdowns in respect of balance sheet items are included in the notes to the accounts.

Financial Performance and Budget Variance Analysis 2025/26

The Commissioner set a revenue budget of £153.3m for the 2025/26 financial year, representing a 6.5% increase. This incorporated a use of reserves of £1.9m, as well as cost reduction measures totalling £2.8m (1.8%). This still left a council tax increase at Band D of 8.6%.

This funding level enabled the Force to continue to deliver its operational and strategic plans, despite significant cost pressures. It also provided investment in workforce modernisation, including the redesign of 50 police officer positions, thus allowing them to be re-deployed to uniform policing. In addition, the budget also provided for 11 additional staff in the Criminal Justice Department to free officers from time consuming administrative tasks such as disclosure, redaction and PNC checking.

The 2025/26 budget needed to incorporate the impact of the 4.75% pay increase awarded in September 2024, alongside a significant increase in employer's National Insurance. The Force faced an array of other financial pressures with specific grant funding arrangements being conditional on maintaining the overall officer and PCSO workforce, whilst also adding 33 officers to Neighbourhood Policing functions.

The following table sets out the final out-turn position for 2025/26 and compares this to the revised budget. The revised budget reflects additional budgets and reserve movements agreed during the year for budget monitoring purposes, in line with the Corporate Governance Framework.

Variation Statement Budget Holder	Original Budget £m	Revised Budget £m	Actual £m	Variance (Positive for Saving) £m
Police and Crime Commissioner				
Office and Commissioning Costs	3.3	3.3	3.2	0.1
Transfer to/(from) Reserves - Commissioner	0.0	0.0	0.1	(0.1)
Total Commissioner Revenue Budget Costs	**3.3**	**3.3**	**3.3**	**0.0**
Chief Constable				
Police Pay and Allowances	89.1	89.2	89.9	(0.7)
Police Officer Overtime	2.0	2.3	2.9	(0.6)
Bank Holidays	0.9	0.9	0.9	0.0
Police Staff Pay and Allowances	46.5	46.5	45.1	1.4
Police Staff Overtime	0.3	0.3	0.4	(0.1)
Pension Costs	1.9	1.9	1.8	0.1
Recruitment, Insurance and Training	2.0	2.0	1.7	0.3
Premises Costs	5.8	5.8	5.9	(0.1)
Other Non-Pay Costs	13.4	13.3	13.0	0.3
Telephone Analysis and Forensics	3.5	3.5	3.4	0.1
Collaboration and Agency Payments	5.2	5.2	5.2	0.0
Grants	(17.9)	(17.9)	(19.1)	1.2
Income	(4.8)	(4.4)	(5.6)	1.2
Capital Financing	4.5	4.8	4.7	0.1
Recharges	(0.5)	(1.2)	(0.7)	(0.5)
Total Budget - Force	**151.9**	**152.2**	**149.5**	**2.7**
Total Budget - Police and Crime Commissioner and Chief Constable	**155.2**	**155.5**	**152.8**	**2.7**
Contribution to/(from) Reserves - Chief Constable	(1.9)	(2.2)	0.5	(2.7)
Net Spending After Transfer from Revenue to Reserves	**153.3**	**153.3**	**153.3**	**0.0**
Holding Accounts and Self-Balancing Accounts				
Driver Retraining Programme	0.0	0.0	(0.4)	0.4
Transfer to/(from) Reserves - Driver Retraining	0.0	0.0	0.4	(0.4)
Movement on Commissioners Funds				
Net Cost of Services Funded from Reserves	0.8	0.8	0.1	0.7
Net Transfer to/(from) Earmarked Reserves	(0.8)	(0.8)	(0.1)	(0.7)
Utilisation of Capital Reserve				
Direct Revenue Financing (DRF) for Utilisation of Capital Reserves	0.0	0.0	2.4	(2.4)
Transfer From Reserves towards Capital Programme as DRF	0.0	0.0	(2.4)	2.4
Total Holding Accounts	**0.0**	**0.0**	**0.0**	**0.0**

The Police and Crime Commissioner's spending was within budget by £0.1m which resulted in a small movement in reserves being required. This reflected lower spending by the Force and partners.

The revenue out-turn position for the Force is very positive with an underspend of £2.7m in hand overall, before adjusting for budget reserve transfers earmarked for one-off cost pressures arising in 2026/27 in the Medium-Term Financial Plan.

The Force experienced significant pressure against officer and staff pay budgets because of a higher-than-anticipated pay award in September 2025. An additional grant of £0.8m was paid which helped to offset the additional costs. The Force also received other grants of £0.4m in the year which were not anticipated to fund some national ICT capital projects.

The police staff budget was £1.4m under budget despite the increased pay award and this was due to delays in recruiting police staff. In January 2025, the Neighbourhood Policing Grant was doubled which increased the staff recruitment requirement from 17 to 33. In addition, a further 17 staff positions were funded from the precept to help to retain officers on the front line. The appointment of many internal staff to these many roles, together with challenges in recruitment, occupational health and vetting, resulted in significant delays. These were anticipated at the time of setting the 2026/27 budget and Medium-Term Financial Plan. Despite these challenges, the Force did manage to release 33 officers into new neighbourhood policing teams by the end of the year and thereby claim most of the grant. The Force also met its officer uplift target which was set by the Home Office.

The negative variance against police officer overtime reflects the increased pay awards as well as the requirement to meet national mutual aid commitments and to ensure adequate specialist officer coverage in custody and other high-demand areas during peak times.

In terms of income headings, interest receipts were considerably higher than anticipated due to more favourable cashflows and interest rates remaining higher for longer, contributing £0.4m of the £1.2m saving against this heading. A significant rebate of £0.5 million above budget was earned through confiscation orders and the recovery of proceeds of crime. Mutual aid receipts were also £0.2m higher than anticipated, with the Force providing public order support on numerous occasions to support other forces over the summer – which put additional pressure on the workforce and Police overtime budgets.

The driver retraining programme earned a surplus of £0.4m in the year, which has been transferred to reserves to be utilised on road safety initiatives. The net movement on other funds was a contribution from reserves of £0.1m against a budget of £0.8m.

In terms of other areas, the Home Office paid additional grant equivalent to £0.4m for Dyfed-Powys Police in respect of the Serious and Organised Crime Unit – Tarian. It is likely that the grant available to Tarian will be cut in 2026/27 and therefore an earmarked reserve has been created. In terms of utilisation, the Force has earmarked £0.9m of the underspend towards future capital schemes as was anticipated at budget setting time. The remainder will be earmarked to meet current unfunded cost pressures such as anticipated 2026 pay awards, and fuel cost increases resulting from events in the Middle East, as well as an array of other financial pressures.

Full details of the movement in reserves and outstanding reserves are reported in Note 10 - Transfers to/from Earmarked Reserves (of the Group Accounts).

6 Risks, Opportunities, and the Medium-Term Financial Outlook

Risks are managed at all levels of the organisation through the Governance Structure, and a Corporate Risk Register is used to record, manage, and mitigate the main risks which could affect the delivery of Police and Crime Plan outcomes and the Chief Constable's priorities.

The main risks that remained 'live' at the end of 2025/26 included:

- Electric Vehicles and Infrastructure - there is a risk that the Force may not meet net zero obligations set by the Government, with effective planning critical to the mitigation of two key factors: firstly, the availability of vehicles may become a constraint, if manufacturers fail to meet demand. Secondly, the infrastructure for charging at stations and on route locations. A data driven approach is being used to assess vehicle usage patterns and inform strategic decision making. [residual score 16]
- DPIA Process - there is a risk of delayed completion and sign-off of Data Protection Impact Assessments due to an existing backlog. A review of the process has been complete, and recommendations are being implemented to help mitigate the risk. [residual score 20].
- Right Care Right Person - the delivery of phases 3 and 4 of the RCRP project may be impacted by insufficient partnership resources and infrastructure, however, the Force has successfully implemented phases 1 and 2, with strong regional and national communication maintained with partner service providers. [residual score 12].
- Vetting - there is a risk that the Force may not meet its vetting commitments due to increasing backlogs exceeding HMICFRS's tolerance threshold. Following a successful strategic planning assurance cycle bid additional resources have been allocated to mitigate the risk further. [residual score 9].
- Business Continuity Management - the Force may be unable to effectively respond to, and recover from, disruptive incidents due to the absence of a designated Business Continuity Officer. A temporary resource support has been provided to maintain administrative functions as a current control measure. [residual score 12].

The Corporate Risk Register is monitored regularly to ensure that risks are allocated a Risk Owner, who is responsible for applying appropriate mitigations and actions. Further details in relation to risk management are included within the Annual Governance Statement (AGS).

Budget and Medium-Term Financial Plan 2026/27

The Police and Crime Panel unanimously agreed a 7.47%, or £26.95, annual increase in council tax at Band D as proposed by the Police and Crime Commissioner in January 2026, resulting in a net budget of £165.1m for 2026/27. The budget includes:

- The maintenance of police officer numbers, despite the removal of the Home Office Police Officer uplift targets announced by the Home Secretary in January 2026.
- A further increase of 12 officers in Neighbourhood Policing functions, as awarded under the Government's Neighbourhood Policing Guarantee Grant as announced in January 2026.

- The incorporation of the 4.2% pay increase awarded to officers and staff in September 2025 which was significantly above the 2.8% assumed in the baseline budget the previous year. A further 3% increase was assumed from September 2026.
- A general inflation increase of 3% and unavoidable increases in interest and insurance costs.
- Net cost reductions of £3.5m (2.2%) which included a reduction in police staff employer's pension contributions, as well as reductions against energy costs and from local national and regional procurement activities.
- An increase in Direct Revenue Financing of £1.4m to fund the future capital programme, alongside £2.5m (1.6%) of strategic investment to address identified service gaps and opportunities to improve services. Service leads have developed costed plans to address these areas, which have been prioritised by Chief Officers, taking into account consultation with stakeholders (including the workforce, victims, partners and the public), as well as service pressures identified through the Force Management Statement, risk management processes, audit reports and inspectorate findings.

Within the balanced Medium-Term Financial Plan, it was necessary to incorporate several key assumptions, as well as the implications of decisions already agreed, including:

- Reserves falling from £21.8m in March 2025 to £7.9m by March 2029.
- A 2026/27 Capital Programme of £25.3m, including Brecon Police Station and completion of the Tri-Force Firearms Training Range.
- An additional capital financing (borrowing) requirement of £28m by March 2029 and an external borrowing requirement of £35m, with capital financing costs fully reflected in the balanced future revenue budget.

The financial environment remains very challenging in terms of the overall economic position, with the cost-of-living crisis and further ongoing conflict and tensions which are creating further inflationary and interest rate risks. Cost reduction measures of over £11m have been achieved since 2023/24 with a further £3.5m being included in the budget for 2026/27. There remains a risk that the pay award in September 2026 will exceed the 3% assumed at budget setting time. The Police Remuneration Review Body recommends a pay increase of 3.5%, which could cost an additional £0.4m). In addition, fuel price escalations since March 2026 has led to weekly fuel costs increasing by around £6k, creating a further potential cost pressure.

With the Force Review ending, but the Force Operating Model work continuing into a third and fourth year, the Force has been able to set a balanced Medium-Term Financial Plan based on an initial set of assumptions for future years linked to Treasury inflation and funding indications.

The full MTFP document for 2026/27 can be found on the Police and Crime Commissioner's website at:

https://www.dyfedpowys-pcc.org.uk/en/finance/precept-and-medium-term-financial-plan/

Setting future inflationary assumptions is difficult, and with each percentage change from assumed levels making a significant difference in monetary terms. A 1% change in all Medium-

Term Financial Plan assumptions would result in a £1.1m deficit/surplus in 2026/27, rising to £4.0m million deficit/surplus in future years. Cumulatively, this would need to be addressed through further cost reductions or council tax adjustments. The Plan is particularly sensitive to variations in pay awards, precept levels and settlements.

The second stage of the 2025 Comprehensive Spending Review, reported on 11 June 2025, included total policing allocations for three years from 2026/27. These were incorporated into the Medium-Term Financial Plan. Announcements on Police Reform came too late to be incorporated. Work on an updated MTFP for 2027/28 has commenced since June 2025.

The Commissioner and the Force face numerous unknown and uncertain potential future financial commitments and liabilities, which are referred to further in the Contingent Liabilities and Pensions notes. The UK Government recommenced the Funding Formula Review in May 2021, however this is unlikely to progress in the medium term and is being incorporated into wider considerations around Police Reform. The outcome of this work and potential financial consequences remains a risk.

Despite the assumed increases in council tax precept, there is a need for continued efficiency and productivity requirements over the term of the MTFP. Uncertainties around future core and specific grant funding, complexities in relation to pensions costs, Police Reform and the workforce set against the wider economic landscape mean that the financial environment is likely to remain challenging for the foreseeable future.

A Section 114 notice is a declaration required to be issued by a local authority's Finance Officer in England and Wales, where an Authority anticipates that its spending will exceed its income for any financial year. To confirm, Dyfed-Powys Police consider the requirements of Section 114 on a regular basis, as part of the budget setting and monitoring process. It is considered that forecasted income is sufficient to meet the forecasted expenditure in the short and medium-term and therefore no issues or notices are required to be reported at this stage.

7 Police Reform

In November 2025, the Home Secretary announced that the position of Police and Crime Commissioner is to be abolished from the end of the current term of office, in May 2028. In January 2026, the Government also published its White Paper on Police Reform, which included details of new governance arrangements for policing. In Wales, this likely means establishing Police and Crime Boards, with Local Authority leaders providing oversight of police force governance.

Since these announcements, Police and Crime Commissioners and their teams across Wales have been working with Welsh Government and Home Office officials to determine how Police and Crime Boards will operate in Wales. The detailed arrangements are still being finalised.

The Government White Paper on Police Reform seeks to: rationalise the number of forces across England and Wales; create a National Police Service; and ensure forces move to standardised systems and processes, with the aim of reducing duplication and reducing costs. Initial findings of the review led by Lord Hogan-Howe into the requirements of the White Paper are due to be published at the end of summer 2026.

Given the expected fundamental changes to both police forces and policing governance, great uncertainty exists within policing currently. This is in addition to the pressures of the current Comprehensive Spending Review (CSR), which sees real-terms funding reductions until at least 2028/29.

Timely and accurate preparation of the annual statements of accounts, and their publication and audit, will be an essential part of the OPCC's and Force's financial management arrangements during the transition to the new arrangements.

8 Basis of Preparation and Presentation

Both the Commissioner and Chief Constable as separate legal entities must produce their own Statement of Accounts, with the Commissioner being responsible for production of the Group Accounts, within which the Commissioner's accounts are contained.

The Accounts and Audit (Wales) Regulations 2014 as amended, require local government bodies to prepare a Statement of Accounts in accordance with proper practices. The CIPFA Code of Practice is identified as representing proper practices.

Below is an explanation of the statements that follow, their purpose and the relationship between them:

- **Statement of Responsibilities for the Statement of Accounts** - this statement sets out the responsibilities of the Chief Constable and their Chief Finance Officer;
- **Independent Auditor's Report** - this sets out the opinion of the external auditor, the Auditor General for Wales, on whether the Chief Constable accounts presented give a 'true and fair view' of the financial position and operations of the Chief Constable for 2025/26;
- **Comprehensive Income and Expenditure Statement (CIES)** - this core statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day-to-day expenses and related income on an accrual basis, as well as transactions measuring the value of fixed assets consumed and the real projected value of retirement benefits earned by employees in the year;
- **Balance Sheet** - this core statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Chief Constable. The Chief Constable has no reserves to account for. These are the responsibility of the Commissioner. Net assets net to nil by means of an intra group debtor and creditor for working capital to meet the short-term debtors, inventories and creditors;
- **Police Pension Fund Account** - this statement shows expenditure, income, assets and liabilities pertaining to Police Pensions in the year. The account shows the top-up grant due from the Group to the Pension Fund Account. The Home Office subsequently reimburses the Group for money paid over to the account and effectively underwrites the deficit. This practice would work in reverse if the Pension Fund Account were to show a surplus at the year-end;
- **Notes to the Financial Statements** - these provide additional information that further explains items included within the main statements with an aim of improving the readers' understanding of

the main financial statements. They set out the Accounting Policies used as the basis of preparing the financial statements as required by the Code of Practice;

- **Glossary of Terms** - these provide additional narrative to explain terms used within the statement with an aim of improving the readers' understanding as required by the Code of Practice;
- **Movement in Reserves Statement (MiRS) –** this statement is not applicable given that all reserves are the responsibility of the Commissioner;
- **Cash Flow Statement -** this statement is not applicable as bank accounts are held by the Commissioner and are operated on a Group basis;
- **Expenditure and Funding Analysis (EFA) –** No separate Expenditure and Funding Analysis is presented for the Chief Constable as it would provide an incomplete picture of the required disclosures. The Group EFA is provided in the Police and Crime Commissioner for Dyfed-Powys Group Financial Statements and shows the complete analysis as required; and
- **A Joint Annual Governance Statement (AGS)** is published separately to this Statement of Accounts and sets out details of how the Commissioner and Chief Constable exercise governance over their affairs. The Statement is a statutory document for each corporation sole, albeit it continues to be a combined statement for 2025/26. This aims to aid transparency and understanding to the reader, clearly demonstrating where arrangements are consistent and where they differ between the Commissioner and the Chief Constable. The statement includes an annual review of the adequacy of the governance arrangements and provides assurance on the systems of internal control.

Statement of Responsibilities

The purpose of this statement is to set out the responsibilities of the Chief Constable and the Chief Financial Officer in respect of the Statement of Accounts.

The Chief Constable's responsibilities

The Chief Constable is required to:

- make arrangements for the proper administration of financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs, that officer is the Chief Financial Officer;
- manage affairs to secure economic, efficient and effective use of resources and safeguard their assets; and
- approve the Statement of Accounts.

I approve the Statement of Accounts for financial year 2025/26.



Chief Constable of Dyfed-Powys **Date: 29 September 2026**

The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing their Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Local Authority Code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Chief Constable at the reporting date and of its expenditure and income for the year ended 31 March 2026.



Chief Financial Officer to the Chief Constable **Date: 29 September 2026**

The Report of the Auditor General for Wales to the Chief Constable of Dyfed-Powys Police

Opinion on financial statements

I have audited the financial statements of:

- Chief Constable of Dyfed Powys Police; and
- Dyfed Powys Police Pension Fund

for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

The Chief Constable of Dyfed Powys Police's financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet and the related notes, including the material accounting policies.

The Dyfed Powys Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund as at 31 March 2026 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26;
- the information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; and
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Dyfed Powys Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund's policies and procedures concerned with:

  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals;
- Obtaining an understanding of the Chief Constable of Dyfed Powys Police's and the Dyfed Powys Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Chief Constable of Dyfed Powys Police operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

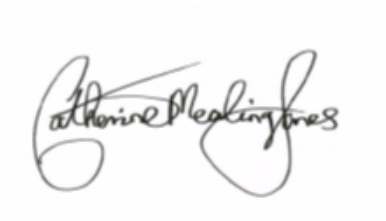
A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Chief Constable of Dyfed Powys Police and the Dyfed Powys Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Catherine Mealing-Jones
Auditor General for Wales
30 September 2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of the Chief Constable for Dyfed-Powys' Police website is their responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Comprehensive Income and Expenditure Statement

2024/25					2025/26		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Comprehensive Income and Expenditure Statement	Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
82,645	0	82,645	Police Officer Pay and Pensions		82,492	0	82,492
3,389	0	3,389	Police Officer Overtime		3,899	0	3,899
43,729	0	43,729	Police Staff Pay and Pensions		46,178	0	46,178
296	0	296	Police Staff Overtime		412	0	412
1,939	0	1,939	Other Employee-Related Costs		1,966	0	1,966
5,474	0	5,474	Premises Costs		5,417	0	5,417
2,421	0	2,421	Transport Costs		2,650	0	2,650
16,044	0	16,044	Supplies and Services		17,063	0	17,063
5,065	0	5,065	Agency and Contracted Services		4,581	0	4,581
5,203	0	5,203	Capital Financing Costs *		5,468	0	5,468
166,205	**0**	**166,205**	**Total Cost of Services**		**170,126**	**0**	**170,126**
50,521	0	50,521	Financing and Investment Income & Expenditure	**7**	52,983	0	52,983
0	(216,726)	(216,726)	Commissioning Costs (Intra-group transfer)		0	(223,109)	(223,109)
216,726	**(216,726)**	**0**	**Surplus/Deficit on Provision of Services**		**223,109**	**(223,109)**	**0**
		(157,117)	Actuarial (Gains)/Losses on Pension Assets/Liabilities				11,302
		157,117	**Commissioning Costs (Intra-Group Transfer)**				**(11,302)**
		0	**Total Comprehensive Income and Expenditure**				**0**

* To represent the Chief Constable's use of the PCC's assets, the CC receives charges equivalent to the capital financing incurred by the PCC. This charge is recognised in the Comprehensive Income and Expenditure Statements.

Balance Sheet

31 March 2025 £'000		Note	31 March 2026 £'000
922,922	Long-Term Debtors	16	952,315
922,922	**Long-Term Assets**		**952,315**
521	Inventories		719
2,821	Short-Term Debtors	9	2,563
(3,342)	Intra-Group Transfer		(3,282)
0	**Current Assets**		**0**
(19,911)	Short-Term Creditors	10	(21,627)
19,911	Intra-Group Transfer		21,627
0	**Current Liabilities**		**0**
(426)	Long-Term Creditors	10	(590)
426	Intra-Group Transfer		590
(922,922)	Other Long-Term Liabilities	16	(952,315)
(922,922)	**Long-Term Liabilities**		**(952,315)**
0	**Net Assets/(Liabilities)**		**0**

Police Pension Fund

2024/25 £'000		2025/26 £'000
	Contributions Receivable	
(19,728)	Employer Contributions	(20,794)
(444)	Other Income (Employers Ill Health Contributions)	(427)
(7,763)	Officers' Contributions	(8,041)
(27,935)	**Contributions Receivable**	**(29,262)**
(476)	**Transfers in from Other Pension Funds**	**(455)**
	Benefits Payable	
38,575	Pensions	39,519
6,468	Commutations and Lump Sum Retirement Benefits	9,333
45,043	**Benefits Payable**	**48,852**
	Payments to and on account of leavers	
83	Refunds of Contributions	37
18	Scheme Pays Tax Payments	281
101	**Payments to and on account of leavers**	**318**
0	**Transfers out to other pension funds**	**511**
16,733	**Net amount payable for the year**	**19,964**
(16,733)	Intra-group transfer	(19,964)
(16,733)	**Total Intra-group transfer**	**(19,964)**
0	**Total**	**0**

2024/25 £'000	Net Assets Statement	2025/26 £'000
	Current Assets	
4,405	Debtor - Grant owed from the Home Office	6,245
491	Debtor - Transfer Values due	99
52	Debtor - McCloud Contributions and Interest owed under Remedy Scheme	86
4,948	**Current Assets**	**6,430**
	Current Liabilities	
(948)	Creditor - Payments due to Retiring Officers	(897)
0	Creditor – Transfer values payable	(505)
(112)	Creditor - Annual Allowances payable to HMRC	(44)
(3,888)	Creditor - Net Balance owed to the Police Fund	(4,984)
(4,948)	**Current Liabilities**	**(6,430)**
0	**Net Assets**	**0**

Notes to the Police Pension Fund Accounts

- The accounting policies followed, and assumptions made, regarding the Police Pension Fund Account are in line with those set out in Note 1 - Accounting Policies;
- The Police Pension Scheme is administered by Carmarthenshire County Council under a service level agreement;
- There are no investment assets in the fund. The payments in and out of the Pension Fund are balanced to nil each year by receipt of additional contributions from the General Police Fund, which in turn is reimbursed by a specific Home Office grant (top-up grant). This grant is received by the Commissioner and passed on to the Chief Constable by way of an intra-group transfer; and
- The Pension Fund's financial statements do not take account of future pension obligations after 31 March 2026. However, these are presented on the balance sheet under 'Other Long-Term Liabilities', with detailed disclosures in Note 16 - Defined Benefit Pension Schemes.

Notes to the Accounts

1. Accounting Policies

General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2025/26 financial year and the position at the year-end of 31 March 2026. The Chief Constable is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 as amended, which require them to be prepared in accordance with proper accounting practice. This practice primarily comprises the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Previous Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Previous period adjustments may arise due to changes in accounting policies, or to correct material errors. Changes in accounting estimates are accounted for prospectively (i.e., in the current and future years affected by the change) and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the previous period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made. In particular:

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories on the balance sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Chief Constable's arrangements for accountability and financial performance.

Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement (CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the financial performance of the Chief Constable.

Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Instruments

Financial Liabilities

These are initially measured at fair value and are carried at their amortised cost.

Financial Assets

The financial assets held by the Chief Constable during the year are financial assets that have fixed or determinable payments and not quoted in an active market.

Foreign currency translation

Where the Chief Constable has been involved in a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

Inventories

Inventories are included in the balance sheet at current cost price. International Accounting Standard (IAS) 2 states that Inventories should be measured at the lower of cost and net realisable value. The policy does not therefore comply with IAS 2, but the difference is not material.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but are disclosed in a note to the accounts.

Joint Arrangements - Accounting for the consolidation of joint arrangements

Where the Commissioner/Chief Constable have entered collaborative arrangements with other Commissioners and Chief Constables, an assessment has been made against IFRS 11 Joint Arrangements to determine the appropriate accounting treatment. IFRS 11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All of the Commissioner's/Chief Constable's such arrangements are classed as Joint Operations where the Commissioner/Chief Constable is entitled to their fair share of the Joint Operation's Assets and Liabilities.

Further details can be found in Note 11- Collaborative Arrangements.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense for services in the year in which the employees render service. An accrual is made for the cost of holiday entitlements (including time off in lieu and flexi leave) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday

benefits are charged to revenue in the financial year in which the holiday absence occurs. The Movement in Reserves Statement is included in the Group Statement of Accounts.

Termination Benefits

Termination benefits are amounts payable due to a decision by the Commissioner and the Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Police officers and police staff have the option of belonging to one of two separate pension schemes relevant to them:

- Police Pension Scheme, administered through a Police Pension Fund.
- Local Government Pension Scheme, administered by Carmarthenshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees having worked for the Group.

This Police Pension Scheme is 'unfunded' which means that no investment assets are built up to pay pensions and other benefits in the future, and therefore no provision to meet the liability for future payments of benefits is included in the balance sheet. The liabilities of the Local Government Pension Scheme that are attributable to the Group are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.

Discretionary Benefits

The Commissioner and the Chief Constable also have restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise due to an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs by the Group. VAT receivable is excluded from income.

2. Prior Period Adjustments

There are no prior period adjustments that affect the Chief Constable's Statement of Accounts for 2025/26.

3. Accounting Standards Issued but not yet Adopted

The Code requires the Chief Constable to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code.

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- *Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage Assets)* - issued in March 2024.
- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* - issued in May 2024.
- *Annual improvements to IFRS accounting standards – Volume 11* - issued in July 2024.
- *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)* - issued in December 2024.

It is anticipated that the above changes will have no impact on the current Financial Statements. When compiling the Financial Statements for 2026/27, the effect of the changes will be reassessed and if necessary, the comparative figures restated.

4. Critical Judgements in Applying Accounting Policies

As part of the Police Reform Programme, the Home Office announced in November 2025 that Police and Crime Commissioners will be abolished from May 2028. Wider reforms were subsequently set out in the White Paper, published in January 2026, including proposals for changes to police governance arrangements, future funding mechanisms, the establishment of a National Police Service and the potential restructuring of existing police force arrangements.

Management has exercised judgement in assessing the accounting implications of these proposals and whilst the planned abolition of Police and Crime Commissioners has been announced, significant uncertainty remains regarding the successor governance model, the transfer of statutory responsibilities, future funding arrangements and the ownership and accountability of assets, liabilities and reserves. In addition, no decisions have been made regarding the future structure of policing in Wales, including any changes to existing force boundaries or organisational arrangements.

Senior officers from the Office of the Police and Crime Commissioner and the Force are actively engaged in national and regional reform working groups, providing visibility of emerging proposals and contributing to discussions on future governance, funding and operating models. However, the final form and financial implications of the reforms remain subject to Government decisions and legislative change.

Based on the information available at the date of approval of the financial statements, there is insufficient certainty regarding the nature, timing and financial consequences of the reforms to determine their impact. Consequently, no adjustments have been made to the financial statements in respect of these proposals. The implications of the reform programme continue to be considered

at Strategic Boards, Medium-Term Financial Planning arrangements and as part of the assessment supporting the going concern basis of preparation.

5. Assumptions and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable about the future, or figures that are otherwise uncertain. Estimates are made by considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Chief Constable's balance sheet as at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes to retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase of 0.25% in pay award for the police officer pension scheme would result in an increase to the Police Pension Fund liability from £952m to £957m.

6. Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2026.

The Audited Statement of accounts was approved by the Chief Financial Officer in the Joint Audit Committee on 29 September 2026.

There have been no events after the reporting period that would affect the Chief Constable's financial position for 2025/26.

7. Financing and Investment Income and Expenditure

This line contains corporate items of income and expenditure arising from involvement in financial instruments and similar transactions involving interest.

2024/25 £'000		Note	2025/26 £'000
50,521	Pension interest cost and expected return on pension assets	16	52,983
50,521	**Total**		**52,983**

8. Financial Instruments including Nature and Extent of Risks Arising

The financial risks and rewards are borne by the Police and Crime Commissioner and the accounting, notes and supporting disclosures are held within the Group Accounts.

9. Debtors

Short-Term Debtors

31 March 2025 £'000		31 March 2026 £'000
2,821	Prepayments	2,561
0	Other receivables	2
2,821	**Total**	**2,563**

10. Creditors

Long-Term Creditors

31 March 2025 £'000		31 March 2026 £'000
(426)	Collaboration Fair Share adjustment	(379)
0	Other Long-Term Creditors - Taser Cartridges	(211)
(426)	**Total**	**(590)**

Short-Term Creditors

31 March 2025 £'000		31 March 2026 £'000
(3,157)	Trade payables	(4,421)
(14,465)	Other payables	(16,546)
(2,289)	Receipts in Advance	(660)
(19,911)	**Total**	**(21,627)**

11. Collaborative Arrangements

Police forces in Wales have a long, successful history of collaborating to develop specialist areas of policing. This included those under the remit of the former Police Authorities of Wales Joint Committee. Future collaboration will be driven by the need to satisfy the strategic policing requirement and by the outcomes of the Regional Strategic Assessment of threats, risks and harm to the southern region of Wales.

The Police and Crime Commissioner for each police force will be responsible for ensuring the Strategic Policing Requirement is met. As part of this, the Commissioner will look to work in collaboration with other Commissioners and Forces to provide the most effective service possible. Such agreements are regulated by Section 22A of the Police Act 1996, as amended by the Police Reform and Social Responsibility Act 2011.

The collaborative services and their funding continue under revised commissioner and force governance arrangements. These are in effect considered as 'pooled budgets' with agreements for funding contributions made and varied from time to time, supported by certain specific government grants. The pooled budgets are effectively hosted by the Police and Crime

Commissioner and Chief Constable for South Wales Police on behalf of the four police forces in Wales.

The total costs of the collaborative team in 2025/26 were £577k (2024/25 £506k) and Dyfed-Powys Police's contribution to these costs was £148k in 2025/26 (2024/25 £130k).

Income and Expenditure for the main activities of the collaborative units is presented below along with the funding contributions made by each participating force.

Included in accounting policies under collaborative arrangements is an explanation of the accounting requirements for joint operations. IFRS 11 - Accounting for Joint Arrangements, requires income and expenditure to be subject to a different accounting treatment than actually incurred. Accordingly, expenditure in the Comprehensive Income and Expenditure Statement has been increased by £3,196k (2024/25: £2,397k) and income/grants have been increased by £3,244k (2024/25: £2,343k); a net decrease in expenditure of £48k (2024/25: increase of £54k). This net decrease has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

Assets, debtors and creditors in respect of the arrangements have remained in the balance sheets of individual forces as the balances are not considered to be material.

Expenditure and Income Statements for 2025/26 for the main collaborative arrangements were as follows:

Service Classification	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total
	National Policing	National Policing	National Policing	Intelligence Investigation	Intelligence	Specialist Operations	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pay Expenditure	11,189	651	3,886	14,940	2,142	17,160	**49,968**
Non-Pay Expenditure	2,689	38	1,988	2,184	501	2,661	**10,061**
Gross Expenditure	**13,878**	**689**	**5,874**	**17,124**	**2,643**	**19,821**	**60,029**
Specific Grant Income	(13,824)	(689)	(5,867)	(9,887)	0	(1,697)	**(31,964)**
Income	(54)	0	(7)	(103)	(26)	(686)	**(876)**
Total Income and Grants	**(13,878)**	**(689)**	**(5,874)**	**(9,990)**	**(26)**	**(2,383)**	**(32,840)**
(Surplus) or Deficit - to be funded from Force contributions as follows	**0**	**0**	**0**	**7,134**	**2,617**	**17,438**	**27,189**
Dyfed-Powys	0	0	0	(1,451)	(532)	(5,231)	**(7,214)**
Gwent	0	0	0	(1,853)	(680)	(3,488)	**(6,021)**
South Wales	0	0	0	(3,830)	(1,405)	(8,719)	**(13,954)**
Total Force Contributions	**0**	**0**	**0**	**(7,134)**	**(2,617)**	**(17,438)**	**(27,189)**

Each Force's contribution towards Expenditure and Income for 2025/26 was as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch National Policing (Population – national benefit basis) £'000	Counter Terrorism Specialist Advisors National Policing (Population – national benefit basis) £'000	Counter Terrorism Port/Dedicated Security National Policing (Population – national benefit basis) £'000	Regional Organised Crime Unit Intelligence/ Investigation (Population – national benefit basis) £'000	Regional Task Force Intelligence (Agreed Financial Contribution – local delivery) £'000	Joint Firearms Unit Specialist Operations (Agreed Financial Contribution – local delivery) £'000	Total £'000
Dyfed-Powys	2,283	113	410	3,606	538	5,946	**12,896**
Gwent	2,620	130	470	4,139	686	3,964	**12,009**
North Wales*	3,036	151	3,929	0	0	0	**7,116**
South Wales	5,939	295	1,065	9,379	1,419	9,911	**28,008**
Gross Expenditure	**13,878**	**689**	**5,874**	**17,124**	**2,643**	**19,821**	**60,029**
Dyfed-Powys	(2,283)	(113)	(410)	(2,104)	(5)	(715)	**(5,630)**
Gwent	(2,620)	(130)	(470)	(2,414)	(7)	(477)	**(6,118)**
North Wales	(3,036)	(151)	(3,929)	0	0	0	**(7,116)**
South Wales	(5,939)	(295)	(1,065)	(5,472)	(14)	(1,191)	**(13,976)**
Total Income and Grants	**(13,878)**	**(689)**	**(5,874)**	**(9,990)**	**(26)**	**(2,383)**	**(32,840)**

** North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police Contribute to the Northwest Region of England and North Wales.*

Expenditure and Income Statements for 2024/25 for the main collaborative arrangements are as follows:

Service Classification	Counter Terrorism Intelligence Unit/Special Branch National Policing £'000	Counter Terrorism Specialist Advisors National Policing £'000	Counter Terrorism Port/Dedicated Security National Policing £'000	Regional Organised Crime Unit Intelligence Investigation £'000	Regional Task Force Intelligence £'000	Joint Firearms Unit Specialist Operations £'000	Total £'000
Pay Expenditure	9,656	651	3,774	13,950	1,793	15,897	45,721
Non-Pay Expenditure	1,934	75	1,086	2,254	584	2,594	8,527
Gross Expenditure	**11,590**	**726**	**4,860**	**16,204**	**2,377**	**18,491**	**54,248**
Specific Grant Income	(11,532)	(726)	(4,859)	(7,571)	0	(1,415)	(26,103)
Income	(58)	0	(1)	(67)	(72)	(738)	(936)
Total Income and Grants	**(11,590)**	**(726)**	**(4,860)**	**(7,638)**	**(72)**	**(2,153)**	**(27,039)**
(Surplus) or Deficit - to be funded from Force contributions as follows	**0**	**0**	**0**	**8,566**	**2,305**	**16,338**	**27,209**
Dyfed-Powys	0	0	0	(1,742)	(469)	(4,901)	**(7,112)**
Gwent	0	0	0	(2,225)	(599)	(3,268)	**(6,092)**
South Wales	0	0	0	(4,599)	(1,237)	(8,169)	**(14,005)**
Total Force Contributions	**0**	**0**	**0**	**(8,566)**	**(2,305)**	**(16,338)**	**(27,209)**

Each Force's contribution towards Expenditure and Income for 2024/25 is as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch National Policing (Population – national benefit basis) £'000	Counter Terrorism Specialist Advisors National Policing (Population – national benefit basis) £'000	Counter Terrorism Port/Dedicated Security National Policing (Population – national benefit basis) £'000	Regional Organised Crime Unit Intelligence/ Investigation (Population – national benefit basis) £'000	Regional Task Force Intelligence (Agreed Financial Contribution – local delivery) £'000	Joint Firearms Unit Specialist Operations (Agreed Financial Contribution – local delivery) £'000	Total £'000
Dyfed-Powys	1,914	120	417	3,425	484	5,547	**11,907**
Gwent	2,181	137	475	3,902	617	3,698	**11,010**
North Wales*	2,534	159	2,889	0	0	0	**5,582**
South Wales	4,961	310	1,079	8,877	1,276	9,246	**25,749**
Gross Expenditure	**11,590**	**726**	**4,860**	**16,204**	**2,377**	**18,491**	**54,248**
Dyfed-Powys	(1,914)	(120)	(417)	(1,614)	(15)	(646)	**(4,726)**
Gwent	(2,181)	(137)	(475)	(1,840)	(19)	(431)	**(5,083)**
North Wales	(2,534)	(159)	(2,889)	0	0	0	**(5,582)**
South Wales	(4,961)	(310)	(1,079)	(4,184)	(38)	(1,076)	**(11,648)**
Total Income and Grants	**(11,590)**	**(726)**	**(4,860)**	**(7,638)**	**(72)**	**(2,153)**	**(27,039)**

Counter Terrorism Intelligence Unit expenditure for 2024/25 excludes £197k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

Counter Terrorism Specialist Advisors expenditure for 2024/25 excludes £5k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

Counter Terrorism Port/Dedicated Security expenditure for 2024/25 excludes £89k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

** North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police contribute to the Northwest Region of England and North Wales.*

Tri-Force Firing Range – Capital Project

The Tri-Force Firing Range Project is a joint capital project between South Wales Police, Gwent Police and Dyfed-Powys Police to construct and operate a joint asset which will deliver a new operational training facility for the Joint Firearms Unit. The Asset is being constructed within the South Wales Police Force area but will be jointly funded, owned, and operated by the three forces.

Total Expenditure on the Assets Under Construction (AUC) at 31 March 2025 was £26,328k, with expenditure of £25,064k during the financial year 2025/26, giving an AUC expenditure of £51,392k at 31 March 2026. The breakdown of this expenditure and the funding for it from the 3 Partner forces is shown in the table below:

Assets Under Construction 2025/26	Dyfed-Powys Police 26.72%	South Wales Police 44.35%	Gwent Police 28.93%	Total
	£'000	£'000	£'000	£'000
Opening Balance 1 April	**7,035**	**11,676**	**7,617**	**26,328**
Expenditure during the year	6,697	11,116	7,251	**25,064**
Closing Balance 31 March	**13,732**	**22,792**	**14,868**	**51,392**

12. Officers' Remuneration

Senior employees - The remuneration paid to the Chief Constable's senior employees in 2025/26 was as follows:

	From	To	Full-time equivalent salary as at 31.03.26 or end date £	Actual salary, including allowances £	Benefits in kind - lease cars £	Benefits in kind - relocation & rent £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	01/04/2025	15/06/2025	**199,734**	40,211	0	0	0	**40,211**	14,194	**54,405**
Chief Constable	07/10/2025	31/03/2026	**188,658**	91,286	0	0	0	**91,286**	32,224	**123,510**
Chief Constable (Temp)	16/06/2025	06/10/2025	**188,658**	56,593	0	0	0	**56,593**	19,977	**76,570**
Deputy Chief Constable (Temp)	16/06/2025	31/03/2026	**155,643**	122,000	3,897	0	0	**125,897**	43,066	**168,963**
Deputy Chief Constable	01/04/2025	15/06/2025	**149,799**	30,356	1,773	0	0	**32,129**	10,716	**42,845**
Assistant Chief Constable (Temp) [2]	15/02/2026	31/03/2026	**125,190**	15,649	984	0	0	**16,633**	4,731	**21,364**
Assistant Chief Constable (Temp) [2]	16/06/2025	31/03/2026	**125,190**	98,129	4,757	0	0	**102,886**	34,640	**137,526**
Assistant Chief Constable (Temp)	01/04/2025	15/06/2025	**120,489**	25,102	2,005	0	0	**27,107**	8,861	**35,968**
Assistant Chief Constable (Temp) – All-Wales Collaboration [1]	01/04/2025	04/02/2026	**133,116**	104,505	0	0	0	**104,505**	36,890	**141,395**
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2025	31/03/2026	**112,572**	110,681	0	0	0	**110,681**	18,594	**129,275**
Director of People and Organisation Development	01/04/2025	31/03/2026	**99,015**	97,351	0	0	0	**97,351**	16,355	**113,706**
Total 2025/26				**791,863**	**13,416**	**0**	**0**	**805,279**	**240,248**	**1,045,527**

[1] The costs of this post were 25% funded by a Counter Terrorism Policing grant, and 75% shared between the four Welsh forces participating in Police Collaboration Wales. Dyfed-Powys Police's share of these costs for 2025/26 was £29,457.

[2] There was a crossover of employment of the Assistant Chief Constable position to ensure there was sufficient cover in place while one ACC was out of force, attending the Executive Leadership Programme.

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1)This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Senior employees - The remuneration paid to the Chief Constable's senior employees in 2024/25 was as follows:

	From	To	Full-time equivalent salary as at 31.03.25 or end date £	Actual salary, including allowances £	Benefits in kind - lease cars £	Benefits in kind - relocation & rent £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	01/04/2024	31/03/2025	**191,331**	186,379	0	0	0	**186,379**	65,792	**252,171**
Deputy Chief Constable [2]	21/07/2024	31/03/2025	**144,687**	99,996	6,950	0	0	**106,946**	35,298	**142,244**
Deputy Chief Constable (Temp) [2]	01/04/2024	31/08/2024	**138,127**	57,640	3,316	0	0	**60,956**	20,029	**80,985**
Assistant Chief Constable	01/04/2024	20/07/2024	**122,307**	37,152	3,037	0	0	**40,189**	13,115	**53,304**
Assistant Chief Constable (Temp)	21/07/2024	31/03/2025	**120,489**	83,272	7,059	0	0	**90,331**	29,395	**119,726**
Assistant Chief Constable – All-Wales Collaboration (Temp) [1]	06/01/2025	31/03/2025	**120,489**	28,521	0	0	0	**28,521**	10,061	**38,582**
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2024	31/03/2025	**108,033**	105,992	0	0	0	**105,992**	17,807	**123,799**
Director of People and Organisation Development	01/04/2024	31/03/2025	**93,024**	91,267	0	0	0	**91,267**	15,333	**106,600**
Total 2024/25				**690,219**	**20,362**	**0**	**0**	**710,581**	**206,830**	**917,411**

[1] The costs of this post were 25% funded by a Counter Terrorism Policing grant, and 75% shared between the four Welsh forces participating in Police Collaboration Wales. Dyfed-Powys Police's share of these costs for 2024/25 was £8,038.

[2] There was a crossover of employment for the Deputy Chief Constable post as a handover was given due to the nature of this role

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1)This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Other Employees (Excludes Senior Officers – itemised above)

The other Chief Constable employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) in bands of £5,000 were:

2024/25 Number of employees		2025/26 Number of employees
107	£60,000 - £64,999	116
71	£65,000 - £69,999	94
13	£70,000 - £74,999*	36
3	£75,000 - £79,999	12
8	£80,000 - £84,999	6
2	£85,000 - £89,999	2
5	£90,000 - £94,999	4
2	£95,000 - £99,999	6
4	£100,000 - £104,999	2
3	£105,000 - £109,999	4
0	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 - £124,999	1
0	£125,000 - £129,999	0

* Remuneration includes a compensation for loss of office payment in 2025/26

Salaries over £150,000

Three police officers had an annual salary over £150,000 in 2025/26. They were:

Dr Richard Lewis, Chief Constable – £199,734 (left on 15/06/2025)

Ifan Charles, Chief Constable – £188,658

Gary Phillips, Deputy Chief Constable (Temp) – £155,643

In 2024/25, there was only one police officer – Dr Richard Lewis, Chief Constable – £191,331.

Ratio of Chief Constable Remuneration

The Accounts and Audit Regulations (Wales) 2014, as amended, require disclosure of the following remuneration ratio information.

a) the remuneration of the body's Chief Constable during the year to which the accounts relate;

b) the median full-time equivalent remuneration of all the body's employees in post at 31 March 2026; and

c) the ratio of the amount in sub-paragraph (a) to the amount in sub-paragraph (b).

Remuneration includes basic salary, overtime, allowances and benefits in kind.

The annualised remuneration for the Chief Constable was £188,658 for 2025/26 (2024/25: £191,331). The Chief Constable received no benefit in kind during 2025/26 (2024/25: nil).

The median full-time equivalent remuneration of all the Chief Constable's employees as at 31 March 2026 was £42,303 (2024/25: £40,781).

The ratio of the Chief Constable's remuneration to the median Chief Constable employee's remuneration was 4:46:1 (2024/25: 4:69:1).

Members

The Scheme of Governance states that Members' expenses should be split equally between the Commissioner and Chief Constable. In 2025/26, allowances and expenses paid amounted to £13k in total (2024/25: £10k). As 50% of this amount is not material, the costs have not been accounted for in the Chief Constable's accounts but accounted for in full within the Group accounts.

13. External Audit Costs

The Commissioner and the Chief Constable jointly incurred costs in relation to the audit of the statement of accounts provided by Dyfed-Powys Police's external auditors. In addition to the amounts below, a further payment of £29k was made in respect of supplementary work carried out in connection with the 2024/25 Statement of Accounts.

2024/25 £'000	Area of Audit Work	2025/26 £'000
105	Fees payable to Audit Wales regarding external audit services carried out under the Code of Audit Practice prepared by the Audit General for Wales	110
105	**Total**	**110**

14. Related Parties

IAS24 requires the Chief Constable to disclose material transactions with related parties, i.e. bodies or individuals that have the potential to control or influence the Chief Constable, or to be controlled or influenced by the Chief Constable. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable may have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with him.

This disclosure note has been prepared based on specific declarations between 1 April 2025 and 31 March 2026, in respect of related party transactions.

No related party declarations were made by Chief Officers for 2024/25 or 2025/26.

A robust process is also in place to approve and register the business interests of both Police Staff and Police Officers.

15. Termination Benefits

Three exit packages (including payment in lieu of notice) were paid during 2025/26 (2024/25: 3).

The £0 - £20,000 and £20,001 - £40,000 bandings have been merged to avoid being able to identify individual exit packages in 2024/25 and 2025/26.

	2024/25			2025/26		
	Number of departures agreed (excluding compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (including payment in lieu of notice and compulsory redundancies)	Number of departures agreed (excluding compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (including payment in lieu of notice and compulsory redundancies)
Exit package cost band	FTE	FTE	£'000	FTE	FTE	£'000
£0 - £40,000	3.0	0.0	51	3.0	0.0	48
£40,001 - £60,000	0.0	0.0	0	0.0	0.0	0
£60,001 - £80,000	0.0	0.0	0	0.0	0.0	0
£80,001 - £100,000	0.0	0.0	0	0.0	0.0	0
£100,001 - £150,000	0.0	0.0	0	0.0	0.0	0
	3.0	**0.0**	**51**	**3.0**	**0.0**	**48**

16. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Chief Constable makes contributions towards the cost of post-employment benefits. Although these benefits are not payable until employees retire, the Chief Constable has an obligation to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Chief Constable participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Carmarthenshire County Council – this is a funded defined benefit CARE (Career Average Revalued Earnings) scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. It should be noted that all staff are employed by the PCC, however for the majority of staff direction and control lies with the Chief Constable. Costs have been apportioned to reflect this.
- The Police Pension Scheme – this is an unfunded defined benefit CARE (Career Average Revalued Earnings) scheme, consequently the fund has no investment assets. Benefits payable, are funded by contributions from employers and employees with any difference between benefits payable and contributions receivable being met by a top up grant from the Home Office via the Commissioner.

Valuation of Scheme Liabilities

As a key part of the annual Statement of Accounts compilation exercise, actuaries are engaged to undertake an assessment of pension liabilities, assets and costs for inclusion in the Balance sheet and Comprehensive Income and Expenditure Statement under IFRS. Traditionally these have been undertaken on a full valuation basis every three years with a roll-forward approach being applied in the interim years.

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

These costs are reversed out of the Chief Constable's accounts into the Commissioner's accounts as the Chief Constable is not responsible for holding any reserves. This is shown as an intra-group transfer and can be seen on the following table:

	Local Government Pension Scheme		Police Pension Scheme	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Comprehensive Income and Expenditure Statement				
Cost of services				
Current service cost	(5,103)	(3,807)	(15,665)	(11,214)
Past service cost (including McCloud)	0	0	0	0
Other	(135)	(182)	0	0
Financing and Investment Income and Expenditure				
Net interest cost	136	157	(50,657)	(53,140)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	**(5,102)**	**(3,832)**	**(66,322)**	**(64,354)**
Other Post-Employment Benefit charged to the Comprehensive Income and Expenditure Statement				
Re-measurement of the net defined benefit liability comprising				
Return on plan assets (excluding the amount included in the net interest expense)	(5,162)	5,345	0	0
Experience (gain)/loss	(138)	(1,121)	40	(5,670)
Re-measurement gains and losses arising on changes in demographic assumptions	373	1,808	1,724	(3,448)
Re-measurement gains and losses arising on changes in financial assumptions	31,046	2,615	156,114	(57)
IFRIC 14 surplus adjustment	(26,880)	(10,775)	0	0
Total Post-Employment Benefit charged to the Comprehensive Income and Expenditure Statement	**(5,863)**	**(5,960)**	**91,556**	**(73,529)**
Commissioning Costs (intra–group transfer)	**5,863**	**5,960**	**(91,556)**	**73,529**
Net cost	**0**	**0**	**0**	**0**
Movement in Reserves Statement				
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	0	0	0	0
Actual amount charged against the General Fund Balance for pensions in the year				
Employers' contributions payable to scheme	0	0	0	0

An intra-group transfer has been included in the Chief Constable's accounts, as the Chief Constable is not responsible for managing reserves.

IFRIC Surplus Adjustment

The IAS19 balance sheet was showing a surplus for the Local Government Pension Scheme of £73.454m at 31 March 2026 (2024/25: £58.848m).

'IFRIC14 - IAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction' addresses the extent to which an IAS19 surplus can be recognised on the balance sheet and states that when an entity has a surplus, it shall measure the net defined benefit asset as the lower of:

a) The surplus in the defined benefit plan; and

b) the asset ceiling, determined using the discount rate (IAS19).

The asset ceiling is 'the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan'.

Calculations were performed and it was determined that an asset ceiling adjustment was required. This is to stop the Local Government Pension Scheme (LGPS) showing an asset which belongs to the scheme members rather than the scheme itself. An unfunded liability of £318k remains (2024/25: £310k).

£71.765m of the LGPS surplus was in respect of employment costs incurred by the Chief Constable (2024/25: £57.567m) and £1.689m was in relation to employment costs incurred by the Police and Crime Commissioner (2024/25: £1.281m).

Pension assets and liabilities recognised in the balance sheet

Most of the employment costs are incurred by the Chief Constable, therefore assets and liabilities relating to post-employment benefits remain within the Chief Constable accounts.

The net liability arising from the defined benefit obligation:

2025/26	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(165,055)	(952,066)	(1,117,121)
Fair value of plan assets	238,509	0	238,509
IFRIC 14 surplus adjustment	(73,772)	0	(73,772)
Net liability arising from defined benefit obligation (Group)	**(318)**	**(952,066)**	**(952,384)**
Amount attributable to Police and Crime Commissioner	69	0	69
Net liability arising from defined benefit obligation (Chief Constable)	**(249)**	**(952,066)**	**(952,315)**

2024/25	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(158,180)	(922,630)	(1,080,810)
Fair value of plan assets	217,028	0	217,028
IFRIC 14 surplus adjustment	(59,158)	0	(59,158)
Net liability arising from defined benefit obligation (Group)	**(310)**	**(922,630)**	**(922,940)**
Amount attributable to Police and Crime Commissioner	18	0	18
Net liability arising from defined benefit obligation (Chief Constable)	**(292)**	**(922,630)**	**(922,922)**

Reconciliation of the movements in the Fair value of Scheme (Plan) Assets:

	Local Government Pension Scheme		Police Pension Scheme	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Opening fair value of scheme assets	**208,653**	**217,028**	**0**	**0**
Interest income	10,309	12,900	0	0
Re-measurement gain/(loss) - the return on plan assets, excluding the amount included in the net interest expense	(5,286)	5,518	0	0
Contributions from employer into the scheme	5,690	6,138	38,987	44,093
Contributions from employees into the scheme	2,208	2,397	7,360	7,816
Benefits paid	(4,411)	(5,290)	(46,347)	(51,909)
Other (if applicable)	(135)	(182)	0	0
Closing fair value of scheme assets	**217,028**	**238,509**	**0**	**0**

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Opening Balance as at 1 April	**(178,496)**	**(158,180)**	**(1,053,173)**	**(922,630)**
Current service cost	(5,225)	(3,930)	(15,665)	(11,214)
Interest cost	(8,692)	(9,248)	(50,657)	(53,140)
Contributions from scheme participants	(2,208)	(2,397)	(7,360)	(7,816)
Remeasurement gains / (losses)				
Remeasurement gains/losses arising from changes in demographic assumptions	382	1,867	1,724	(3,448)
Remeasurement gains/losses arising from changes in financial assumptions	31,789	2,700	156,114	(57)
Remeasurement gains/losses arising from experience	(141)	(1,157)	40	(5,670)
Benefits Paid	4,411	5,290	46,347	51,909
Closing balance as at 31 March	**(158,180)**	**(165,055)**	**(922,630)**	**(952,066)**

Local Government Pension Scheme Assets

Fair value of scheme assets (LGPS)	2024/25 £'000	2025/26 £'000
Cash and cash equivalents	1,953	1,475
Equity instruments	157,259	164,998
Bonds	19,923	22,699
Property	22,658	30,977
Alternatives	15,235	18,360
Total Assets	**217,028**	**238,509**

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependent on assumptions including mortality rates and salary levels.

Both the LGPS and Police Pension Scheme liabilities have been estimated by Mercer Limited, an independent firm of actuaries.

The significant assumptions used by the actuary have been:

Mortality and Other Assumptions	Local Government Pension Scheme		Police Pension Scheme	
	2024/25	2025/26	2024/25	2025/26
Longevity at age 65 (age 60 for police scheme) for current pensioners				
Men	21.5	21.2	25.6	25.7
Women	23.9	23.6	28.2	28.1
Longevity at age 65 (age 60 for police scheme) for future pensioners				
Men	22.9	22.4	27.5	27.7
Women	25.7	25.3	29.9	29.9
Other assumptions				
Rate of inflation	2.6%	2.9%	2.6%	2.8%
Rate of increase in salaries	4.1%	4.4%	4.0%	4.3%
Rate of increase in pensions	2.7%	3.0%	2.7%	2.9%
Rate for discounting scheme liabilities	5.9%	6.3%	5.9%	6.1%

The assumptions for the Police Pension Scheme have been prepared on a weighted average basis of the combined group of plans in use. The estimation of the defined benefit obligation is sensitive to actuarial assumptions set out in the table above.

The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. The sensitivity analyses assume for each change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the

assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme, i.e., on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analyses below did not change from those used in the previous period.

Local Government Pension Scheme 2025/26	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Longevity (increase by 1 year)	3,174	0
Rate of inflation (increase by 0.25%)	6,679	0
Rate of increase in salaries (increase by 0.25%)	1,298	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	12,588

Police Pension Scheme 2025/26	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Longevity (increase by 1 year)	19,508	0
Rate of inflation (increase by 0.25%)	34,720	0
Rate of increase in salaries (increase by 0.25%)	4,594	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	65,500

Local Government Police Scheme - Impact on cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next three years. The latest Actuarial Valuation was completed on 31 March 2026, and details of the current and future employer's rates are shown below:

Year	Employer rate
2027/28	12.0%
2026/27	12.0%
2025/26	16.8%

Legal Cases

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation: Aarons, and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims

will be settled under the current compensation mechanism that is provided for under the Public Service Pensions & Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Due to the differing benefits structures, the Actuary expects most eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018/19 pension disclosures as a past service cost for four years remedy service from 2015 to 2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

As part of the 2022 accounting exercise, the Actuary assumed that eligible members would opt for legacy scheme benefits, and IAS19 liabilities made approximate allowance for this based on the membership data provided. This means all McCloud liabilities are held within the legacy scheme where benefits are expected to be paid from.

After receipt of the Remedial Service Statement or upon retirement, eligible members have been able to elect which scheme they wish to receive benefits from.

From 31 March 2022 onwards all members have accrued Career Average benefits in the 2015 Scheme, although those active members who have 1987/2006 Scheme service prior to 31 March 2022 still retain a final salary link on such benefits.

Given that the administration team has now implemented the McCloud remedy (for the majority of members), for 2025/26 the Actuary hasn't had to apply the same level of approximation as for the 2022 exercise given the membership data provided reflects the remedy (e.g., final salary benefits for those members eligible up to 2022 where relevant).

Impact on Pension Liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period has led to an increase in the Police Pension Scheme liabilities. For the Police and Crime Commissioner, this affects the vast majority of pre-2012 joiners. Scheme actuaries originally estimated the increase in scheme liabilities to be 5.4% or £85.5m of the total Police Pension Scheme liabilities of £1.589 billion. This was recognised in the 2018/19 and 2019/20 accounts.

The accounting figures prepared subsequently over the period to 2025 have included an allowance for the McCloud remedy that is substantially in line with the eligibility criteria and assumed that protected members currently accrue benefits in their legacy schemes. The 2026 accounting figures have been based on membership data provided by the administration team that reflects the remedy as mentioned above. The extent to which the previous estimated impact of McCloud differs to the actual impact will now therefore emerge in the remeasurements (experience) emerging in the figures prepared by the Actuary.

The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgements on contribution rates for employers and employees was measured as part of the last Police Pension valuation. Employer contribution rates were 35.3% in 2025/26 (2024/25: 35.3%).

The outcomes of the 2024 Police Pension valuation are currently awaited.

The impact of an increase in annual pension payments arising from the McCloud/Sargeant judgements is determined through the Police Pension Fund Regulations 2007. These require a police body to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year, the amount required to meet the deficit is then paid by the Secretary of State to the Commissioner in the form of a central government top-up grant.

17. Contingent Liabilities

Undercover Policing Inquiry

The purpose of this inquiry is to investigate and report on undercover police operations conducted by English and Welsh police forces in England and Wales since 1968. The inquiry is examining the contribution undercover policing has made to tackling crime, how it was and is supervised and regulated, and its effect on individuals involved – both police officers and others who are/were in contact with them.

A liability has been established and along with eleven other forces, external solicitors are engaged to represent serving officers. There is an agreement for Dyfed-Powys Police to meet a 5% share of generic preparation costs incurred by the legal firm and all costs incurred to date have been reflected in revenue accounts.

At this stage, the inquiry is not far enough progressed to reliably estimate future costs therefore no provision has been made in the 2025/26 Accounting Statements.

Legal Claims

The Commissioner has a large amount of potential legal claims outstanding at the balance sheet date. These relate to matters arising in the normal course of business.

Based on the information currently available, including legal advice where appropriate, the Commissioner considers that no present obligation exists that would require the recognition of a provision under the Code of Practice on Local Authority Accounting.

As there remains a possibility that future costs may arise, these matters are disclosed as contingent liabilities. The estimated potential financial exposure associated with these claims is approximately £1,361k. The timing and ultimate outcome of these matters remains uncertain.

Employment Tribunals

A small number of employees are claiming against the Chief Constable in Employment Tribunals which will be heard in the next financial year. Based on the outcome of the cases the Chief Constable could have to pay all, some or none of the claims and at this stage no reliable estimate can be made.

Glossary of Terms

Term	Definition
2025/26	This refers to the period covered by these accounts - 1 April 2025 to 31 March 2026.
2024/25	This refers to the period covered for comparative purposes by these accounts – 1 April 2024 to 31 March 2025.
Accounting policies	A set of rules and codes of practice used when preparing the accounts.
Accruals	The accounting treatment, where income and expenditure is recorded when it is earned or incurred not when the money is received or paid.
CIPFA	The Chartered Institute of Public Finance and Accountancy, one of the professional accountancy bodies in the UK. CIPFA specialises in the public services and has responsibility for setting accounting standards for these services.
Commissioning	The entire cycle of assessing the needs of people in a local area, designing services, and then securing them.

Contingent liabilities	These exist where:
	• a possible obligation arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or
	• a present obligation arises from past events but is not recognised because:
	  ○ it is not probable that a transfer of economic benefits will be required to settle the obligation; or
	  ○ the amount of the obligation cannot be measured with sufficient reliability.

Corporation sole	A legal entity consisting of a single ('sole') incorporated office, occupied by a single ('sole') man or woman. The Commissioner and Chief Constable are both corporations sole under the PRSRA.
Creditors	Individuals or organisations to whom the Chief Constable owes money at the end of the financial year split into short-term (within 12 months) and long-term.
Current assets	Items that can be readily converted into cash. By convention, the items are ordered by reference to the ease that such conversion into cash can be carried out.

Term	Definition
Current liabilities	Items that are due immediately or in the short-term.
Current service cost (Pensions)	An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.
Curtailment	Changes in liabilities relating respectively to actions that relieve the employer of primary responsibility for a pension obligation (e.g. a group of employees being transferred to another scheme) or events that reduce the expected years of future service of employees or reduce the accrual of defined benefits over their future service for some employees (e.g. closing a business unit).
Debtors	Individuals or organisations that owe the Chief Constable money at the end of the financial year, split into short-term (within 12 months) and long-term.
Defined benefit scheme	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.
Fair value	The price that would be received to sell an asset, or price paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A derivative financial instrument is a financial contract that derives its value from changes in underlying assets or indices.
IFRS	International Financial Reporting Standard.
IFRIC	International Financial Reporting Interpretations Committee.
Group accounts	The financial statements of the Group i.e. the two corporations sole, presented as a single economic entity.
Inventories	Amounts of unused or unconsumed stocks held in expectation of future use at the balance sheet date.
Materiality	An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

Term	Definition
Net Interest Cost (Pensions)	For a defined benefit scheme, this occurs during the period when the net defined benefit liability (asset) arises from the passage of time.
Past service cost	For a defined benefit scheme, these arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years.
PCC	Abbreviation of Police and Crime Commissioner. The PCC is a separate corporation sole which was established on the 22 November 2012 under the Police and Social Responsibility Act 2011. Also referred to as the Office of the Police and Crime Commissioner (OPCC).
Police Reform and Social Responsibility Act (PRSRA)	An Act of the Parliament of the United Kingdom which transferred the control of police forces from police authorities to elected Police and Crime Commissioners.
Retail Price Index (RPI)	Official measure of the general level of inflation as reflected in the retail price of a basket of goods and services, including mortgage costs, council tax and other household costs.
Revenue Budget	The estimate of annual income and expenditure requirements, which sets out the financial implications of policies and the basis of the annual precept to be levied on collection funds.
Senior Employee	An employee whose salary is more than £150,000 per year, or one whose salary is at least £60,000 per year (calculated pro rata for a part-time employee) and who is the designated head of paid service and a statutory chief officer. Typically, the Commissioner's Chief Executive and statutory Chief Officers.
The CIPFA Code of Practice (The Code)	Incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Group. The Code has statutory status via the provision of the Local Government Act 2003.