

Statement of Accounts 2019-20

The Chief Constable of Nottinghamshire

(Final V8.5 - 25th February 2022)

NOTTINGHAMSHIRE POLICE
PROUD TO SERVE

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CHIEF FINANCE OFFICER'S NARRATIVE REPORT

NOTTINGHAMSHIRE

Nottinghamshire is a diverse County. It has a mixture of affluent communities and those developing from being former mining areas. The County's major urban area of the City and surrounding conurbation is mainly in the south with the majority of the north and east of the County being rural.

There is a population of approximately 1.1 million within the City and County.

The majority of properties across the City and County fall within Council Tax bands A and B.

Nottinghamshire is one of five regional forces in the East Midlands and works closely with the others to provide a seamless and efficient service.

The Police and Crime Commissioner determines the level of funding allocated to the Chief Constable for the provision of police services within Nottinghamshire.

The amount of funding available for distribution by the Commissioner is reliant on both Central Government funding and the amount received from local Council Tax payers.

The amount received from Central Government is reducing in real terms year on year, which creates the need for the Commissioner to raise Council Tax by the maximum amount available to ensure real term spending power is not reduced.

However, during the year the Government announced investment in policing to recruit 20,000 additional police officers over the next three financial years. Nottinghamshire's element of this increase will be 357 additional police officers. It is expected that the additional funding of this element only will be met by the Government in full.

Brexit and Covid-19 will continue to create uncertainty and therefore this may impact on police funding in the future. The results of which are not currently quantified.

GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area; with operational policing being the responsibility of the Chief Constable.

This responsibility is discharged in accordance with statutory requirements, the Oath of Police Officers, the Police Discipline Code, Police Regulations and the Scheme of Delegation.

There is joint responsibility with the Commissioner for ensuring that public money is safeguarded. To discharge this accountability the Commissioner and senior officers must put in place proper procedures for the governance and stewardship of the resources at their disposal.

THE CHIEF CONSTABLE'S BUSINESS MODEL

Our Priorities

- Engage our Communities
- Create a Service that Works for Local People
- Become an Employer of Choice

Our Mission Statement

'Working with partners and the communities we serve to make Nottinghamshire a safe, secure place to live, work and visit'

PERFORMANCE

The Force has a dedicated workforce of around 3,800 officers and staff, who are supported by a growing army of hundreds of special constables, cadets and volunteers.

Local policing is complemented by a range of support units and departments that operate across the Force. These include the control room, where staff answer 999 and non-emergency telephone calls, our roads policing section, criminal justice, crime investigation, force intelligence, our dogs section, the forensics officers who work in our scientific support unit and the team that plans for major events and emergencies.

The graphic on page 9 demonstrates the level of demand on policing in 2019-20 and examines future demand expectations moving forward in 2021 and beyond.

Achievements 2019-20

Over the last year we have made significant changes to improve the accuracy and sophistication of our service demand forecasting. To assist this we have entered a contract with demand specialist Crest Advisory, they are recognised national experts in policing demand.

A change of Prime Minister in July 2019 signalled a significant change in direction with the announcement in November 2019 that by 2023-24 there will be 20,000 additional police officers across the country, of which 357 posts would be in Nottinghamshire. This total was broken down with an annual target recruitment of 107 officers in Nottinghamshire by March 2021, a further 143 by March 2022 and another 107 by March 2023. This news was welcomed by both the PCC and Chief Constable and plans were immediately put in place to achieve this uplift as soon as was practical. The first element of uplift was achieved by 31 March 2020, a full year ahead of schedule, placing Nottinghamshire at the forefront of helping achieve the government's target.

Investment has been made to move the MFSS IT infrastructure to a cloud based solution (Oracle Cloud Apps). However this investment was greater than planned, took longer to achieve and did not develop the stable platform for service delivery to on-board additional partners so as to deliver efficiency savings. The Force and OPCC are now looking at alternative delivery models, and it is expected that with appropriate investment significant operational savings could be made.

We launched a new wellbeing strategy in late 2019 as our roadmap to improving employee wellbeing. We are reviewing and refreshing our family friendly policies and procedures to help support our workforce to create a flexible workforce in line with our wellbeing plan. This includes mindfulness sessions and support to national days of action aimed at aiding mental health.

PERFORMANCE (continued)

A dedicated force wellbeing lead within operational policing has been recruited to to help support colleagues who are long term sick to return to the organisation. This roll since its inception in September 2019 has already assisted in getting 15 staff members back to work.

Marked improvements in proactive safeguarding activity and understanding of risk have led to increases in demand on safeguarding bodies and multi-agency case conferencing arrangements. There are indications, however, that greater proactivity in these areas is resulting in earlier intervention and therefore preventing future harm.

In January 2020, we launched a new command and control system called SAFE. The new system is seen to be a more effective call-handling platform and has the advantage of logging every call as a contact record which means previous contact is easier to review.

The work to deliver the SAFE command and control platform was effectively managed and delivered to contracted timelines. This required the delivery of an extensive training programme for hundreds of staff.

This has greatly assisted the transition between systems and although we have seen some slight deterioration in call handling availability whilst the team gets used to the system this already started to return towards normal levels.

We have also invested in personal issue laptops for all response officers and a replacement to the Blackberry devices which will enable officers to access all key systems without the need to return to the police station. We are implementing the agile devices and embedding this within the workforce by growing the agile infrastructure to support the work anywhere ethos. We have also invested in Net Motion software with substantial benefit to efficiency, visibility and productivity and the benefits of which have already assisted in our Covid-19 response.

All of our response officers now have access to Body Worn Video (BWV). This enhances the available evidence particularly at domestic abuse incidents where there is no complaint and an evidence-led prosecution can still be commenced and assists in displaying transparency regarding how officers deal with incidents. They help to resolve complaints more efficiently and BWV recordings have been shown at our stop and search scrutiny panel meetings thereby increasing the accountability of our officers and improving the trust and confidence of the community.

The Video Relay Service (VRS) is a new access avenue accessed via our website that we offer to our deaf community, who use British Sign Language (BSL), to communicate. VRS can be used to report incidents, offer intelligence or simply ask a question. We are advised by our local Deaf Society that this has prompted a greater trust in the police by the local deaf community, as they are now able to contact us easily.

PERFORMANCE (continued)

In January 2020, we launched a joint drone team with Nottinghamshire Fire and Rescue. The team is located at Hucknall police station and provide 24/7 support across the whole of Nottinghamshire. We have 15 qualified police pilots including five officers within our local policing teams that help deliver a service for planned deployments including community engagements and enforcement operations with partners. All the officers within the team perform the function of a drone pilot as an addition to their core role within the organisation.

Since its launch the drone team has been extremely successful assisting planned operations and supporting colleagues on the ground to search for, locate and arrest individuals for offences ranging from firearms and drugs to burglary and theft of motor vehicles. The team now play a central role in our fight against rural crime and have also supported a significant number of missing person searches actively locating five high risk vulnerable people.

Changes to our armoury facility have also helped us improve performance, this included new systems and structural changes. This means one shift no longer has to wait for the other to finish their loading / downloading and both can take place simultaneously. Not only is this more streamlined and efficient but it also maximises the time our officers are on patrol contributing to our much improved response times.

Significant progress has been made in improving our capacity and capability in our Mobile Armed Support to Surveillance (MASTS) and Specialist Firearms Officer's (SFOs). As a result we have trained 21 MAST officers during 2019 and further work is ongoing to optimise their configuration in order to meet deployment requirements with minimal disruption to business continuity.

During 2019, we have delivered a £0.580m investment in our ANPR upgrade project. This has allowed the replacement of several assets as well as the upgrade of multiple cameras to bi-directional technology allowing good lane coverage. After a consultation process with frontline officers, Special Branch and our local Serious and Organised Crime team we have placed cameras in a number of new strategic locations across Nottinghamshire.

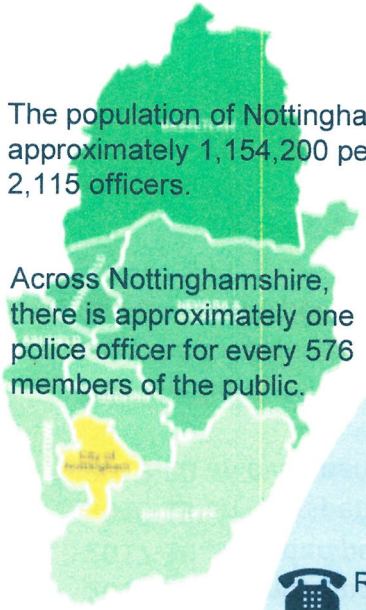
Overall, there was a decrease in the total number of collisions and casualties on Nottinghamshire's roads in 2019.

We continue to deliver efficiencies in the management of our land and buildings. We recently co-located with Bassetlaw District Council at Worksop, we have established a partnership hub with Ashfield District Council at the Council's offices and are sharing of training facilities with Nottinghamshire Fire and Rescue Service. These initiatives have enabled the release of leasehold and sale freehold properties, delivering savings and capital receipts for investment.

New full condition surveys of all buildings within the estate have been undertaken and these are informing a new comprehensive planned maintenance programme. Strategic capital projects are being developed to meet strategic need, ensure future demand is met and to ensure that the quality of the estate is improved.

STATEMENTS ABOUT DEMAND ON POLICING 2020

NOTTINGHAMSHIRE POLICE
PROUD TO SERVE



The population of Nottinghamshire is approximately 1,154,200 people policed by 2,115 officers.

Across Nottinghamshire, there is approximately one police officer for every 576 members of the public.

Non-crime demand

On a typical day in Nottinghamshire:

2019 demand

There is approximately 1 police officer on duty for every 1,877 people living in the Force area

Receive 1,618 calls per day of which
- 523 are 999 calls
- 1,095 are 101 calls

Create 942 incidents per day which includes
- 88 ASB
- 8 missing persons
- 50 MH related

Ongoing Safeguarding Demand

Submitting approx. 80 PPNs per day, including 20 for Child Concerns and 13 for Adults at Risk

Supporting approximately 1,400 domestic abuse victims being seen at **Multi-Agency Risk Assessment Centres**

Attend 497 incidents graded I,U&T per day which includes
- 24 RTC's
- 65 Domestic Incidents
- 31 MH related

Supporting 769 children and young people subject to a **Child Protection Plan,** with 486 new children and young people supported in 2019

Future demand - 2021

Current recruitment plans would result in approximately 1 police officer on duty for every 1,746 people living in the Force area[1]

Receive 1,604 calls per day of which
- 526 are 999 calls
- 1,078 are 101 calls

Create 933 incidents per day which includes
- 83 ASB
- 5 missing persons
- 50 MH related

Ongoing Safeguarding Demand

Carrying out 15 Stop & Searches per day, with a 42% positive outcome rate

Attend 506 incidents graded I,U&T per day which includes
- 24 RTC's
- 67 Domestic Incidents
- 31 MH related

Supporting approx. 6,500 Priority/Troubled Families in partnership with other local bodies, 65% of which have Crime and/or DV issues

Managing approximately 1,750 sexual and violent offenders under **Multi-Agency Public Protection Arrangements** in partnership with other local bodies

Crime demand

2019	Future demand - 2021
298 crimes recorded	301 crimes recorded
21 Burglaries	21 Burglaries
96 Violent Crimes	101 Violent Crimes
9 Serious sexual offences	10 Serious sexual offences
8 Cases of Fraud	11 Cases of Fraud
52 Arrests	52 Arrests
43 Positive Outcomes	
5 Community Resolutions	
32 Charges	

FINANCIAL PERFORMANCE

The outturn for the Force is £204.6m which is an overspend of £0.3m against the original budget.

The budget was set to provide for a £2.0m contribution taken to reserves but in addition to this £1.1m from staff savings have been used to fund capital expenditure.

Improvements to monitoring processes continue to develop and the outturn is reviewed monthly. Any changes are reported to the chief officer team with requests for the approval of virements. The rolling five year planning model is updated if future years are impacted. The actual outturn was in line with monthly monitoring during the year.

Performance over previous years has been:
2015-16 an overspend of £7.7m
2016-17 an underspend of £1.0m
2017-18 an underspend of £2.5m
2018-19 an overspend of £0.8m
2019-20 an overspend of £0.3m

The medium term financial plan assumptions have been adjusted accordingly to reflect past and this year's performance.

2019-20 Expenditure v Budget Analysis

Nottinghamshire Police Group Outturn Position 2019-20.

Net Expenditure Budget	Budget £m	Efficiencies Allocation £m	Working Budget £m	Outturn £m	Variance £m
Employee	170.6	(2.0)	168.5	167.6	(0.9)
Premises	5.8	-	5.8	7.3	1.5
Transport	5.7	-	5.7	6.0	0.4
Communications & Computing	9.0	(0.3)	8.7	8.9	0.2
Supplies & Services	10.6	(0.5)	10.1	9.6	(0.5)
Partnership & Collaborations	11.5	-	11.5	12.4	0.9
Capital Financing	4.6	(0.3)	4.3	6.0	1.7
Income	(15.1)	(0.2)	(15.3)	(18.3)	(3.0)
OPCC	5.0	-	5.0	5.0	-
Total Net Expenditure	**207.7**	**(3.3)**	**204.3**	**204.6**	**0.3**

Notes:
Over spends are shown as + numbers, whilst under spends are shown as ( ) numbers.
No adjustments have been made for rounding.

FINANCIAL PERFORMANCE (continued)

Employee Costs

Police officer pay

This was £106,927k for the year which was an under-spend of £980k against the budget.

This under-spend reflects a difference in the percentage of officer pension contributions between budget and the average recorded. The budget was set at 31.0%, however the average for the Force reduced to 29.3%, there is a significant reduction in the number of officers enrolling in the pension scheme that was not anticipated. This saving was partly off-set by the increase in police officer numbers allowing the uplift in officers to start earlier than advised by government. The actual movement in officer FTEs for 2019-20 was an increase of 138.16 FTE from a start point of 1,940.34 FTE through to an end point of 2,078.50 FTE.

Police staff pay

This was £47,604k for the year which was an under-spend of £1,269k against the budget.

This reflects a higher than anticipated vacancy rate, partly due to local restructures and recruitment held pending the results of those reviews. It also reflects the reduction in staff to join the officer ranks. The actual movement in staff FTEs for 2019-20 was an increase 29.75 FTE from a start point of 1,336.10 FTE through to an end point of 1,365.85 FTE.

Overtime

This was £6,582k for the year which was an over-spend of £1,763k against the budget.

The main drivers for the over-spend were:

- Operation Scorpion, Knife Crime surge operations £580k, off-set with grant income.
- £500k efficiency saving not achieved due to the overtime pre-approval threshold not being removed from the system.
- General increase in officer numbers through Op Uplift and bringing in future officer numbers ahead of the plan. This has been partially offset by grant income that we will receive in relation to 2019-20.

Other employee costs

This was £2,267k for the year which was an over-spend of £111k against the budget. This was due to increased pension strain costs in relation to departmental restructures.

Medical retirements

This was £4,221k for the year which was an under-spend of £708k against the budget.

The budget was set on an expectation that 18 officers would leave the Force based on a medical/ill health retirement. The Force has approved 12 such requests during the year.

Premises

This was £7,307k for the year which was an over-spend of £1,540k against the budget.

The over-spend reflects costs relating to buildings that had a delay or sale yet to complete, therefore certain utility and rates costs continued beyond what was expected £210k.

An increase in general premises costs reflecting higher service charges and increases in demand/usage £483k as well as £154k incurred from utility charges dating back to 2018-19 where charges are notoriously late in arriving which in turn causes inaccurate predictions when budget setting. In addition an increase in the provision for dilapidation costs, mainly as a result of a charge of £235k attributed to Watnall Road.

FINANCIAL PERFORMANCE (continued)

£277k additional costs incurred in relation to the Speed Camera team; regional buildings and small projects is off-set with income.

Transport

This was £6,047k for the year which was an over-spend of £395k against the budget.

This was due to an increase in vehicle repairs for our newer higher spec vehicles costing more to repair for parts and labour. A number of vehicles were also purchased for the Knife Crime Team and Operation Uplift.

Communications & Computing

Costs were £8,871k for the year which was an over-spend of £189k against the budget.

The majority of the over-spend was due to an increase in data charges and renewal of the data bundle contract.

Supplies & Services

Costs were £9,630k for the year which was an under-spend of £323k against the budget. This under-spend is a reflection of lower than budgeted costs for consultation relating to the new Command & Control system, along with an unexpected hold on the National Enabling Project to the Force, this amount has created an increase in the IS reserve to ensure the project can be completed at a later date.

Partnership & Collaboration

This was £12,446k for the year which was an over-spend of £888k against the budget.

The majority of the over-spend reflects the costs of an additional Chief Superintendent on secondment from West Yorkshire Police for the year £128k; an increase in contributions to the region £243k for officer in kind contributions; and increase in a number of national contributions of £130k.

An amount of £216k has also been accrued in respect of the EMOpSS disaggregation, this has been off-set in income with the assumption that region will forward payment for the ARV Uplift Grant for previous years.

Capital Financing

This was £5,970k for the year, which was an over-spend of £1,635k against the budget.

The opportunity to utilise under-spends mentioned earlier in this report allowed the Force the ability to contribute £1,128k towards the costs of capital projects, £900k to off-set the earlier costs for the joint FHQ build, £50k for additional vehicles and £178k for IT related equipment.

A provision for bad debts was made for £210k and £427k was allocated to the IS reserve for the continuation of the NEP project.

Income

This was £18,302k for the year, which was an under-spend of £2,948k against budget.

The increase in income reflects the £1,540k grant for Knife Crime, £514k Uplift Grant, an addition £2m grant linked to increases in employer pension costs, increased recharges to region and an increase in vehicle recovery income.

Efficiencies

Whilst efficiencies are difficult to identify within the current financial system, there are some clear results to report which are reflected below.

FINANCIAL PERFORMANCE (continued)

Net Expenditure Budget	Efficiencies Allocation £m	Outturn £m	Variance £m
Staff Pay & Allowances	1.5	1.6	0.1
Overtime	0.5	-	(0.5)
Communications & Computing	0.3	0.2	(0.1)
Supplies & Services	0.2	0.2	-
Procurement	0.3	0.4	0.1
Capital Financing	0.3	0.2	(0.1)
Income	0.2	0.4	0.2
Total Net Expenditure	**3.3**	**3.0**	**(0.3)**

FINANCIAL PERFORMANCE (continued)

2020-21 Budget Breakdown

The proposed revenue budget for 2020-21 is £221.6m as detailed below:-

Net Expenditure Budget	£m
Employee	180.1
Premises	6.1
Transport	6.2
Communications & Computing	8.9
Supplies & Services	10.0
Partnership & Collaborations	19.3
Capital Financing	8.5
Income	(15.5)
Efficiencies (not allocated in above)	(2.0)
Net use of reserves	-
Total Net Expenditure	**221.6**



Craig Guildford
Nottinghamshire Chief Constable

OUTLOOK

Due to the previous economic climate the Government had made significant reductions in public sector finances over many years with annual real term reductions of over £50m since 2010 for policing in Nottinghamshire. This has resulted in significant operational efficiencies with permanent new ways of working now embedded. The drive for efficiency in operations is at the heart of the Force management team, and new streamlined enabling services provide cost effective services, but with the focus on directing any available resources to the front line.

Financial settlements in 2018-19 and 2019-20 has established a new baseline spend, but with a shift from central funding to local funding via Council Tax. This makes the Force more accountable to their local taxpayers, who are at the forefront for financing annual inflation and any additional expenditure.

Locally the Police & Crime Commissioner has fully supported maintaining policing resources and has used his council tax setting freedoms to the full. The Chief Constable has played his part in maximising the use of resources and has delivered efficiencies such that all additional Council Tax funding has been used to increase police numbers; with 80 additional officers in 2018-19 and 40 more in 2019-20.

A change of Prime Minister in July 2019 signalled a significant change in direction with the announcement in November 2019 that by 2023-24 there will be 20,000 additional police officers across the country, of which 357 posts would be in Nottinghamshire.

This total was broken down with an annual target recruitment of 107 officers in Nottinghamshire by March 2021, a further 143 by March 2022 and another 107 by March 2023.

This news was welcomed by both the PCC and Chief Constable and plans were immediately put in place to achieve this uplift as soon as was practical. This was achieved by 31 March 2020, a full year ahead of schedule, placing Nottinghamshire at the forefront of helping achieve the government's target.

The settlement announcement for 2020-21 was delayed due to the November 2019 election, but did provide additional resources to achieve the uplift target, mainstreamed the pensions funding gap grant and allowed for a £10 increase in precept to cover the cash impact of inflationary pressures.

This approach of using the precept to fund inflationary pressures was signalled as the likely way forward, with baseline grant being cash limited. It is assumed that this baseline will however be uplifted for the revenue costs of the uplift targets in the respective future years.

The increases needed to maintain resources in real terms will be funded by the local taxpayer via increased Council Tax precepts but in themselves are still insufficient to meet the increasing demands and investment required to maintain Police Services, even after allowing for the uplift numbers, therefore on-going efficiency targets will be required.

Sufficient on-going review and risk management is in place such that if funding levels anticipated are not forthcoming then delivery of the minimum policing model is achievable in a time frame that does not jeopardise the minimum sustainable policing level.

OUTLOOK (continued)

Plans in respect of IT Strategy, property maintenance and demand profiles are being further developed and work to further refine our knowledge and financial estimation in these aspects continues.

The Annual Budget, Operational Models, and the Medium Term plan are sufficiently robust to ascertain that policing in Nottinghamshire is above the levels required to provide an adequate police service and that the Force is sufficiently resourced to ensure this on an on-going and sustainable basis.

Covid-19:

The current restrictions in place within the United Kingdom in response to Covid-19 have created issues for police forces in terms of policing the government lockdown policy in addition to continuing normal policing functions. This has given rise to additional costs in terms of overtime and providing personal protective equipment (PPE) to operational police officers and staff. However, the PCC maintains a Major Incident Reserve of £1.8m to manage the financial risks of major incidents and the additional costs of Covid-19 incurred between March and May 2020 were less than 25% of this reserve. Discussions are ongoing between all PCC's and the Home Office in respect of financial assistance with the additional costs.

Although the local district councils are anticipating a potential deficit on the Collection Fund for Council Tax, this will not affect the PCC's income in 2019-20 or 2020-21. Any deficit arising on the Collection Fund will be declared during 2020-21 and distributed in 2021-22.

Our most recent balances compared to the year end reported in these statements is as follows.

Date	General Reserve	Earmarked Reserve
31 March 2020	£7.075m	£20.316m

We recognise that there remains uncertainty over how long lockdown arrangements will remain and therefore the total costs which will be incurred as a result. However, we are confident that the impact can be managed in 2019-20 and 2020-21 by use of the Major Incident Reserve and that there will be minimal impact on the general reserve balance.

Beyond 2020-21, we expect a reduction in council tax income as a result of:

- Reduced collection rates
- Reduced growth in the number of properties paying council tax
- No increase in precept level in 2021-22.

The assumptions contained within the current Medium Term Financial Plan will be reviewed and revised as necessary during the next budget setting round.

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (together with the Office of the Police and Crime Commissioner) employs approximately 2,115 police officers, 181 PCSOs, 157 specials and 1,317 staff in full-time and part-time positions.

Active recruitment plans for 2020-21 include positive action to improve the diversity and reflect more closely that of the County.

Nottinghamshire pay an apprenticeship levy equating to 0.5% of the total pay bill. This can be utilised to pay for apprenticeship training and to accredit specific specialist roles to a professional standard, including degree level.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,106	55.86
Female	1,664	44.14
Total	**3,770**	**100.00**

Age Band	Headcount	%
25 and under	427	11.33
26-40	1,496	39.68
41-55	1,538	40.79
56 or over	309	8.20
Total	**3,770**	**100.00**

Self-Declared Disability	Headcount	%
No/not specified	3,620	96.02
Yes	150	3.98
Total	**3,770**	**100.00**

Ethnicity	Headcount	%
Asian/Asian British	111	2.94
Black/Black British	40	1.06
Mixed	57	1.51
White/White British	3,482	92.37
Other	8	0.21
Not known/provided	72	1.91
Total	**3,770**	**100.00**

PRINCIPAL RISKS

A risk management strategy is in place to identify and evaluate risk. There are clearly defined steps to support better decision making through the understanding of risk, whether a positive opportunity or threat and the likely impact. The risk management processes are subject to regular review and updates. The key strategic notes relevant to the statement of financial accounts are:

	RISK	IMPACT	MITIGATION
1	Recruitment, retention and training of staff and officers	Many areas of Force operations have vacancies that impact on service delivery.	The Force is ahead of others for the recruitment of officers in respect of Operation Uplift. However, given the timescales for training, especially for specialist posts, issues will exist for a 1-3 year period. For specialist staffing posts the continued use of market supplements may be required. Investment in technology, restructuring and training supports the longer term mitigation of issues.
2	Brexit	Detrimental impact of Brexit on public sector funding. Management of any transition/public order issues.	Monitoring of national activity by Government. Force planning led by ACC.
3	Funding formula / Comprehensive Spending Review / Covid-19 national cost impact	Could result in a positive or negative impact on the amount of Force funding, although Covid-19 impact increases the chance that the impact will be negative.	Development of a scalable Medium Term operational plan. Identification of a minimum policing model.

PRINCIPAL RISKS (continued)

	RISK	IMPACT	MITIGATION
4	Multi Force Shared Services (MFSS) contract expires November 2022	Could result in increased costs to Force in respect of redundancy and archiving of data. Lack of system developments as contract reaches end of life.	Project team well established and road map for new suppliers well developed. Interim additional in-house resources identified to mitigate any system / performance issues.
5	Collaborative activity	Value for money.	Continued review / challenge to ensure the Force continues to engage in collaboration where it adds value to the Force and communities.
6	Changing demand of crime and policing activity	Insufficient resources available to meet public expectations.	Improved demand management of increased officer numbers via national Operation Uplift Project.

Explanation of Accounting Statements

The Statement of Accounts sets out the Chief Constable's income and expenditure for the year and its financial position at 31 March 2020. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2019-20; which in turn is underpinned by International Financial Reporting Standards.

A glossary of terms can be found at the end of this publication.

Figures in these accounts are rounded appropriately, generally to the nearest £1,000. Due to this there may appear to be minor inconsistencies or apparent arithmetic errors.

The Core Statements

- **The Comprehensive Income and Expenditure Statement**
  This records all income and expenditure for the year.
- **The Movement in Reserves Statement**
  This is a summary of the changes to reserves during the course of the year.
- **The Balance Sheet**
  This is a "snapshot" of the assets, liabilities, cash balances and reserves at the year end.
- **The Cash Flow Statement**
  This shows the reasons for changes in cash balances.

The Supplementary Financial Statements

- **The Notes to the Accounts**
  These provide more detail about the accounting policies and individual transactions.

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR NOTTINGHAMSHIRE

Opinion

We have audited the financial statements of the Chief Constable of Nottinghamshire for the year ended 31 March 2020 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Chief Constable of Nottinghamshire Movement in Reserves Statement;
- Chief Constable of Nottinghamshire Comprehensive Income and Expenditure Statement;
- Chief Constable of Nottinghamshire Balance Sheet;
- Chief Constable of Nottinghamshire Cash Flow Statement; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority

Accounting in the United Kingdom 2019/20. In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Nottinghamshire as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Chief Constable for Nottinghamshire in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Chief Finance Officer's Narrative Report on pages 4 to 20 and the Annual Governance Statement on pagers 28 to 48 included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

Basis for Qualified Conclusion

Informed decision making

The Police and Crime Commissioner (PCC) and Chief Constable (CC) did not have satisfactory arrangements in place during the 2019-2020 financial year to deliver the statutory requirements in relation to producing financial statements that met the requirements of the CIPFA code of practice for financial reporting. There was a lack of sufficiently qualified and experienced staff present during the 2019-2020 financial statements preparation process and audit period to deliver a compliant set of financial statements and supporting working papers. Our external audit of the PCC and CC financial statements has identified a number of misstatements within the financial statements, the absence of required disclosures and disclosures not meeting the CIPFA code requirements. As a result, there have been weaknesses in the quality, accuracy and reliability of information that has been used to inform financial reporting and accounting judgements in the 2019-2020 financial year.

The issue above is evidence of weakness in proper arrangements for reliable and timely financial reporting that supports the delivery of strategic priorities.

Qualified conclusion - Except for

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in April 2020, with the exception of the matter reported in the basis for qualified conclusion paragraph above, we are satisfied that, in all significant respects, the Chief Constable of Nottinghamshire put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Responsibilities of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities set out on page 27, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable'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 Chief Constable either intends to cease operations, or have no realistic alternative but to do so.

The Chief Constable of Nottinghamshire is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Auditor's responsibilities for the audit of the financial statements

Our 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 our 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.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criterion issued by the Comptroller and Auditor General (C&AG) in April 2020, as to whether the Chief Constable of Nottinghamshire had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR NOTTINGHAMSHIRE

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Chief Constable of Nottinghamshire has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of the Chief Constable of Nottinghamshire in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Chief Constable of Nottinghamshire, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Nottinghamshire and the Chief Constable of Nottinghamshire's members as a body, for our audit work, for this report, or for the opinions we have formed.

NEIL. A. HARRIS
ERNST & YOUNG LLP

Neil Harris (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Luton
25th February 2022

STATEMENT OF RESPONSIBILITIES

The Responsibilities of the Chief Constable

The Chief Constable is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Chief Constable has designated this undertaking to the Chief Finance Officer (CFO).
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Ensure that there is an adequate Annual Governance Statement.
- Approve the Statement of Accounts.

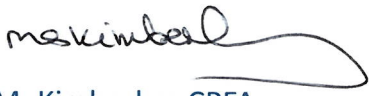
The Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts in accordance with proper accounting practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The statement is required to present fairly, the financial position of the Chief Constable as at the accounting date and its Income and Expenditure for the year ended 31 March 2020. In preparing the accounts the CFO has:

- Selected suitable accounting policies then applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Complied with the Code of Practice.
- Kept proper records that are up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification

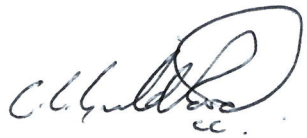
I certify that in my opinion this Statement of Accounts present a true and fair view of the financial position of the Chief Constable as at 31 March 2020 and its income and expenditure for the year ended 31 March 2020.



M. Kimberley, CPFA
Chief Finance Officer Nottinghamshire Police
25th February 2022

Approval

The Statement of Accounts was approved by the Joint Audit and Scrutiny Panel.



C. Guildford
Nottinghamshire Police Chief Constable
25th February 2022

Nottinghamshire Police
Annual Governance Statement 2019-20



1.0 Introduction

1.1 Scope of responsibility

Nottinghamshire Police is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Force has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.
In discharging this overall responsibility, Nottinghamshire Police (hereafter referred to as the Force) is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Chief Constable of Nottinghamshire Police and the Police and Crime Commissioner (PCC) for Nottinghamshire have adopted a Joint Code of Corporate Governance, which is consistent with the principles of the CIPFA 2016 Edition Framework 'Delivering Good Governance in Local Government'. A copy of the Code of Governance can be obtained from the Nottinghamshire Office of Police and Crime Commissioner (NOPCC) website at http://www.nottinghamshire.pcc.police.uk.

This Statement has been prepared following an assessment of the key elements of the governance framework, including the role of those responsible for the development and maintenance of the governance environment. The statement explains how the Force has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

1.2 The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the Force is directed and controlled and the activities through which it accounts to and engages with the community. It enables the Force to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.0 The Governance Framework

The principles which form the basis of the Governance Framework and how they are applied within the Force are described in the following sections. The Chief Constable and Chief Finance Officer have put in place management and reporting arrangements to enable them to be satisfied that the approach to the corporate governance arrangements have been effective and supports the aims of the OPCC, these include;

- The Governance Framework and the principals included within this
- A Risk Management Strategy and arrangements to embed this within the organisation
- The Scheme of Delegation
- The Financial Regulations
- Contract Standing Orders
- The PROUD values

This list is not exhaustive but covers the main documents that set the culture of the method of operation of governance within the organisation.

2.1 Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of the law

- All officers, staff and volunteers are committed to the Code of Ethics, which find expression in the Force PROUD values.
- The Force continually reinforces the Code of Ethics and expected standards of professional behaviour; guidance and advice is sent to officers and staff using a combination of intranet articles and the Chief's fortnightly video blog.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced and considered in any decision-making situation.
- Student officers receive a copy of the Code of Ethics on day one of their training and receive an input from PSD regarding ethics and values. Throughout training many of the subjects are linked back to the Code and integrity.
- The Force have embedded the College of Policing's Competency Values Framework (CVF) which sets out nationally recognised behaviours and values into the Leadership Programme.
- The Force refer to the Home Office Guidance in relation to Police Officer Misconduct for procedures relating to misconduct, unsatisfactory performance and attendance of police officers and special constables.
- The Police Staff Misconduct Policy provides a clear framework for all police staff in terms of expected standards of conduct and professional behaviour and the likely consequence of failure in meeting those standards.
- There are clear processes in place around confidential reporting `whistleblowing' outlined in the Professional Standards Reporting Procedure. Staff are also able to report breaches confidentially to PSD confidentially.

- There are robust mechanisms in place with respect to the governance of complaints in Force. Complaints are managed in accordance with statutory guidance provided by the Independent Office for Police Conduct (IOPC).
- The Force has dedicated Complaints and Learning Sergeants, embedded within local policing. Their purpose is to deliver learning from complaints back to the workforce thus creating a learning culture rather than a punitive one. Guidance around local resolutions is available on the intranet.
- Assurance reporting is submitted to the Joint Audit and Scrutiny Panel (JASP) on a regular basis relating to complaint recording and the nature of complaints.
- Bi-annually, a report on IOPC investigations is presented at the JASP to inform the OPCC of the Force's application of the IOPC Statutory Guidance.
- Standards are governed by the quarterly Organisation Risk, Learning, Standards and Integrity Board, chaired by the Deputy Chief Constable (DCC). Its remit is to provide a forum to discuss key areas of learning and identify emerging strategic opportunities and risks, whilst monitoring compliance with Force values.
- In the 2018 Her Majesty's Inspectorate of Constabulary and Fire and Rescue (HMICFRS) PEEL Inspection the Force were deemed to be 'good' in respect of 'How legitimately the Force treats the public and its workforce'.
- The outcome of misconduct proceedings are published to reinforce standards and learning.
- The Force has a Strategic Threat Assessment identifying the risks from corruption and control strategy plans underpin this. Specifically, the Force has a comprehensive plan in place to tackle Abuse of Position of Trust for a Sexual Purpose which has shown a significant reduction in the last 12 months however, remains a control strategy priority due to the public harm from this conduct.
- An Ethics Board has been established to consider and discuss ethical issues in an advisory and consultative capacity. It considers issues raised at the Organisational Risk and Learning Board and any issues which are referred from officers, staff or external groups.
- A procedure is in place for the monitoring of business interests and additional employment for police officers and police staff.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Health check, this forms part of the PDR process.
- The Force have developed a matrix to assess the risk posed by reported notifiable association, this assists the Force in identifying those of greatest risk to the integrity of the Force.
- A Statement of Personal and Pecuniary Interests is completed as part of the Annual Governance Statement process by Chief Officers.
- A register of Refused and Approved Business Interests is published on the Force website biannually; any changes are reported on a monthly basis to the Organisational Risk and Learning Board.
- A record of gifts gratuities and hospitality is published biannually on the Force website.
- The Chief Constable will ensure that financial affairs for their force are properly administered having regard to value for money, probity, legality, and appropriate standards, with reference to the Financial Regulations and contract standing orders agreed by the PCC as set out in Part B of Joint Code of Corporate Governance and Working Together document.

- There are documented processes and controls in place around the Prevention of Fraud and Corruption in the Procurement Process to mitigate risks in relation to procurement fraud.
- The Force is compliant with the CIPFA statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2012), as per the CFO job description.

2.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

- The Office of the Police and Crime Commissioner (OPCC) is accountable to local people and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement.
- The Force has recently launched the Neighbourhood Policing Priority Survey which is Nottinghamshire Police's biggest public consultation exercise in a decade, giving the public an opportunity to help shape local policing priorities in their area.
- Consultation and engagement is undertaken with local residents and business communities and forms part of key decision making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement meetings, Key Individual Networks (KINs) and Independent Advisory Groups.
- The HMICFRS 2018 PEEL Report recommended that the Force should work with local people to improve its understanding of local communities, and demonstrate what action has taken place as a result of their concerns.

    - In response, the Force's Engagement Strategy has been re-written and all community profiles have been refreshed, captured digitally and are now regularly updated with new information.

- HMICFRS also asked the Force to evaluate and share effective practice routinely, both internally and with other organisations, to improve its approach to the prevention of crime and anti-social behaviour.

    - The Force recently launched the Neighbourhood Policing portal which hosts a variety of information including Neighbourhood profiles, engagement plans, legislation, College of Policing good practice and associated literature. This is designed to support staff's development in relation to sharing good practice internally.
    - A two day problem solving training event has been held for police and partners, which includes 120 practitioners form partner agencies.

- The Force has a strategic Independent Advisory Group, which represents different community groups across Nottinghamshire. They provide a service to the Force in three core areas; critical incidents, building trust and confidence, and advising on strategies, policies and procedures. The Force has many systems in place for the collection of local survey information that is used to shape the direction of service delivery.
- In accordance with the Freedom of Information (FoI) Act, the website is updated pro-actively with force information in a FoI Disclosure Log. This ensures transparency and encourages increased confidence from and accountability to the public and stakeholders.
- Publication scheme monitoring, review and assurance is reported to the Joint Audit and Scrutiny Panel on an annual basis to provide a current Force position on the Publication Scheme Requirements. This report, along with all other JASP reports, is available to view on the OPCC website.
- The Force contributes to the OPCC's Annual Report to provide assurance on what has been delivered against the Police and Crime Plan.
- There are strong governance processes in place for the City partnerships. Each of the partnerships under the One Nottingham umbrella, including the Crime Drugs Partnership (CDP), have clear terms of reference including a defined purpose, arrangements for information sharing, community engagement and governance and finance.
- The CDP Plan 2019-22 sets out the overall aims, delivery, and performance framework of the partnership to deliver the 'safer' agenda of the 'Nottingham Plan to 2020'. The Partnership Plan has been developed with regard to the priorities of the Police and Crime Commissioner.
- There is a robust governance framework in place to oversee the delivery of the Plan. This is directed by the Partnership Board, which provides strategic governance of the partnership.
- The three statutory Community Safety Partnerships (CSPs) are responsible for the delivery of local community safety strategies and action plans. The Safer Nottinghamshire Board (SNB) Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produces performance information on a monthly basis. This includes reporting on current performance against targets, comparison against most similar force peers and performance of Partnership Plus areas. The SNB Performance Group brings together the CSP Chairs to discuss performance risks and highlights.
- Section 22A of the Police Act 1996 provides for a collaboration agreement to be made between Police and Crime Commissioners or between commissioners and chief officers from more than one force area. There are a range of established collaborations in place for a number of specialist front line policing operations that provide services across the Midlands region, including Nottinghamshire. These arrangements are reviewed on a regular basis by respective Chief Constables and Police and Crime Commissioners.
- An annual Extraordinary Force Executive Board (E-FEB) is held which is attended by senior internal and external stakeholders, including the Fire Service, City and County Council to provide an open forum for decision making regarding business change proposals for the forthcoming financial year and beyond.

2.3 Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

- The Police and Crime Plan sets out the vision, values, strategic priorities and outcomes together with a performance framework in line with requirements under the Police Reform and Social Responsibility Act 2011.
- At a national level, the Force works to the Strategic Policing Requirement (SPR) which is issued by the Home Office to articulate current national threats and the appropriate national policing capabilities required to counter those threats.
- The Police and Crime Plan is informed by the Police and Crime Needs Assessment (PCNA) which is used as a planning and priority setting tool. The document highlights key trends, issues, risks and threats in the crime community safety and criminal justice environment.
- The Force takes an active part in working with the OPCC to refresh the Police and Crime Plan delivery plan each year in order to set out what activities will be undertaken to deliver the PCC's key strategic priority themes. Activities are broken down into further operational detail in the Force Delivery Framework.
- The strategic priorities set out in the Police and Crime Plan are aligned to the Force's Annual Departmental Assessment (ADA), business planning process.
- A report is submitted on a quarterly basis to the Police and Crime Panel to provide an update against each of the strategic priority themes; this is made available on the Nottinghamshire County Council website.
- A Performance and Insight Report is provided to the Strategic Resources and Performance meeting on a bi-monthly basis to ensure that the Police and Crime Commissioner is aware of current performance in line with the strategic priority themes, as set out in the Police and Crime Plan.
- Collaboration agreements are in place to outline how business will be undertaken jointly in order to reduce cost, increase capability, and / or increase resilience to protect local people.
- All activity in response to audit and inspectorate recommendations is monitored via 4Action, an action management system. Progress against activity is reported to the Joint Audit and Scrutiny Panel on a quarterly basis.
- A Medium Term Financial Strategy builds on the proposed budget for 2020-21 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- Regular Capital and Revenue reports are provided to the Force Executive Board (FEB) and OPCC to provide an update on the Force's budgetary position and also to comply with good financial management and Financial Regulations. This is reviewed and updated regularly to remain adaptable for future requirements.

2.4 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- There is a robust planning cycle in place which incorporates partnership, Force and OPCC strategic assessments, public consultation, refresh of the Police and Crime Plan and the Force Delivery Framework, departmental planning via Annual Departmental Assessments (ADA's) and review and update of the Medium Term Financial Strategy.
- The Force produces an annual strategic intelligence assessment which outlines the capacity and capability to meet its greatest threats including those outlined in the strategic policing requirements.
- The Medium-Term Financial Strategy is a live document to facilitate the demands and changes that can occur within the police so that we can remain operationally on the front foot. The budgeting and long-term planning process is intrinsically linked to the business planning cycle to create a joined-up approach identifying opportunities and risks that are present, and, on the horizon.
- HMICFRS 2018 PEEL Report recommended that the Force should improve its approach to planning within Information Services to ensure there is a clear vision and direction which links to operational planning. In response the Force has created a Prioritisation Matrix which will report into the Futures Board. This will ensure ICT planning is closely aligned to future plans and wider change programmes, so current and future demand can be effectively managed.
- Each Head of Department completes an ADA as part of the annual planning cycle. The ADA is a planning tool used to assess current structure, processes and cost in light of the current operating context. Options for change are proposed which are aligned to the Strategic Priority Themes.
- Budget meetings with departmental heads take place following E-FEB to ensure future budgets account for any project savings or spend within the department.
- Business change remains responsive to threats and opportunities which present themselves throughout the year as part of the risk management process.
- Where a change proposal is approved at E-FEB, a comprehensive analysis of approved change proposals are progressed in the form of an options appraisal (business case) which is presented to the Futures Board for decision. The business case will indicate how intended outcomes would be achieved and any risks associated with those options.
- Business change continues to be assessed according to viability and desirability throughout the project lifecycle. Governance is flexible and responsive so that outputs can be adapted to changing circumstances.
- HMICFRS 2018 PEEL Report recommended that the Force should ensure that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings. The Force has recently appointed a Business Benefits Officer who has worked responsibility for addressing the AFI and embedding business benefits into the Force.
- Decisions for change are, in part, informed by the HMICFRS' Value for Money (VfM) Profile, which is published on an annual basis. The Force benchmarks its functions against others in its Most Similar Group (MSG) to determine whether VfM is being achieved. Generally, over time, the Force has moved from average/upper quartile to below average/lower quartile for many of our enabling services.

- All business change is governed according to the Force Corporate Portfolio Management Office (PMO) Framework and Guidance which sets out in detail the governance framework, roles and responsibilities and project management methodology in order to plan, delegate, monitor and control all aspects of the business change portfolio.
- The business change governance framework provides a robust reporting structure, which includes project boards, the Futures Board and the FEB. The framework ensures that oversight and scrutiny is carried out by the relevant authority in a proportionate manner providing assurance that decisions are open and accountable, and that public money is spent wisely.
- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from FEB are published on the Force Intranet under 'News'. This ensures the Force's decision-making processes are transparent.
- A forward plan is maintained to outline what information is required for each strategic meeting, the SRO and expected timescales.

Area for improvement: The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes.

Area for improvement: The Force should ensure that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings.

2.5 Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- The DCC Chairs a Strategic Workforce Planning and Training Priorities Meeting. The purpose is to provide strategic overview and direction regarding workforce planning, including establishment levels, workforce mix, skills and capabilities. The meeting also has the remit of determining and prioritising training and learning activities to ensure they are aligned to business and workforce planning.
- HMICFRS recommended in the 2018 PEEL Inspection Report that the Force needs to understand fully its workforce capabilities, to identify any gaps, and put plans in place to address them. This is being addressed as an area for improvement.
- The PDR process is to be re-branded 'Career Conversation', on the launch of the new Talent Management Programme. This will be stored locally, with HR maintaining a record of completion rates and individual career matrix grading. Work is underway to develop a simple process undertaken annually based around date of appointment or work anniversary. This talent Management Programme will clearly capture talent across the Force.
- A standard induction course is in place for student officers. Staff induction is tailored to the role and department to which the individual is recruited. Refreshed staff induction was relaunched June 2020.
- The Force has embedded the CVF which aims to support all policing professionals, setting out nationally recognised behaviours and values. The six competencies and four values of the CVF are embedded into the Force's leadership development programme.
- The leadership development programme invests in first and second line supervisors; it is also complemented by coaching, mentoring and 360 degree feedback
- Officers and staff progressing to senior leadership are encouraged to undertake a 360 review to enable them to consider their own effectiveness as future leaders and identify areas for personal development.

- The NOPCC and Force operate under a comprehensive 'Joint Code of Governance and Working Together Agreement' which comprises of the scheme of consent, the Joint Code of Corporate Governance, Financial Regulations and Contract Standing Orders.
- The roles and authorities of the PCC, the Chief Constable and their respective officers are set out in the Joint Code of Corporate Governance and Working Together document. The document outlines how the parties will work together in cooperation to ensure that effective and efficient delivery of policing services. This was reviewed during 2018.
- The governance structure is underpinned by a statutory framework which incorporates the Police Reform and Social Responsibility Act 2011, the Policing Protocol Order 2011 and the Financial Management Code of Practice, amongst other legislation.
- The Scheme of Delegation sets out the delegation of responsibility from the PCC to their staff and delegation to the Chief Constable and their own staff in the exercise of their statutory responsibilities.
- Clear roles and responsibilities are delegated to Chief Officers. The Chief Financial Officer, as Section 151 Officer, has an up to date job description and person specification which outlines their responsibilities.
- The Force recognise and promotes the benefits of collaborative working and continues to work in a number of regional collaborations as well as collaborations with Nottinghamshire Fire and Rescue.

Area for improvement: The Force should undertake appropriate activities to understand fully its workforce's capabilities, identify any gaps, and put plans in place to address these gaps.

2.6 Principle F: Managing risks and performance through robust internal control and strong public financial management

- The Risk Management approach was redeveloped in 2018 for the Force to adopt a more sophisticated approach which links risks to our governance methods and internal audit processes.
- The Force and OPCC have agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (MoR) approach.
- A Strategic Risk Report is provided to the JASP bi-annually in order to keep the Board informed as to the level of strategic risk within the Force and NOPCC and provide assurance as to the effectiveness of risk management arrangements.
- The quarterly Organisational Risk, Learning, Standards and Integrity Board provides an organisation wide forum for thematic leads and heads of department to discuss key areas of learning and identify any emerging strategic opportunities and risks. Business Continuity is also managed within this forum.
- Annual reporting is made to JASP on business continuity, this includes progress made against the business continuity testing timetable and notes on forthcoming testing.

- A Performance and Insight Report is regularly presented to the Strategic Resources and Performance Meeting to ensure that the Police and Crime Commissioner is aware of current performance in line with the Police and Crime priorities. This report is made available on the OPCC website.
- Significant changes in service delivery are subject to a Post Implementation Review in order to identify lessons learned and whether benefits have been realised, including performance, cashable or non-cashable benefits however none were scheduled for 2018-19.
- The Financial Performance and Insight Report, including revenue and capital budget monitoring are reported to the FEB on a monthly basis. It is also presented at the Strategic Resources and Performance quarterly meeting.
- Decision making protocol is illustrated in the joint Scheme of Delegation which is part of the Joint Code of Governance and Working Together document.
- A forward plan of 'Decisions of Significant Public Interest' is provided to the Police and Crime Panel on a regular basis in the interests of accountability and transparency, this is made available on the Nottinghamshire County Council website.
- In accordance with the Financial Management Code of Practice for the police service, issued by the Home Office, the PCC and the Chief Constable established a Joint Audit and Scrutiny Panel (the Panel) in 2013. The role of the Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.
- JASP complies with best practice as outlined in Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA, 2013).
- The Panel also assist the OPCC and the Chief Constable in fulfilling their responsibility for ensuring value for money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the OPCC.
- The Force's Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their statutory officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- The Annual Statement of Accounts is published on the website `what we spend' and includes accounting policies and also the report of the auditors.
- The Annual Audit letter is report to the Joint Audit and Scrutiny Panel on an annual basis.
- The Treasury Management Strategy and annual report are reported annually to the Joint Audit and Scrutiny Panel.
- Budget monitoring reports are presented to the Strategic Resources and Performance meeting on a quarterly basis.
- In compliance with CIPFA guidance, the NOPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisation's internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the internal annual audit opinion.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the Joint Audit and Scrutiny Panel at every meeting.
- An internal audit on Core Financial System Assurance found the Force to have satisfactory assurance in relation to General Ledger, Cash, Bank and Treasury Management, Payments and Creditors, Income and Debtors but limited assurance in respect of Payroll.

- Regular reporting is made to JASP on legislative compliance with the Freedom of Information Act and Data Protection Act legislation.
- Effective arrangements are in place to monitor risks arising from Brexit. The ACC chairs a regular Gold Group meeting.
- The 2017-18 Independent Auditors Report on the Audit of Financial Statements noted that there were not adequate governance and monitoring arrangements in place to enable the successful delivery by Multi-Force Shared Service (MFSS) to Oracle Cloud Computing (Project Fusion), therefore failing to deliver value for money and effective delivery in support of strategic priorities. This is being managed as an area for improvement. Consultancy support was procured during 2018-19 to provide more robust governance and programme management arrangements in respect of Fusion. Despite this, delivery of Fusion was further delayed, going live in April 2019. Close management of the situation continues with the DCC taking an active role as SRO for the Force, and is also now the chair of the management board. An improved process for disseminating information and approvals made by the Joint Oversight Committee are in place, where the Force is represented by the Police and Crime Commissioner for Nottinghamshire.

2.7 Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- The PCC and Chief Constable's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 to achieve the outcomes of the Police and Crime Plan.
- Both the PCC and the Chief Constable have appointed Chief Financial Officers. The responsibilities of the CFOs for both the PCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2013).
- The JASP operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.
- A programme of internal audit is commissioned and undertaken which reflects published guidance and standards. This is available on the OPCC website.
- Progress reports against the Internal Audit Plan are submitted on a timely basis to the JASP along with the findings from audits completed to date.
- Police officers, police staff operate within force policies and procedures; the corporate governance framework; disciplinary regulations; codes of conduct and the Code of Ethics. Assurance is provided via the Force and OPCC governance framework.
- The Police and Crime Panel scrutinise the actions and decisions of the Police and Crime Commissioner and makes sure information is available for the public. The Force provides reports in accordance with the Police and Crime Panel work programme including specific focus on each of the seven Strategic Priority Themes included in the Police and Crime Plan.
- The Annual Governance Statement assesses the extent to which the organisation is applying the principles contained within the CIPFA framework. This is published for public scrutiny alongside the Statement of Accounts.
- The Force has a robust process to capture HMICFRS recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is prepared and presented to the JASP on a quarterly basis.

- The Force has an established reporting procedure for our response to HMICFRS recommendations to be received by the NOPCC in line with the timescales dictated in the Police and Crime Bill.
- A policy and procedure framework is required to ensure that corporate documentation is reviewed on a timely basis; this is an area for improvement.
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.

2.8 Principle H: Report on an Inspection Visit to Police Custody Suites

- The inspection was conducted jointly by HM Inspectorate of Prisons (HMIP) and HMICFRS in October 2018, as part of their programme of inspections covering every police custody suite in England and Wales.
- The inspection assessed the effectiveness of custody services and outcomes for detained people throughout the different stages of detention. It examined the Force's approach to custody provision in relation to safe detention and the respectful treatment of detainees, with a particular focus on vulnerable people and children.
- To aid improvement five recommendations were made to the Force (and the Police and Crime Commissioner) addressing key causes of concern and highlighted an additional 25 areas for improvement.

Recommendation 1: there were too many areas where the Force was not meeting the requirements of legislation or guidance, notably codes C and G of the Police and Criminal Evidence Act codes of practise; this required immediate remedial action.

Recommendation 2: the culture of the custody service was not effective in focusing on the fair and equitable treatment of all detainees; some custody staff took punitive actions against detainees that were not justified and potentially unfair.

Recommendation 3: the arrangements for and staff knowledge of the recording and reporting of adverse incidents in custody were not adequate in ensuring that all incidents were identified appropriately and dealt with in line with legislative requirements.

Recommendation 4: the governance and oversight of the use of force in custody were not adequate, data were unreliable and not all staff completed use of force forms. Some use of force was disproportionate to the risk or threat posed.

Recommendation 5: there was a lack of appropriate care and focus on the safe release of detainees, including the most vulnerable; the pre-release arrangements were not adequate to ensure safe release.

Area for Improvement: In the custody suite, booking in, individual needs and legal rights.

Area for Improvement: In the custody cell, safeguarding and healthcare.

Area for Improvement: Release and transfer from custody.

2.9 Principle I: Crime Data Integrity Inspection 2018

- The inspection by the HMICFRS found that the Force had improved its crime-recording processes since the 2014 report. It found improved supervision of out-of-court disposals; training had been developed and provided on crime-recording for officers, supervisors and staff involved in making crime-recording decisions; high levels of recording accuracy for reporting sexual offences; good crime-recording arrangements in respect of modern slavery crimes; fully implemented the recommendations set out in our 2014 report; and made good progress against a national action plan developed to improve crime recording by police forces.
- The inspection raised the concern that the Force is failing to ensure it correctly records all violent crime (in particular domestic abuse) reported to it. Officers and staff do not fully understand and apply the crime-recording rules when dealing with crimes such as harassment, malicious communications, common assault and public order offences. There is also limited supervision to correct these recording decisions at the earliest opportunity.
- The recommendation is that the Force should immediately take steps to identify and address gaps in its systems and processes for identifying and recording all reports of violent crimes (in particular those that are domestic abuse related); ensure that adequate supervision is applied to all crime-recording decisions made by officers and staff; and ensure that all identified crimes are recorded without delay and in any case within 24 hours. Within three months, the Force should provide crime recording training for frontline officers to include the crime-recording rules for common assault, harassment, malicious communications and public order offences; and the standard of AVI that is required to cancel a recorded crime.

Area for Improvement: Improve the understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime.

Area for Improvement: Improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty.

2.10 Covid-19

Following the Government announcement on 23 March 2020 and recommended social distancing guidance, the operational focus and working practices of the police have been significantly affected.
Nottinghamshire has sought to maintain business continuity as far as possible, and in response to Covid-19, have implemented a number of measures to enable this.

These new ways of working have enabled delivery across our critical areas. The caveat on these measures is that whilst they are benefitting the organisation in the current crisis, further evaluation, wider risk management and consideration will be required as the Force looks towards the recovery stage and if these measures can continue to improve efficiency beyond the current crisis.

Measures that have been to support different ways of working have been demonstrated in the following areas:

- **Microsoft Teams**
  Although this has not yet been rolled out, the Force is trialling the use of Microsoft Teams to enable inter-active conference facilities.
  Potentially this would lead to a more efficient meeting structure across internal and external organisations.

- **Cisco Jabba**
  This is an internal interactive method to allow greater communication across the organisations, reducing internal meetings and the requirement for attendees to travel.
  Potentially, this can be further used to improve communication across the Force.

- **Home working for Employees Self-isolating**
  The Force has issued laptops and equipment to those officers and staff unable to come into work.
  The Resource Management Unit collates and assigns tasks and work to support the organisation.

These include telephone statements, non-deployable incidents and victim contact, plus other discrete pieces of work to individuals.

From the period 1st to 28th April 2020, this resulted in staff self-isolating submitting a total of 8,344 hours which may otherwise have been lost.

There is potential for the Force to consider further agile working across the organisation to increase efficiency and reduce costs. This is of particular benefit to the Police Travel Plan outlined in the new Joint Police and Fire Service Headquarters Plans.

3.0 Chief Finance Officer Role

- The role of Chief Financial Officer (CFO) rests with the Head of Finance with effect from 1st April 2018.
- As a key member of the leadership team, the CFO helps to develop and implement strategy and resource and deliver the PCC's strategic objectives sustainably and in the public interest.
- The CFO is actively involved and able to bring influence to bear, on all business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the financial strategy.
- The CFO leads and encourages the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- The CFO and Chief Constable agree the Force's risk based Internal Audit Annual Plan for delivery each year and this is presented to the Joint Audit and Scrutiny Panel for comment. Delivery of the plan is via external engagement of an appropriately trained and experienced organisation, currently this is provided by Mazar's. Award of the work was via a competitive tendering exercise.
- In respect of external audit, progress reports are provided to the Panel by Ernst Young to provide a summary of the work they plan to undertake for the audit year, together with a high-level assessment of the risks that have been considered as part of the initial planning process.
- The CFO is required to maintain continuous professional development to ensure they maintain knowledge, skills and experience to enable them to fulfil the duties and statutory obligations of the post.

4.0 Review of Effectiveness/Internal Audit Opinion

Nottinghamshire Police has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Chief Officer Team, the Heads of Departments and other senior managers within the Force who have responsibility for the development and maintenance of the systems of internal control. It is also informed by the reports of the Force's internal auditors and external inspectorates, such as HMICFRS.

Where weaknesses in internal controls have been identified, improvement actions have been established, which will be addressed during the forthcoming financial year. Outcomes will be monitored by the FEB and the Joint Audit and Scrutiny Panel, on a quarterly basis.

From the Internal Audit work undertaken in compliance with the Public Sector Internal Audit Standards (PSIAS) for the year ending 31st March 2020, our overall opinion is that generally effective processes are in place for Core Financials, Balance Transfers, Business Continuity, Data Quality, GDPR, Performance Management and Programme Management. We have, however, identified weaknesses in respect of Emergency Planning, Custody, Health and Safety, Information Assurance and Management of MFSS Arrangements that require addressing.

5.0 Improvement actions

The review process to support the production of the Annual Governance Statement in 2018-19 identified a number of improvement actions, which are summarised below. These have been agreed with the respective Divisional and Departmental Heads to address weaknesses identified in the Force's systems of internal control. These issues are significant in that they cover a large proportion of the organisation's activities and/ or are key risk controls and therefore require a corporate solution.

Areas for improvement 2018-19

URN	Identified improvement action(s):	Update	Lead Officer
1.0	The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes.	The Force has created a Prioritisation Matrix which will feed into the Futures Board. This is to be monitored to ensure it is fit for purpose, and will then be embedded into the Force.	Chief Superintendent Gerard Milano
2.0	Undertake a full review of workforce capabilities to ensure capacity and capability to meet current and future demand.	The Force is currently looking at appropriate systems to record skills and capabilities. Still to be progressed.	Claire Salter Head of People Services
3.0	Produce management information on the completion of PDRs to enable Heads of Departments to ensure ongoing compliance.	PDRs are to be re-branded 'Career Conversations' and to be embedded within the new Talent Management process.	Claire Salter Head of People Services

URN	Identified improvement action(s):	Update	Lead Officer
4.0	Develop and maintain a robust policy and procedure framework, ensuring policies and procedures remain current to inform decision making.	Post to undertake the work has been vacant for considerable period of time. This is still to be progressed.	Chief Superintendent Gerard Milano
5.0	Undertake a full review to address the concerns and recommendations form the HMICFRS (Section 2.8).	All actions have been addressed and the Force was revisited by HMIP and HMICFRS in November 2019. The force was found to have made significant progress.	Chief Inspector Justine Wilson
6.0	Develop a plan to ensure there is improved understand and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty (Section 2.9).	All actions have been addresses and additional training given by the Force ~Crime Registrar. The Force has taken a view it complies with its equality duty and to collect further diversity information, would not be in compliance with GDPR.	Paul Cook Force Crime Registrar

Areas for improvement 2019-20

URN	Identified improvement action(s):	Update	Lead Officer
1.0	Undertake a full review to address the concerns and recommendations from the HMICFRS Integrated Peel Inspection 2018.	Cause of concerns and areas for improvement continue to be addressed. The Force is due a further inspection in 2020 to ensure all work is complete.	Various
2.0	Undertake a full review to address the concerns and recommendations from the HMICFRS (Section 2.8).	All actions have been addressed and the Force was revisited by HMIP and HMICFRS in November 2019. The Force was found to have made significant progress.	Chief Inspector Justine Wilson
3.0	Develop a plan to ensure there is improved understand and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty (Section 2.9).	All actions have been addresses and additional training given by the Force ~Crime Registrar. The Force has taken a view it complies with its equality duty and to collect further diversity information, would not be in compliance with GDPR.	Paul Cook Force Crime Registrar

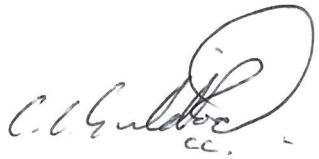
Internal Audit Annual Assurance 2019-20 Report - Areas of Limited Assurance

Limited Assurance		Lead Officer
1	Custody	Chief Inspector Justine Wilson
2	Health and Safety	Claire Slater Head of People Services
3	Information Assurance	Chief Superintendent Gerard Milano
4.	Management of MFSS	DCC Rachel Barber

Further information with a full list of recommendations for the items identified as limited assurance by Mazars (Internal Auditors) can be found on the Nottinghamshire Police and Crime Commissioners website in the report to the Joint Audit and Scrutiny Panel dated June 2020.

Chief Constable and Chief Finance Officer Declaration

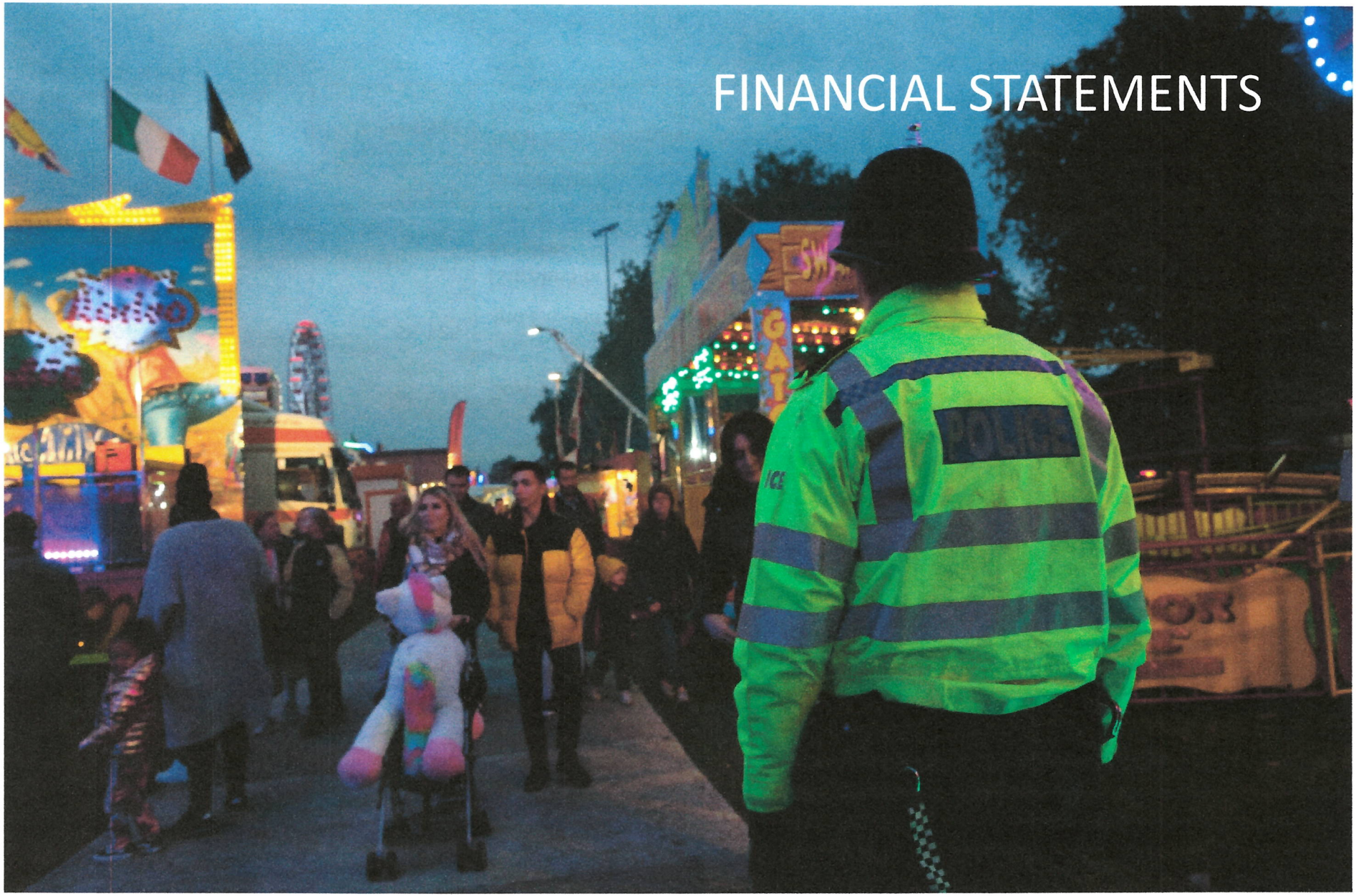
We propose over the coming year to take steps to address the improvement actions identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvement that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

Signed: 

Signed: 

Craig Guildford
Chief Constable
25th February 2022

Mark Kimberley
Chief Financial Office
25th February 2022


FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement (CIES)

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Precepts are made to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure Funding Analysis and the Movement in Reserves Statement.

2018-19 RESTATED				2019-20		
Expenditure	Income (Note 13)	Net		Expenditure	Income (Note 14)	Net
£'000	£'000	£'000		£'000	£'000	£'000
350,335	**(14,027)**	**336,308**	Cost of Police Services	**242,180**	**(17,838)**	**224,342**
0	(238,983)	**(238,983)**	Funding from the Commissioner	-	(239,312)	**(239,312)**
350,335	**(253,010)**	**97,325**	**Cost of Services**	**242,180**	**(257,150)**	**(14,970)**
66,526	-	**66,526**	Financing and Investment (Income) and Expenditure	69,513	-	**69,513**
416,861	**(253,010)**	**163,851**	**(Surplus) or Deficit on Provision of Services**	**311,693**	**(257,150)**	**54,543**
		55,943	Other Comprehensive (Income) and Expenditure			**(229,564)**
		219,794	**Total Comprehensive (Income) and Expenditure**			**(175,021)**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement during the year on the different reserves held, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Chief Constable holds no usable reserves.

The Statement shows how the movements in reserves are broken down between gains and losses incurred in accordance with the Code and the statutory adjustments required to return to the amounts chargeable to Council Tax for the year.

2019-20	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2019	**-**	**2,845,478**	**2,845,478**
Movement in reserves during year			
(Surplus) or deficit on the provision of services	54,543	-	**54,543**
Other Comprehensive (Income) / Expenditure	-	(229,564)	**(229,564)**
Total Comprehensive Income and Expenditure	**54,543**	**(229,564)**	**(175,021)**
Adjustments between accounting basis and funding basis under regulations	(54,543)	54,543	**-**
Decrease in year	**-**	**(175,021)**	**(175,021)**
Balance at 31 March 2020	**-**	**2,670,457**	**2,670,457**

2018-19 RESTATED	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2018	**-**	**2,625,684**	**2,625,684**
Movement in reserves during year			
(Surplus) or deficit on the provision of services	163,851	-	**163,851**
Other Comprehensive (Income) / Expenditure	-	55,943	**55,943**
Total Comprehensive Income and Expenditure	**163,851**	**55,943**	**219,794**
Adjustments between accounting basis and funding basis under regulations	(163,851)	163,851	**-**
Increase in year	**-**	**219,794**	**219,794**
Balance at 31 March 2019	**-**	**2,845,478**	**2,845,478**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

Balance Sheet

The Balance Sheet gives a value of net worth and corresponding reserves at a particular moment in time. All reserves are unusable and reflect valuation estimates on pensions and employee holiday / time owed.

All non-current assets are owned by the Commissioner and all usable reserves are held by the Commissioner.

31 March 2019 £000		31 March 2020 £000
(3,469)	Short-Term Creditors - Accumulated Absences	(3,550)
(3,469)	**Current Liabilities**	**(3,550)**
(2,842,009)	Other Long-Term Liabilities - Pension Liabilities	(2,666,907)
(2,842,009)	**Long Term Liabilities**	**(2,666,907)**
(2,845,478)	**Net Assets**	**(2,670,457)**
2,845,478	Unusable Reserves	2,670,457
2,845,478	**Total Reserves**	**2,670,457**

Cash Flow Statement

The Cash Flow Statement shows that there are no cash flows through the Chief Constable Entity.

2018-19 RESTATED £000		2019-20 £000
163,851	Net (surplus) or deficit on the provision of services	54,543
(163,851)	Adjustment to (surplus) or deficit on the provision of services for noncash movements	(54,543)
-	**Net cash flows from activities**	-

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5



NOTES TO THE ACCOUNTS

Notes to the Accounts including Accounting Policies

Note 1 – General Principles

The Commissioner is a separate entity to the Chief Constable and the relationship is clearly defined in the governance arrangements. The Commissioner is the lead controlling influence in the Group.

The Chief Constable employs staff and officers to provide the policing service in Nottinghamshire and in the achievement of the Commissioner's Plan. The legal status has the Commissioner as the source of transactions and the reality of this is borne out through the level of control exerted.

Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2011, in accordance with proper accounting practices.

These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 (The Code) and the Best Value Accounting Code of Practice 2019-20, supported by International Financial Reporting Standards (IFRS).

The Accounts have been prepared on a 'going concern' basis. Under The Act, The Chief Constable and the Commissioner are separate 'Corporation Sole' bodies. Both are required to prepare separate Statement of Accounts.

Note 2 – Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (Code Of Practice On Local Authority Accounting In The United Kingdom 2019-20) in respect of going concern reporting requirements reflect the economic and statutory environment in which Police and Crime Commissioners and police forces operate

These provisions confirm that, as Police and Crime Commissioners and police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and Police and Crime Commissioners are revenue-raising bodies (with limits on

revenue-raising powers arising only at the discretion of central government). If a Police and Crime Commissioner was in financial difficulty, the prospects are thus that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis.

Note 2 – Going Concern (continued)

Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner will continue to operate for the foreseeable future.

The current restrictions in place within the United Kingdom in response to Covid-19 have created issues for police forces in terms of policing the government lockdown in addition to continuing normal policing functions. This has given rise to additional costs in terms of overtime and providing personal protective equipment (PPE) to operational police officers and staff.

The financial and social outcomes of Covid-19 are not yet fully understood, however, it is anticipated that the condition will exist for the short to medium future and that it will have a significant impact upon the UK and global economy.

The PCC and CC CFOs have carried out a detailed assessment of the likely impact of COVID-19 on the financial position and performance of the CC and PCC & Group during 2020-21 and beyond which has included modelling scenarios considering the impact on:

- Increased expenditure
- Reductions in income
- Cashflow and liquidity
- General fund balances and reserves

The review has considered known and expected government funding and determined that there is sufficient liquidity from the PCCs ability to access short term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the CC and PCC CFOs are satisfied that they can prepare their accounts on a going concern basis.

Increased Expenditure

The outturn report for 2020/21 shows a net minor overspend for the force of £65k and at the end of 2020/21 the force had incurred additional costs of £1,381k and loss of income of £564k in relation to Covid-19 as well as £300k in relation to orders that had been delayed, the cost of which should have been incurred during 2019/20. These costs along with additional overtime spends would have resulted in a larger overspend position than that being reported, however they are offset by additional government grants of £1,571k and considerable savings on vacant staff posts.

Reductions in income

The speed of recovery of council tax income for the PCC is dependent on external factors surrounding Covid-19 and how quickly activities return to normal or whatever the post Covid-19 normal is, but, in all cases, the PCC is taking a cautious approach to the recovery rate of council tax income.

Cashflow and Liquidity Risk Exposure:

The treasury function is administered by the PCC and ensures that cash flow is adequately planned and liquidity risk exposure is controlled in accordance with the relevant professional codes.

The Chief Constable does not hold cash or equivalent balances. Those are held by the PCC are positive at the balance sheet date, have remained positive during 2020-21 and are estimated to be positive throughout the going concern assessment period to February 2023. The cashflow projections include a borrowing requirement of £15.6m between March and June 2022 in order to meet temporary cash needs.

General Fund Balances and Reserves

The General Fund balance at February 2023 is forecast to be £7m, in line with 2019-20 levels. The Outturn shows that covid hasn't presented the financial challenge expected due to grants and lower costs and therefore it is unlikely this will directly have an impact on the Medium Term Financial Plan.

It is considered that there is sufficient headroom within these measures and the general balances to absorb the estimated financial impact of COVID-19 in the short to medium-term. For these reasons, the PCC and CC CFOS do not consider that there is material uncertainty in respect of their ability to continue as a going concern to at least February 2023.

Note 3 – Accruals of Income and Expenditure

Revenue is measured at fair value in the year to which it relates, and not when cash payments are made or received. All the expenditure is paid for by the Commissioner, but recognition in the Group and the Chief Constables accounts is based on the economic benefit of resources consumed.

In particular:

- Fees, charges and rents due are accounted for as income at the date of supply
- Supplies are recorded as expenditure when they are used
- Expenditure in relation to services received is recorded as services are received, rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for as income or expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where debts are doubtful, the debt is written off by a charge to the CIES

Note 4 – Exceptional Items

There are no exceptional items applicable in the year.

Note 5 – Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments have been made to the 2018/19 figures in relation to Pensions and Officers Remuneration.

- A prior period adjustment has been made for the return on pension assets which was originally recorded as finance income (I+E) and has been adjusted to remeasurement of pension liability (OCI): this was a £12,853k adjustment.). The adjustment is required as the classification of the return on pension assets was incorrect, due to a misunderstanding of the required accounting treatment in the prior year. The adjustment impacts a number of disclosure notes within the financial statements. There is no impact on the general fund balance, as the adjustment to the CIES is offset by an equal adjustment between the general fund and pension reserve in the MIRS.
- A prior period adjustment has been made for pension interest and expense to show this as part of the net expense in line with CIPFA code requirements; this was a £8,534k adjustment. The incorrect disclosure was due to a misunderstanding of the required gross/net disclosure of pension interest income and expenditure in the CIES in the prior year. There is no impact on financial performance reported, as there is an equal reduction to income and expenditure in the CIES.
- A prior year restatement of Senior Officers' Remuneration disclosure has been effected as previously officers below the required rank were wrongly included in the disclosure. The 2018-19 figures have been restated to include police officers above the rank of superintendent; this restatement has reduced the number previous disclosed from 334 to 30.

Tables where prior year adjustments have changed the figures for 2018/19 are marked as "RESTATED"

There have been no changes in Accounting Policies, applicable to the Chief Constable in the year.

In applying accounting policies, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no critical judgements made in the Statement of Accounts.

The largest area of estimation included within the accounts is in staff related costs. Accruals for overtime, bonuses, early retirement costs and other one-off payments have been checked retrospectively and found to be reasonable.

Note 6 – Charges to the CIES for Non-Current Assets

Although the Chief Constable does not directly hold any non-current assets, a charge for depreciation is included as a proxy for using those assets.

Note 7 – Government Grants and Contributions

All grants, third party contributions and donations are received by the Commissioner.

Note 8 – Allocation of Costs

The charges to the Comprehensive Income and Expenditure Account reflect the way management decisions are made.

The basis of splitting costs between The Commissioner and the Chief Constable for revenue is based on operational activity of the Chief Constable.

All assets and liabilities belong to the Group apart from the provision for accumulated absences and pension liabilities that relate for the officers and staff that report to the Chief Constable.

The Chief Constable is therefore a single service entity.

Note 9 – Joint Operations & Associate Entities

These are accounted for in accordance with IAS 31 - Interests in Joint Ventures, according to agreed proportions of use. They are all governed by Section 22 Agreements.

The cost relating to these activities are shown within the accounts. Full details are included within the Group Accounts.

The OPCC's share of Joint Operations (JO's) is as follows:

Ownership %	Arrangement	2019-20 Expenditure £000	2019-20 Income £000	2019-20 Net £000
27.30%	EM Legal Services	504	(499)	5
50.00%	EM Strategic Commercial Unit	628	(626)	2
27.30%	EM Major Crime	212	(213)	(1)
27.30%	EM Serious Organised Crime	5,094	(5,088)	6
34.90%	EM Criminal Justice	213	(212)	1
27.30%	EM Occupational Health Unit	450	(449)	1
27.30%	EM Forensics	2,527	(2,466)	61
31.42%	EM Learning & Development	864	(847)	17
31.04%	Multi Force Shared Service (MFSS)	2,279	(2,279)	-
22.60%	Emergency Services Network (ESN)	107	(181)	(74)
		12,878	**(12,860)**	**18**

The OPCC does not have any Associate Entities in 2019-20.

Note 10 – Provisions

Provisions are made where an event has taken place that gives a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Note 11 – VAT

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

Note 12 – Resources used in Provision of Police Services

Although all transactions during the year are solely within the Accounts of the Commissioner and all assets are owned and controlled by the Commissioner, the Chief Constable uses resources to provide policing. It includes the cost of depreciation on assets owned as a proxy for the rental value. It includes all adjustments required under IFRS for accrued employee benefits and pension costs.

Note 13 – Expenditure Funding Analysis

This statement shows how annual expenditure is used and funded from annual resources (government grants and Council Tax).

This is compared with the CIES which includes economic resources consumed or earned in accordance with generally accepted accounting practices.

2018-19 RESTATED				2019-20		
Net Expenditure Chargeable to the General Fund £000	Adjustments £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund £000	Adjustments £000	Net Expenditure in the CIES £000
238,983	97,325	**336,308**	Cost of Police Services	239,312	(14,970)	**224,342**
(238,983)	-	**(238,983)**	Funding from the PCC	(239,312)	-	**(239,312)**
-	**97,325**	**97,325**	**Net Cost of Services**	-	**(14,970)**	**(14,970)**
-	66,526	**66,526**	Other (Income) and Expenditure	-	69,513	69,513
-	**163,851**	**163,851**	**(Surplus) or Deficit on Provision of Service**	-	**54,543**	**54,543**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

Note 13 – Expenditure Funding Analysis (continued)

2019-20	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	(15,749)	779	**(14,970)**
Net Cost of Services	**(15,749)**	**779**	**(14,970)**
Other Income and Expenditure	69,513	-	**69,513**
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	**53,764**	**779**	**54,543**

2018-19 RESTATED	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	97,172	153	**97,325**
Net Cost of Police Services	**97,172**	**153**	**97,325**
Other Income and Expenditure	66,526	-	**66,526**
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	**163,698**	**153**	**163,851**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

The Net Change for the Pensions Adjustments in 2019-20 is the replacement of pension contributions with IAS 19 pension related expenditure and income.

This is the current service costs and past service costs. For other income and expenditure this is the net interest on the defined benefit liability, which is charged to the CIES.

Other Differences – represents the difference in accumulated absences charged to the CIES and amounts paid for taxation purposes (being accrued leave).

Note 14 - Income

2018-19 £000	Credited to Services	2019-20 £000
(2,175)	Partnership and Joint Controlled Operations	(1,789)
(1,858)	PFI Grant	(1,858)
(2,142)	Recharge of Officers	(1,640)
(7,852)	Other Income	(12,551)
(14,027)	**Total**	**(17,838)**

Note 15 – Income and Expenditure Analysed by Nature

2018-19 RESTATED £000	Nature of Expenditure or Income	2019-20 £000
(14,027)	Service Income	(17,838)
308,216	Employee Expenditure	199,789
42,119	Running Expenses	42,392
(238,983)	Income from Commissioner	(239,312)
-	Pension Interest Income	-
66,526	Pensions Interest Payment	69,513
163,851	**(Surplus) or Deficit for Year**	**54,543**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

Note 16 – Adjustment between Accounting and Funding Basis under the regulations

2018-19 RESTATED £000	Adjustment between Accounting and Funding Basis under the regulations	2019-20 £000
163,698	Pension Cost (transferred to/(from) the Pension Reserve	53,764
-	Pension Reserve Adjustment of PCC / CC b/f split	698
154	Holiday pay (adjustments to the Accumulated Absences Reserve)	81
163,851	**Total**	**54,543**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

Note 17 – Unusable Reserves

31 March 2019 RESTATED £000	Type of Reserve	31 March 2020 £000
2,842,009	Pensions	2,666,907
3,469	Accumulated Absences	3,550
2,845,478	**Total**	**2,670,457**

31 March 2019 RESTATED £000	Pensions Reserve	31 March 2020 £000
(2,622,368)	**Balance 1 April**	(2,842,009)
-	Analysis adjustment between PCC and CC	(698)
(55,943)	Remeasurements of the net defined benefit liability/(asset)	229,564
(234,680)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	(125,032)
70,982	Employer's contributions to pensions schemes	71,268
(2,842,009)	**Balance 31 March**	**(2,666,907)**

31 March 2019		Accumulated Absence Reserve	31 March 2020	
£000	£000		£000	£000
	(3,315)	**Balance 1 April**		(3,469)
3,315		Settlement or cancellation of accrual made at the end of the preceding year	3,469	
(3,469)		Amounts accrued at 31 March 2020	(3,550)	
	(154)	Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(81)
	(3,469)	**Balance at 31 March**		**(3,550)**

Note 18 – External Audit Costs

Ernst and Young LLP are the appointed external auditors.

The cost was £0.012m (£0.012m in 2018-19).

Note 19 – Defined Benefit Pension Scheme

The employer makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the value of this is included within the CIES. The total value of the liability is carried on the Balance Sheet. The statutory arrangements ensure that funding will meet payments. Actuarial gains and losses are charged to the Pension Reserve.

Full pensions notes are included within the Group accounts. Summary information relating to the Chief Constable entity is included here. The Chief Constable information is extracted on a pro rata basis.

Employees are members of two separate defined benefits pension schemes providing retirement lump sums and pensions, earned whilst employed by the Group. There is a scheme for staff and one for officers.

The Local Government Pensions Scheme:
The Local Government Pensions Scheme (LGPS) for staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis at fair value. The figures are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2016 for members receiving funded benefits and as at 31 March 2014 for any members receiving unfunded benefits. This has then been rolled forward to reflect the position as at 2020.

The Police Pension Scheme:
The Police Pension Scheme for police officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, the Group must transfer amounts to reduce the balance on the Pension Fund to zero. This is via the Pension Top-up grant from the Home Office. Conversely a surplus would be paid over. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. The figures are based on a detailed valuation using information as at 31 March 2016.

Note 19 – Defined Benefit Pension Scheme (continued)

When assessing the potential implications of McCloud on the IAS19 liabilities, the actuary has considered those members with benefits in the 2015 scheme who were former members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material. Using these assumptions the actuary has estimated the potential decrease in scheme liabilities for Nottinghamshire to be approximately 6.2% or £175m of pension scheme liabilities. The McCloud element of this is is reflected in the IAS19 disclosure as a past service cost.

The costs emerging are sensitive to the underlying assumptions The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to take place in 2020 with implementation of the results planned for 2023-24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through The Police Pension Fund Regulations 2007. These require a police authority to maintain a police 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 enough 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 police authority in the form of a central government top-up grant.

Note 19 – Defined Benefit Pension Scheme (continued)

2018-19 RESTATED		Pension Fund	2019-20	
LGPS	Police	Comprehensive Income and Expenditure Statement	LGPS	Police
£000	£000		£000	£000
12,956	38,110	Current Service Cost	14,381	53,810
90	-	Admin Expense	92	-
3,098	113,900	Past Service Cost	356	(13,120)
-	-	(Gain) / loss from curtailments	-	-
3,516	63,010	Net interest expense / (income)	3,333	66,180
19,660	**215,020**	**Total charged to (Surplus) and Deficit on Provision of Services**	**18,162**	**106,870**
		Other Costs - Remeasurement of the defined benefit liability		
(12,853)	-	Return on Assets	22,921	-
-	(6,700)	Actuarial (gains) & losses – experience	15,503	(51,840)
(21,145)	-	Actuarial (gains) & losses arising on changes in demographic assumptions	(8,161)	(80,750)
21,601	75,040	Actuarial (gains) & losses arising on changes in financial assumptions	(45,595)	(82,470)
-	-	Return on plan assets (exc amount included in the net interest expense)	828	-
7,263	**283,360**	**Total charged to the Comprehensive Income and Expenditure Statement**	**3,659**	**(108,190)**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

Note 19 – Defined Benefit Pension Scheme (continued)

2018-19 RESTATED		Pension Fund	2019-20	
LGPS	Police	Movement in Reserves Statement	LGPS	Police
£000	£000		£000	£000
(19,660)	(215,020)	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	(18,162)	(106,870)
		Amount charged against the general fund balance for pensions in the year:		
5,682	-	Employers' contributions payable to the scheme	5,038	-
-	65,300	Retirement benefits payable to pensioners	-	66,230

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

2018-19		Pensions Assets and Liabilities	2019-20	
LGPS	Police	Recognised in the Balance Sheet	LGPS	Police
£000	£000		£000	£000
(371,143)	(2,702,560)	Present value of the defined obligation	(351,600)	(2,528,140)
231,694	-	Fair value of plan assets	212,833	-
(139,449)	(2,702,560)	Value of Assets / (Liabilities)	(138,767)	(2,528,140)
(139,449)	**(2,702,560)**	**Net (liability) / assets arising from the defined benefit obligation**	**(138,767)**	**(2,528,140)**

2018-19	Pension Fund	2019-20
£000	Net Asset Statement as at 31 March	£000
	Net Current Assets and Liabilities	
678	LGPS pension benefits paid in advance	-
(678)	Creditors to the CC for Nottinghamshire	-
-	**Total**	-

Note 19 – Defined Benefit Pension Scheme (continued)

2018-19 RESTATED		Pension Fund	2019-20	
LGPS £000	Police Officer Pension Scheme £000	Movement in the Value of Scheme Assets	LGPS £000	Police Officer Pension Scheme £000
213,346	-	Opening fair value of scheme assets	231,694	-
5,548	-	Interest income	5,006	-
		Re-measurement gain / (loss):		
12,853	-	The return on plan assets, excluding the amount included in the net interest expense	(22,921)	-
5,682	65,300	Contributions from employer	5,038	66,230
2,248	10,020	Contributions from employees into the scheme	2,300	10,090
(7,893)	(75,320)	Benefits / transfers paid	(7,364)	(76,320)
-	-	Other actuarial gains(losses) on assets	(828)	-
(90)	-	Admin Expense	(92)	-
231,694	**0**	**Closing value of scheme assets**	**212,833**	**-**

2018/19 is restated as this has Prior Year Adjustments – details are provided in Note 5

2018-19		Pension Fund	2019-20	
LGPS £000	Police Officer Pension Scheme £000	Movements in the Fair Value of Scheme Liabilities	LGPS £000	Police Officer Pension Scheme £000
(351,214)	**(2,484,500)**	**Opening balance at 1 April**	**(371,143)**	**(2,702,560)**
-	-	Analysis adjustment between PCC and CC	(698)	-
(12,956)	(38,110)	Current service cost	(14,381)	(53,810)
(9,063)	(63,010)	Interest cost	(8,339)	(66,180)
(2,248)	(10,020)	Contributions from scheme participants	(2,300)	(10,090)
		Re-measurement gains and losses:		
-	6,700	- Actuarial gains / (losses) - experience	(15,503)	51,840
21,145	-	- Actuarial gains / (losses) from changes in demographic assumptions	8,161	80,750
(21,601)	(75,040)	- Actuarial gains / (losses) from changes in financial assumptions	45,595	82,470
(3,098)	(113,900)	Past service cost	(356)	13,120
-	-	Gains / (losses) on curtailments	-	-
7,893	75,320	Benefits / transfers paid	7,364	76,320
(371,143)	**(2,702,560)**	**Balance as at 31 March**	**(351,600)**	**(2,528,140)**

Note 19 – Defined Benefit Pension Scheme (continued)

The liabilities show the underlying commitments that the Force will eventually have for retirement benefits. The total liability of £2,666.9m has a substantial impact on the net worth of the Balance Sheet. Statutory accounting arrangements to fund the deficit neutralise the effect on taxpayers. Finance is only required when the pensions are actually paid.

The deficit on the local government scheme has been recovered by increased monetary contributions for three years until this year. The situation will be re-assessed for the next three years based on an actuarial valuation report.

The total contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2021 are £5.9m and £23.6m respectively.

The expected return on scheme assets is determined by considering the expected returns available on the assets with the current investment policy:

- Expected yields on fixed interest investments are based on gross.
- Redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £-17.9m (2018-19, £+18.4m). The pension liability is sensitive to changes and the actuaries give an indication of this.

For the LGPS an increase of 0.1% on the discounting rate used decreases the pension liability by £8.4m and a decrease by the same amount increases the pension liability by £8.7m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £200m with a 0.5% decrease in the rate increasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2018-19	2019-20	2018-19	2019-20
Mortality assumptions				
Longevity at 65 retiring today				
Men	21.6 yrs	21.8 yrs	22.7 yrs	21.9 yrs
Women	24.4 yrs	24.4 yrs	24.3 yrs	23.6 yrs
Longevity at 65 retiring in 20 years				
Men	23.3 yrs	23.2 yrs	24.6 yrs	23.6 yrs
Women	26.2 yrs	25.8 yrs	26.2 yrs	25.2 yrs
Rate of inflation				
CPI increases	2.40%	1.85%	2.35%	2.00%
Rate of increase in salaries	3.90%	2.85%	4.35%	4.00%
Rate of increase in pensions	2.40%	1.85%	2.35%	2.00%
Rate for discounting scheme liabilities	2.45%	2.35%	2.45%	2.25%

Note 19 – Defined Benefit Pension Scheme (continued)

Value of LGPS Assets at Bid Value	31 March 2019 £000	31 March 2019 %	31 March 2020 £000	31 March 2020 %
Equity Investments	143,806	62	136,105	64
Gilts	7,546	3	6,997	3
Other Bonds	21,469	9	18,462	9
Property	31,353	14	27,023	13
Cash	5,598	2	5,205	2
Inflation-linked pooled fund	8,419	4	7,749	4
Infrastructure	11,154	5	11,291	5
Unit Trust	2,350	1	-	-
	231,694	**100**	**212,833**	**100**

Note 20 – Officers' Remuneration

2019-20							
Officers Remuneration 2019-20	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable - C Guildford		173,416	-	10,660	-	52,486	**236,563**
Deputy Chief Constable - R Barber		134,153	-	9,248	-	-	**143,401**
Assistant Chief Constable - S Cooper		115,058	-	7,510	-	35,668	**158,236**
Assistant Chief Constable - K Meynell		112,929	-	7,029	-	33,906	**153,864**
Chief Finance Officer - M Kimberley		64,172	-	614	-	8,599	**73,385**
TOTAL CHIEF CONSTABLE		**599,728**	**-**	**35,061**	**-**	**130,659**	**765,448**

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance, Compensatory Grant and Compensation for Loss of Office.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances and medical expenses.

Note 20 – Officers' Remuneration (continued)

2018-19							
Officers Remuneration 2018-19	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable - C Guildford		159,313	-	14,196	-	36,575	**210,084**
Deputy Chief Constable - R Barber	5	131,754	-	11,321	-	12,979	**156,054**
Assistant Chief Constable - S Cooper		106,042	-	7,588	-	25,662	**139,292**
Assistant Chief Constable - S Prior	3	60,154	-	2,640	-	11,772	**74,566**
Assistant Chief Constable - K Meynell	4	67,681	-	4,451	-	13,500	**85,632**
Chief Finance Officer - M Kimberley		63,990	-	602	-	8,531	**73,124**
TOTAL CHIEF CONSTABLE		**588,934**	**-**	**40,798**	**-**	**109,019**	**738,751**

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance, Compensatory Grant and Compensation for Loss of Office.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation.

Note 3: ACC retired on 9 September 2018

Note 4: ACC appointed on 6 August 2018

Note 5: DCC opted out of pension scheme 30 years on 4 September 2018

The table below does not include the senior officers in the previous tables.

Employees Remuneration over £50,000		
	2018-19 RESTATED	2019-20
£50,001 to £55,000	14	12
£55,001 to £60,000	7	3
£60,001 to £65,000	2	2
£65,001 to £70,000	-	-
£70,001 to £75,000	1	1
£75,001 to £80,000	3	2
£80,001 to £85,000	-	1
£85,001 to £90,000	2	1
£90,001 to £95,000	1	1
£95,001 to £100,000	-	-
£100,001 to £150,000	-	-
£150,001 to £200,000	-	-
Total	**30**	**23**

The 2018-19 figures have been restated due to the previous incorrect inclusion of police officers not of a rank above superintendent. The restatement of 2018-19 has reduced the number disclosed from 334 to 30.

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. This includes salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars).

An accrual is made for the cost of holiday entitlements or any form of leave, (e.g. time off in lieu earned, but not taken before the year-end), which an employee can carry forward into the next financial year.

The accrual is made at the payment rates applicable in the following accounting year, being the period in which the employee takes the benefit. The amount included on the balance sheet is £3.6m (£3.5m 2018-19).

Termination Benefits

Termination benefits are payable as a result of a decision to terminate an employee's employment before the normal retirement date or an acceptance of voluntary redundancy. These are charged to the CIES when the Group is demonstrably committed to the decision.

Six contracts were terminated during the year (20 in 2018-19), incurring costs of £275k (£378k in 2018-19), of which £190k was for pension strain.

Other departures agreed cover voluntary redundancies and compromise agreements. All of the costs were included within the CIES. There were no material payments in relation to injury awards during the year ended 31 March 2020.

Exit Packages								
Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£000)	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
£0 - £20,000	7	1	8	3	15	4	101	27
£20,001 - £40,000	2	1	1	-	3	1	98	22
£40,001 - £60,000	-	-	1	-	1	-	49	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	1	-	1	-	130	-
Over £150,000	-	-	-	1	-	1	-	226
Total cost included in bandings all included within the CIES	**9**	**2**	**11**	**4**	**20**	**6**	**378**	**275**

Note 21 – Related Parties

The Chief Constable is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the organisation or vice versa. Disclosure of these transactions allows transparency to the extent that the Chief Constable might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely.

The Commissioner as the parent corporation asserts a significant influence over the Chief Constable.

Central Government has significant influence over the general operations of the Chief Constable, as it is responsible for providing the statutory framework within which it operates.

Senior managers complete a declaration of personal interests because they influence decision making.

Joint arrangements and collaborations are areas where significant influence can be exerted by all parties.

Other Local authorities with whom partnership working is important, for instance within the area of anti-social behaviour may be an influencing factor.

Note 22 – Contingent Liabilities

A contingent liability arises where a past event gives a possible obligation which depends on the outcome of uncertain future events not wholly in the control of the Chief Constable/Group. As usable reserves/liabilities are met by the Group such liabilities are not recognised in the Chief Constables accounts.

Contingent liabilities also arise in circumstances where a provision or reserve would otherwise be made, but there is not the level of certainty on either likelihood or value. Contingent liabilities are not recognised in the Balance Sheet.

An earmarked reserve for Allard is held within the Group as the Chief Constable is wholly owed by the parent and does not have any useable reserves.

Any liabilities arising would be fully met by The Commissioner and Group.

Note 23 – Reserves

These accounts do show unusable reserves such as pensions and accumulated absences.

However, as all the assets are held solely in the Group accounts, where a useable reserve is recognised, hence are therefore only shown in the Group accounts. As such no useable reserves are held by the Chief Constable.

Note 24 – Accounting Standards Issued, Not Adopted

For 2019/20 new standards that have been issued but not adopted relate to;

- IAS 28 Investments in Associates and Joint Ventures; Long Term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

These changes were issued after the new CIPFA Code Of Practice for Local Authority Accounts was published but the impact on the financial statements of the Chief Constable is either not applicable or not considered to be material.

Note 25 – 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 on which the Statement of Accounts are 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 are 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.



GLOSSARY

GLOSSARY

ACCOUNTING PERIOD	ACCOUNTING POLICIES	ACCRUALS
The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.	These are a set of rules and codes of practice used when preparing the accounts.	Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.
ACT	**ACTUARIAL GAINS AND LOSSES**	**AUDIT OF ACCOUNTS**
The Police Reform and Social Responsibilities Act 2011.	For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because: Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or the actuarial assumptions have changed.	An independent examination of the Force's financial affairs.
BALANCE SHEET	**BUDGET**	**CIPFA**
A statement of the recorded assets, liabilities and other balances at the end of the accounting period.	The forecast of net revenue and capital expenditure over the accounting period.	The Chartered Institute of Public Finance and Accountancy.

CODE	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	CONSISTENCY
The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.	The account of the Force that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.	The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.
CREDITOR	**CURRENT SERVICE COST (PENSIONS)**	**DEFINED BENEFIT PENSION SCHEME**
Amount owed by the Force for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.	The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.	Pension schemes in which benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.
DEPRECIATION	**DISCRETIONARY BENEFITS (PENSIONS)**	**EVENTS AFTER THE BALANCE SHEET DATE**
The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Force's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other charges.	Retirement benefits, which the employer has not legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.	Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date when the Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS	GOING CONCERN	GOVERNMENT GRANTS
For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.	The concept that the statement of Accounts is prepared on the assumption that the Force will continue in operational existence for the foreseeable future.	Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Force. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.
GROUP	**IFRS**	**INTEREST COSTS (PENSION)**
Nottinghamshire Office of the Police and Crime Commissioner and its Group.	International Financial Reporting Standards are developed by the International Accounting Standards Board (IASB) and regulate the preparation and presentation of Financial Statements. Any material departures from these Standards would be disclosed in the notes to the Accounts.	For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.
MATERIALITY	**MINIMUM REVENUE PROVISION (MRP)**	**PAST COSTS (PENSIONS)**
The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.	The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Force.	For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to the employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PRIOR YEAR ADJUSTMENT	REMUNERATION	REVENUE EXPENDITURE
Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.	All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.	The day-to-day expenses of providing services.