



**NOTTINGHAMSHIRE
POLICE & CRIME
COMMISSIONER**

Draft

Statement of Accounts

2023-24

**Nottinghamshire Police &
Crime Commissioner and
Group**

(V2 07/06/2024)

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The Narrative Report to the financial statements provides a guide to the most significant matters reported in the accounts and includes key performance information, a comparison of outturn figures to the budget and highlights any specific matters.

I am pleased to present the Statement of Accounts for the Police & Crime Commissioner for Nottinghamshire for the financial year 2023/24. This Statement of Accounts sets out the overall financial position of the Police & Crime Commissioner for Nottinghamshire (PCC Group) for the year ended 31 March 2024.

The PCC Group is responsible for providing policing services to Nottinghamshire.

1. 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 1.2m within the City and County which is ethnically diverse with 12% identifying as coming from Black, Asian, and other minority ethnic communities which, coupled with our student groups, creates a vibrant place to live, work and visit. The majority of properties across the City and County fall within Council Tax bands of A and B.

Nottinghamshire is one of five regional forces in the East Midlands and works closely with the other four to provide an effective and efficient service. Central Government funding provides the Commissioner with approximately 65% of the net funding required to police Nottinghamshire. The remainder is met from local council tax, and any contributions from reserves. For 2023-24 the Government funding was increased because of the National Uplift Programme to a total of £170.6m. For 2023-24 all PCCs could raise council tax by up to £15 per annum (per Band D) without triggering a referendum.

2. GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area, with operational policing being the responsibility of the Chief Constable. The Commissioner is also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. 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 annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement which forms part of the financial statements and includes the governance arrangements of the Chief Constable.

3. ORGANISATION

The PCC receives all funding and income and makes all payments for the PCC Group. Under a detailed Scheme of Delegation an annual budget is provided, following consultation with the Chief Constable, for fulfilling requirements for policing Nottinghamshire in accordance with the Police and Crime Plan.

All Police Officers and most police staff (other than a small number relating to the PCC's Office) are in the Chief Constable's employment. The Financial Statements reflect the cost of providing operational policing in the Chief Constable's accounts.

Nottinghamshire Police is one of five regional forces in the East Midlands and works closely on various collaborations to provide an efficient service. More detail and how they are accounted for in these Financial Statements is provided in the joint operations supplementary accounts from page 84.

4. PRIORITIES & ACHIEVEMENTS

The Make Notts Safe Plan 2021-25 is centred around 3 objectives:

- **Preventing** crime and protecting people from harm
- **Responding** efficiently and effectively to community needs and
- **Supporting** victims and survivors, witnesses and communities

Achievements against these objectives are set out below.

Preventing

We have continued to drive improvements in neighbourhood safety and feelings of safety with the ongoing roll out of our multi-million pound Safer Streets initiative. This has led to the delivery of targeted crime and antisocial behaviour prevention programmes in every local authority area.

- The £820k Safer Streets 5 project commenced in October 2023 with a range of targeted interventions being rolled out across each local authority area to tackle ASB, residential burglary, personal robbery, theft from person, vehicle crime and violence against women and girls (VAWG). Through the Safer Streets programme, the Commissioner has been successful in drawing over £5.2m worth of funding into Nottinghamshire since 2021. This has helped to increase safety and feelings of safety among many residents in communities affected by higher than average levels of crime and ASB.

We have continued to lead partnership activity to tackle serious violence and divert more young people from harm. Our Violence Reduction Partnership (VRP) was allocated £1.4m core funding in 2022-23 in addition to securing and additional £1.4m in August 2022 for Focused Deterrence, known locally as the “Another Way”.

- The Nottinghamshire Violence Reduction Partnership has continued to support specified authorities in meeting the requirements of the Serious Violence Duty which commenced on 31 January 2023. The VRP has also maintained a priority focus on: implementing a trauma informed strategy across the partnership; delivering the Youth Work Strategy, including training pathways and a quality framework for youth work across the voluntary and community sector and supporting and leading on systems change opportunities in education to reduce exclusion, school absence and embed contextual safeguarding. The VRP team have continued to deliver and evaluate high impact interventions, including Focussed Deterrence, therapeutic support, sports and mentoring and detached youth work to ensure positive outcomes for children and young people.

We have driven further improvements in safety in Nottingham’s night-time economy following the successful allocation of partnership Night-Time Levy funding.

- The range of activities and initiatives supported included innovative body-worn technology which is providing video and radio communication across retail and night-time economy establishments; further investment in Consent Coalition campaigns and resources; continued work on the Safe Space Pledge; funding for a Mobile Treatment Centre in the City Centre during hotspot weekends and further distribution of bleed kits and training across city centre businesses.

The PCC committed £88,465 funding to community-based organisations to undertake projects aimed at steering young people away from crime and antisocial behaviour.

- This saw over 500 young people reached through mentoring and group diversionary activities and 79 young people who were most at risk receiving one-to-one mentoring to support them away from serious violence and crime. Those engaging in these programmes continue to report positive improvements in ‘protective factors’ such as mental health, emotional wellbeing, family relationships and positive behaviour change.

Responding

We have driven ongoing improvements in police visibility with 187 officers being redeployed into high visibility neighbourhood policing and response roles in 2024. This has helped to ensure that Nottinghamshire maintains an accessible and responsive police service.

- The Force continues to implement and embed organisational changes following a review of demand undertaken earlier in the year which will see 187 officers redeployed into high-visibility neighbourhood policing and response roles in communities across Nottinghamshire over the next year. This will include the reallocation of 105 Police Constables to neighbourhood policing roles and 72 Police Constables and 10 Sergeants to response policing roles.

We have launched the innovative Immediate Justice Project and hotspot patrols which are helping to strengthen our partnership response to anti-social behaviour.

- Roll out of the Nottinghamshire Immediate Justice scheme commenced in January 2024 as part of a national pilot to deliver a swift and visible community response to people who commit anti-social behaviour. The project secured a further £1m Home Office funding in 2023/24 which will enable continuation of the project to March 2025. The force and OPCC also secured £1.5m funding to identify and respond to ASB and serious violence in hotspot localities.

We have delivered tangible improvements in our response to Rural Crime across Nottinghamshire, having produced the first Rural Crime Plan for the area.

- The Nottinghamshire Rural and Wildlife Strategy 2024-2026 was published on 27 February 2024, re-asserting the Commissioner's and police commitment to tackling rural and wildlife crime, protecting rural communities, and ensuring that communities feel safe and listened to. The strategy builds upon a range of key achievements delivered over the previous year, which include the establishment and development of a cohort of 24 specially trained wildlife and rural crime officers; two Force established specialist crime scene investigators trained in rural evidential retrieval; a team of 13 contact management staff trained in the needs of rural communities and; investment in new 4x4 vehicles to support our rural response capabilities. A Rural Crime Prevention Officer was also appointed via the Commissioner's Safer Streets funding.

We invested in and enhanced our provision of Electronic Monitoring and Sobriety Tagging technology to improve the response to those at greatest risk of re-offending.

- The force piloted in May 2023 Alcohol 'SCRAM' tags during 2023/24, becoming the first force outside the US to use Remote Breathalysers (RB). The tags have proved highly effective, recording a sober day rate of around 80%. The force has worked to expand their use in Nottinghamshire to focus on those who have alcohol as a recognised trigger point for offending. At any one time, the force now has around 370 offenders on statutory curfew tags along with 16 Buddi voluntary GPS tags used with high risk domestic, sexual and acquisitive offenders.

Supporting

We have developed, launched and enabled delivery of Nottinghamshire's first cross-partnership Violence Against Women and Girls Strategy.

- The Commissioner appointment of a Violence Against Women and Girls (VAWG) Project Lead and commissioning officer in November 2023 to drive this programme forward. Nottinghamshire's VAWG strategy has now been formally agreed by alongside a comprehensive delivery plan. A delivery group continues to meet regularly to progress this work. Specific VAWG-related initiatives have included the 'Your Choice' domestic violence perpetrator project which went live in October 2023 and the successful recommissioning of Independent Sexual Violence Advocate (ISVA) and Child ISVA services in December 2023. The new perpetrator service will include a new evidence-based programme for first time offenders.

We have worked with partner agencies to strengthen local responses to fraud and digital crime, developing new campaigns and resources for communities and other stakeholders to help reduce the risk of falling victim to online fraud.

- The Fraud Partnership Board continued to drive delivery against the Fraud Action Plan with initiatives such as the 'Red Flags of Fraud' Campaign in February 2024 and an extensive range of multi-agency campaigns and communication materials. The partnership produced a fraud protection booklet which is available digitally and

in print. The force’s Protect and Prevent Officer and OPCC engagement staff continue to promote fraud prevention messages at community and other stakeholder events across the county.

Together with local partners, the Commissioner has continued to drive improvements in the police and Criminal Justice response to domestic abuse and serious sexual offences.

- The Commissioner continued to support work with specialist sexual violence support services, mental health sector providers, NHS England and Integrated Care Board partners to implement the Sexual Violence Pathfinder programme. The Force also commenced roll out new technology to enhance the service experience for domestic abuse victims. The technology enables swift video response by an officer via smart phone, desktop, tablet or laptop where it is deemed safe to do so and there is victim consent. The approach has been successfully trialled in other areas of the country has been found deliver significant improvements in victim satisfaction, police response times and arrest rates.

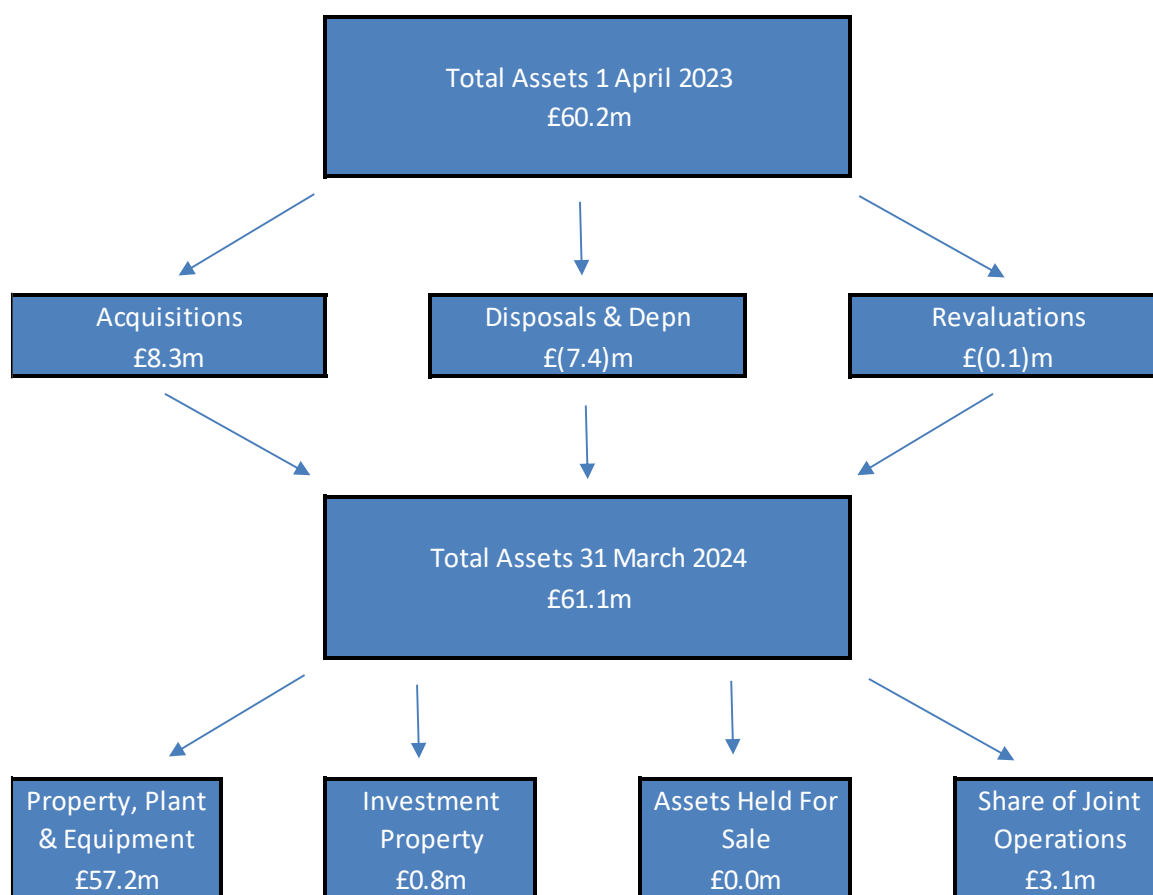
Our newly commissioned Victim CARE and Restorative Nottinghamshire services went live on 1 October 2023 providing high quality support for victims of crime across Nottinghamshire.

- The newly commissioned Nottinghamshire Victim CARE service began in October 2023, supporting more victims than ever before as a result of changes in the referral process. The new service model includes a dedicated service called “Got Your Back” for children and young people. Feedback from children and young people about the new service has been very positive. The OPCC also successfully worked with East Midlands Probation to co-commission a new Restorative justice service which empowers victims by giving them a voice and has been proven to help victims recover from crime and have more confidence in the criminal justice system as well as reduce re-offending.

5. FINANCIAL PERFORMANCE

Capital

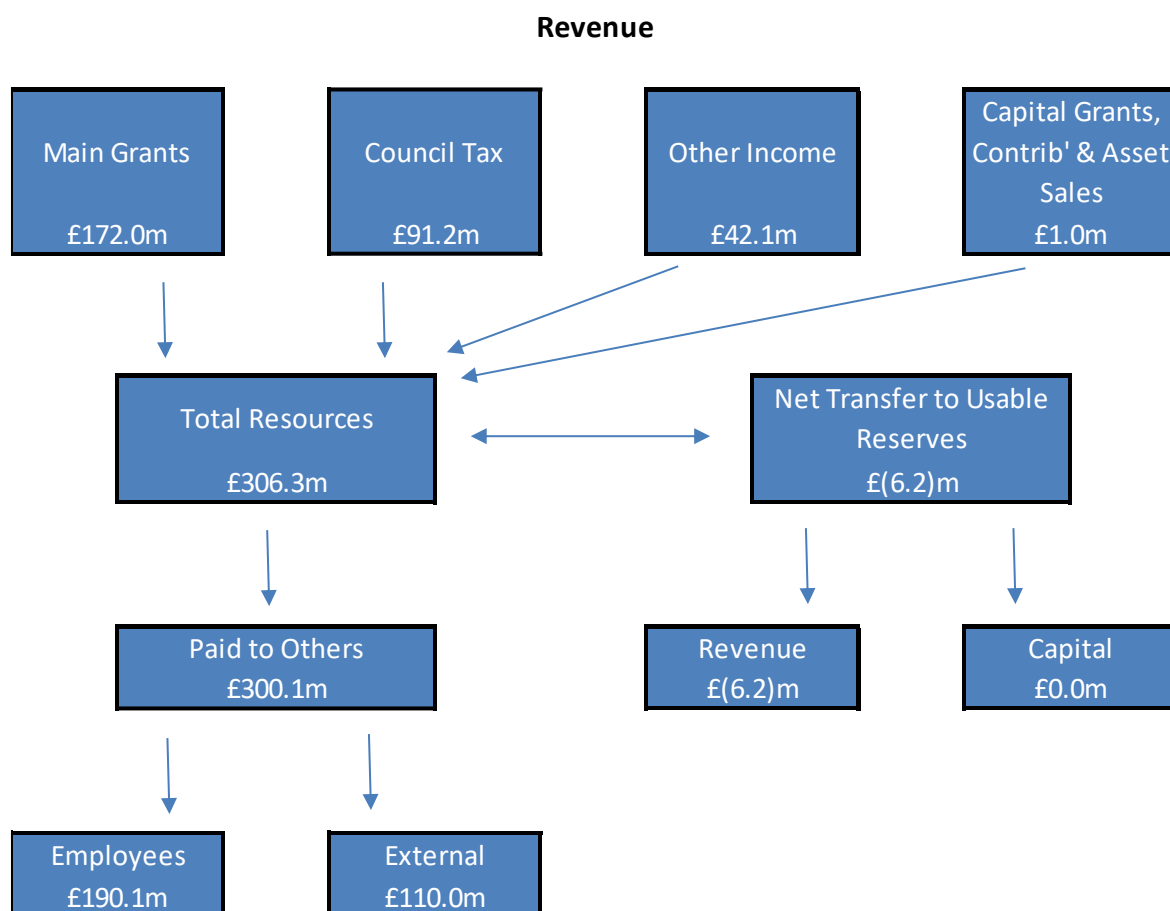
Nottinghamshire is responsible for managing non-current assets with a value in excess of £60m



Capital Expenditure

Nottinghamshire continues to have an ambitious capital programme. The main areas of expenditure over the next 5 years are:

- Maintaining the existing estate - £12.9m
- Updating and replacing IT - £1m
- Vehicle replacements - £13.9m
- Exploring opportunities with the Fire Service and East Midlands Ambulance Service (EMAS).



The revenue figures illustrated above do not include the adjustments made for IFRS. These are included within the main financial statements which comply with the Accounting Code.

Provisions and Reserves

The Insurance Provision required additional contributions during the year to meet the cost of potential claims outstanding. The Bad Debt Provision was also increased in the year following a review of historical debtors. Reserves continue to be replenished to finance revenue and capital expenditure over the medium term. General reserve balances are kept at above 3% of net revenue expenditure to manage and fund demand led spending pressures. The remainder of usable reserves are allocated to fund specific initiatives or meet areas of anticipated future spending.

| At 31 March 2024 | |
|-------------------------------|---------|
| Total Provision | £6.6m |
| Total Usable Revenue Reserves | £40.6m |
| Total Usable Capital Reserves | £(0.0)m |

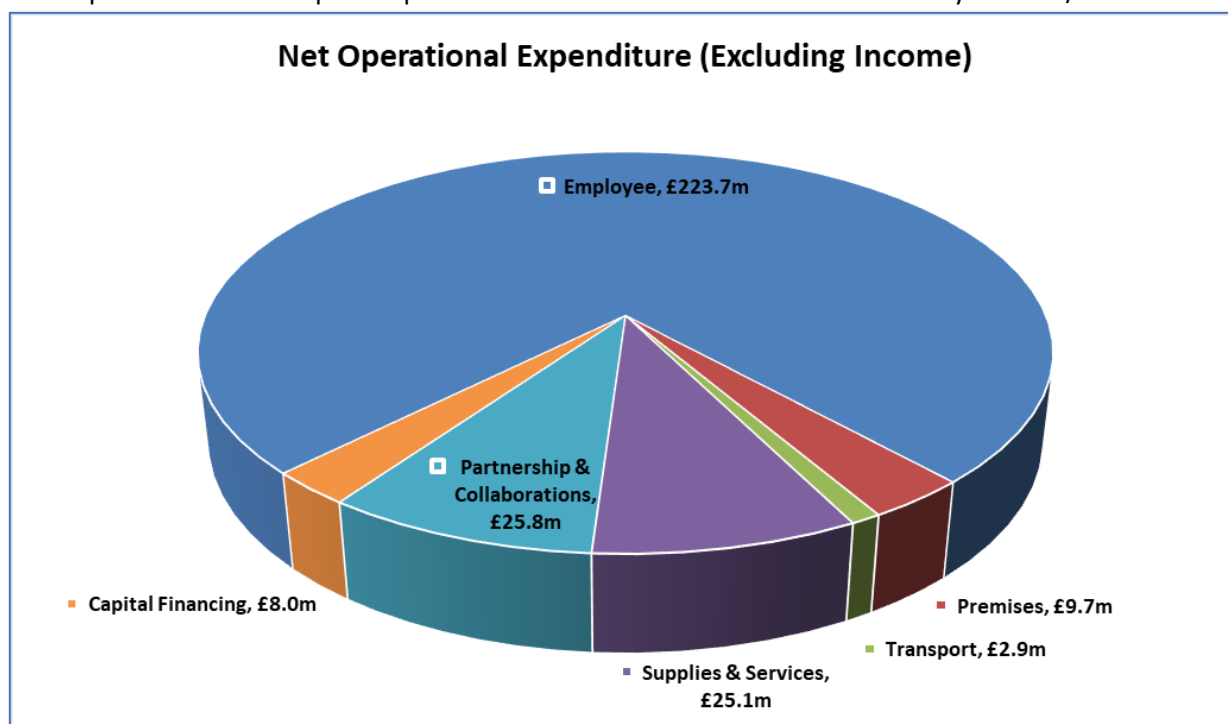
Operating Expenditure Analysis

Total operating expenditure for the 2023-24 financial year was £250.3m. This is less than expenditure shown in the financial statements because it excludes regional costs, pension costs and other adjustments for statutory reporting purposes. The Pensions accounting are purely technical accounting costs relating to IFRS19. The table below shows those items which are excluded from total operational expenditure.

| 2022-23 Group £000 | Operating Expenditure Reconciliation to Outturn | 2023-24 Group £000 |
|--------------------------|---|--------------------------|
| 386,202 (35,571) | Gross expenditure as per financial statements Fee Charges Other Service Income as per financial statements | 367,415 (42,097) |
| 350,631 (108,732) | Net Operating Expenditure as per financial statements | 325,318 (73,887) |
| 242 | Pension Accounting | 253 |
| (1,568) | PFI | (1,342) |
| (2,313) | Joint Operations | (821) |
| (137) | Capital Accounting | 693 |
| 468 | Accumulated Absences | 53 |
| 468 | Post outturn adjustments | 53 |
| 238,591 | Net Operating Expenditure as per Outturn | 250,267 |

The main components of total operational expenditure are detailed below.

- Employee – 76% of total spend. Spend on police officers, police staff and police community support officers.
- Partnership & Collaborations – 9% of total spend. Spend on supporting service provision to a variety of regional partners.
- Supplies and Services – 9% of total spend. Spend for a wide variety of supplies and services used by the PCC/Force on a daily basis.
- Premises – 3% of total spend. Spend on running and maintaining the Force estate.
- Capital Financing – 3% of total spend. Spend on financing the capital programme undertaken by the PCC/Force.
- Transport – 1% of total spend. Spend on vehicle and travel costs undertaken by the PCC/Force.



Outturn

The outturn for the Group is £250.3m which is an underspend of £10.5m against the original budget.

There are five unprecedented areas of income generation that have contributed towards the underspend and an increase in IS stock values transferred to the balance sheet which, in line with our accounting policies, results in a net reduction in expenditure in 2023/24.

| | <u>£'000</u> |
|--------------------------|----------------|
| Operation Safeguard | (2,111) |
| Interest | (3,505) |
| Uplift Batch 1 & 2 Grant | (1,830) |
| IT Stock Take | (1,880) |
| UK Football Policing | (250) |
| HO Software Licence | (357) |
| | <u>(9,932)</u> |

The PCC agreed for a transfer to an earmarked reserve of £1,830k to off-set the salary costs of the additional batch 1 and 2 officers, this will be utilised in 2024-25 to fund these temporary additional employee costs arising in that year.

Income from interest and Op Safeguard was also identified as being significantly higher than budgeted, agreement in principle was agreed early in the year to use this windfall to make an additional Direct Revenue Financing (DRF) contribution, which will reduce future years capital charges and reduce the any medium-term funding gap. An additional DRF of £5,000k was subsequently agreed by the PCC.

Operation Perth which is an investigation into failures at Nottingham University Hospitals Midwifery Services. The operation is classed by the Home Office as applicable to apply for a Special Police Grant, the Home Office indication is that 85% of the first years costs will be met by the grant, this leaves £470k to be met by the force in 2024/25. The operation is expected to last several years and to ensure this is fully funded the PCC agreed a reserve is created from the underspend towards meeting the multiyear costs of the operation of £2,281k.

Operation Catalyst is the result of an HMICFRS inspection which identified that the force needs to improve how it manages and carries out effective investigations to make sure that victims get the support they need and to improve our planning and governance processes. The force has initiated work involving external contractors and the creation of a dedicated team to help meet this demand. It was agreed to create a reserve of £500k to meet these unbudgeted costs during 2024/25.

Therefore, the full amount of underspend is utilised as detailed:

| <u>Proposed allocation of underspend</u> | <u>£000</u> |
|--|---------------|
| Uplift Batch 1 and 2 | 1,830 |
| DRF (additional) | 5,000 |
| Operation Perth | 2,281 |
| Operation Catalyst | 500 |
| Safer Streets | 504 |
| Grants & Commissioning | 422 |
| | <u>10,537</u> |

The force continues to seek ways to improve its financial monitoring processes with its spending departments and the force wide outturn is reviewed monthly. Any changes are reported to the Force Executive board with requests for the approval of virements. The rolling five-year planning model is updated if future years are impacted.

2023-24 EXPENDITURE vs BUDGET ANALYSIS

| Net Expenditure Budget | Working Budget £m | Outturn £m | Variance £m |
|-------------------------------|------------------------------|-----------------------|------------------------|
| Employee | 209.4 | 221.3 | 11.9 |
| Partnership & Collaborations | 16.4 | 15.6 | (0.8) |
| Communications & Computing | 13.4 | 10.4 | (3.0) |
| Premises | 10.8 | 9.7 | (1.2) |
| Supplies & Services | 14.3 | 13.8 | (0.5) |
| Capital Financing | 4.5 | 7.4 | 2.9 |
| Transport | 3.1 | 2.9 | (0.2) |
| Income | (17.8) | (36.5) | (18.7) |
| OPCC | 6.7 | 5.8 | (0.9) |
| Total Net Expenditure | 260.8 | 250.3 | (10.5) |

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

Employee Costs

This was £221.3m for the year which was an over-spend of £11.9m against the budget.

The pay award for both Officers and Staff was 7% against an estimated 2.0%, this along with an increased number of transferees and holding both PC and PCSO numbers above establishment created an extra cost of £12.7m, much of this was offset by additional grant income, and staff vacancies.

Overtime was £1.6m above budget, this was due to additional demand and more activity undertaken via overtime, generally this was funded by grants or other income.

Staffing vacancies were over 8% as the Force struggled to recruit in a difficult marketplace especially for specialist roles, the budgeted rate was 3%. This created an underspend of £(2.6)m.

A decision to refund past members for pension administrative costs (scheme sanction charge) incorrectly recharged to them of £0.6m was mainly off-set by less costs in respect of ill health retirements £(0.4)m.

Partnerships & Collaboration

This was £15.6m and was £(0.8)m underspent mainly due to underspends in collaboration activities managed by other regional forces.

Communications & Computing

Costs were £10.4m for the year which was an underspend of £(3.0)m against the budget.

Following a review of operating practices, the value of stock holding became material, and this value was recognised in the management accounts for the first time in the previous year. During 2023-24 £1.8m of IT equipment was added to stock, as due to timings of arrivals and other demands these were not issued in year. In line with accounting practices this spend was not recognised in this year's accounts but will be recognised as expenditure when issued. This resulted in an underspend of over £(1.8)m, which in turn resulted in a reduction in the use of the asset replacement reserve, as shown in capital financing.

An in-year review of licences, obsolete software, and reduced demand for other products resulted in savings of £(0.6m), with other minor savings totalling almost £(0.6m).

Premises

This was £9.7m for the year which was an underspend of (£1.2m) against the budget mainly due to energy cost increases being less than budgeted.

Supplies & Services

Costs were £13.8m which was an underspend of £(0.5)m against the budget.

Additional pension administrative costs, as a result of the McCloud judgement was £0.3m.

Other savings of £(0.7)m were as a result of reduced inventory replacement costs as equipment is lasting longer than planned.

Capital Financing

This was £7.4m for the year, which was an overspend of £2.9m against the budget.

The additional spend was due to allocations to reserves, mainly because of additional income earned in trading activities and proceeds of crime recoveries of £1.3m, as well as reduced transfers from the asset replacement reserves (see Comms & Computing), £1.8m off set by minor reductions in capital costs and contributions to the Bad Debt Provision £0.2m.

Transport

This was £3.1m for the year which was £(0.2m) under, mainly due to fuel cost increases being less than budgeted.

Income

This was £(36.5)m for the year, which was an increase in income of (£18.7m) compared to budget.

The Force received additional Government Grants in respect of the pay award of £(5.9)m and £(3.5m) additional income as a result of changing interest rates and more proactive treasury management.

Home Office payments for the provision of cells for the prison service (Op Safeguard) saw an additional income of £(2.1)m, as well as further Home Office grants for agreeing to increase our officer uplift target £(1.8)m. In addition, other grants and donations totalled £(1.6)m.

Income from seconded officers was an additional £(1.0)m. Fee earning activities generated £(1.4)m over the amount budgeted, mutual aid generated £(0.4)m more, and prosecution income was £(0.3)m higher, with other minor income changes of £(0.7)m.

OPCC

Grants and Commissioning activity underspent by £(0.8)m. Violence Reduction Partnership (VRP) activity accounted for £(0.3)m of this due to reduced staffing costs and the return of funds from partners that were overpaid in the prior year. Additional income of £(0.3)m was also received from the Home Office for the Domestic Abuse Perpetrator activity which was unknown when the budget was set. The delay in roll out of the new national Out of Court Disposals scheme generated an underspend of £(0.2)m as commissioning activity will now be within 2024-25.

There was also an underspend in the core OPCC budget of £(0.1)m due to staff related items such as elevated vacancy rates, reduced use of agency staff and reduced overtime.

6. WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (together with the Office of the Police and Crime Commissioner) employs approximately 2,455 police officers, 167 PCSOs, 85 specials and 1,494 staff in full-time and part-time positions.

| Ethnicity | Headcount | % |
|---------------------|------------------|---------------|
| Asian/Asian British | 137 | 3.26 |
| Black/Black British | 49 | 1.17 |
| Mixed | 82 | 1.95 |
| White/White British | 3898 | 92.79 |
| Other | 7 | 0.17 |
| Not Stated | 0 | 0.00 |
| Not known/provided | 28 | 0.67 |
| Total | 4201 | 100.00 |

| Self-Declared Disability | Headcount | % |
|---------------------------------|------------------|---------------|
| No/not specified | 3817 | 90.86 |
| Yes | 384 | 9.14 |
| Total | 4201 | 100.00 |

| Age Band | Headcount | % |
|-----------------|------------------|---------------|
| 25 & under | 596 | 14.19 |
| 26-40 | 1666 | 39.66 |
| 41-55 | 1543 | 36.73 |
| 56 & over | 396 | 9.43 |
| Total | 4201 | 100.00 |

| Gender | Headcount | % |
|---------------|------------------|---------------|
| Male | 2281 | 54.30 |
| Female | 1920 | 45.70 |
| Total | 4201 | 100.00 |

7. NOTTINGHAMSHIRE POLICE GENDER PAY GAP

Nottinghamshire Police supports the fair treatment and reward of all staff, irrespective of gender. Our pay approach is based on the principles of consistency, fairness and transparency, supporting the fair treatment and reward of all staff, irrespective of gender. We are committed to being a diverse and inclusive organisation and understanding and improving our gender pay balance.

Gender Pay Gap in Hourly Pay

We have seen a positive change in the pay gap. There has been a reduction in the mean gender pay gap by 1.6% from 9.8% last year to 8.2% this year. There has been a decrease in the median gender pay gap by 6.3% from 15.8% last year to 9.5% this year.

| | |
|------------------------------|--------|
| Mean Gender Pay Gap | 8.2% ↓ |
| Median Gender Pay Gap | 9.5% ↓ |

Bonus Gender Pay Gap

The mean bonus gender pay gap has decreased from 6.7% in favour of women to 1.9% in favour of women.

| | |
|------------------------------------|------------|
| Mean Bonus Gender Pay Gap | (-) 1.9% ↓ |
| Median Bonus Gender Pay Gap | (-) 6.7% ↑ |

We have seen a slight decrease in the proportion of females receiving bonus payments by 0.5% from 10.5% last year to 10% this year. The percentage of male officers paid a bonus payment has increased by 0.5% from 12.2% last year to 12.7% this year.

| | Female | Male |
|--|---------------|-------------|
| Proportion of Men and Women receiving a bonus payment | 10% ↓ | 12.7% ↑ |

8. EXPLANATION OF ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Group income and expenditure for the year and its financial position at 31 March 2024. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2023-24; which in turn is underpinned by International Financial Reporting Standards.

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

9. THE CORE STATEMENTS

The Comprehensive Income and Expenditure Statement (CIES). This records all income and expenditure for the year. The top half of the statement includes policing activity. The bottom half of the statement deals with corporate transactions and funding. It includes actuarial valuations in accordance with the code.

The Movement in Reserves Statement (MIRS) – is a summary of the changes to the Reserves during the year. Reserves are divided into “usable”, which can be invested in capital projects or service improvements, and “unusable”, which must be set aside for specific accounting purposes.

The Balance Sheet is a “snapshot” of the assets, liabilities, cash balances and reserves at the year-end date.

The Cash Flow Statement – shows the reasons for changes in cash balances during the year, whether the change is due to operating activities, new investment or financing activities (such as the repayment of borrowing and other long-term liabilities).

10. THE SUPPLEMENTARY FINANCIAL STATEMENTS

The Annual Governance Statement – this sets out the governance arrangements in place and the key internal controls.

The Pension Fund Accounts – these provide detail about the transactions in relation to the pension fund account for police officers. Details relating to the Local Government Pension Scheme for staff (including PCSOs) are provided in the notes to the accounts.

The Notes to the Accounts – these provide more detail about the accounting policies and individual transactions.

AUDIT REPORT AND OPINION

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR NOTTINGHAMSHIRE

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STATEMENT OF RESPONSIBILITIES

This section explains the Police and Crime Commissioner's responsibilities for the stewardship of their financial affairs.

The Responsibilities of the Commissioner

The Commissioner is required to:

- Make arrangements for the proper administration of the financial affairs for the group and to secure that one of their officers has the responsibility for the administration of those affairs, in line with statute this is the Chief Financial Officer (S151).
- Manage the group affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the statement of accounts.

I approve these Statements of Accounts

Gary Godden

PCC for Nottinghamshire

Date: (note PCC Godden was not the elected PCC for the 2023/24 year)

The Responsibilities of the Chief Finance Officer

The Section 151 Officer is responsible for the preparation of the Group Accounts. The statements are required by the CIPFA Code of Practice on Local Government accounting, to present fairly the financial position of the Group at the accounting date and the income and expenditure for the year then ended.

In preparing the Statement of Accounts the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently except where policy changes have been noted in these accounts.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.
- Kept up to date with professional development.

The Section 151 Officer has also:

- Kept proper accounting records which are up to date, and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statements of Accounts present a true and fair view of the financial position of Police and Crime Commissioner for Nottinghamshire (and Group) as at 31 March 2024 and its income and expenditure for the year then ended.

Gillian Holder ACMA CGMA

Chief Finance Officer

Date:

Introduction

Police and Crime Commissioners (PCCs) are elected by the public to be the voice of the people and hold the Chief Constable (CC) to account. They are responsible for the totality of policing in their area. The PCC and CC is each a separate corporation sole.

PCCs are designated as local authorities for accounting purposes and are therefore required to review at least annually their arrangements for governance, risk and internal control - those that are in place for the Office of the Police and Crime Commissioner (OPCC) and the effectiveness of joint governance arrangements between the PCC and CC.

In Nottinghamshire, for 2023/24, the PCC and CC worked to a Joint Code of Corporate Governance and working together document¹ (JCCG) which determined how they and their respective organisations would do business together, including arrangements for Financial Regulations and Contract Standing Orders².

The JCCG reflects the principles of the CIPFA/SoLACE Delivering Good Governance in Local Government Framework which requires local authorities to put proper governance arrangements in place which facilitate the effective exercise of functions and ensure that the responsibilities are being met. This includes responsibilities for ensuring that:

- Their business is conducted in accordance with all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources have been used economically, efficiently and effectively to achieve agreed priorities which benefit local people

Figure 1 illustrates the 'core principles' underpinning the CIPFA/SOLACE Framework and how the various principles for good governance relate to each other. Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic and authorities should aspire for continual improvement through a process of evaluation and review.

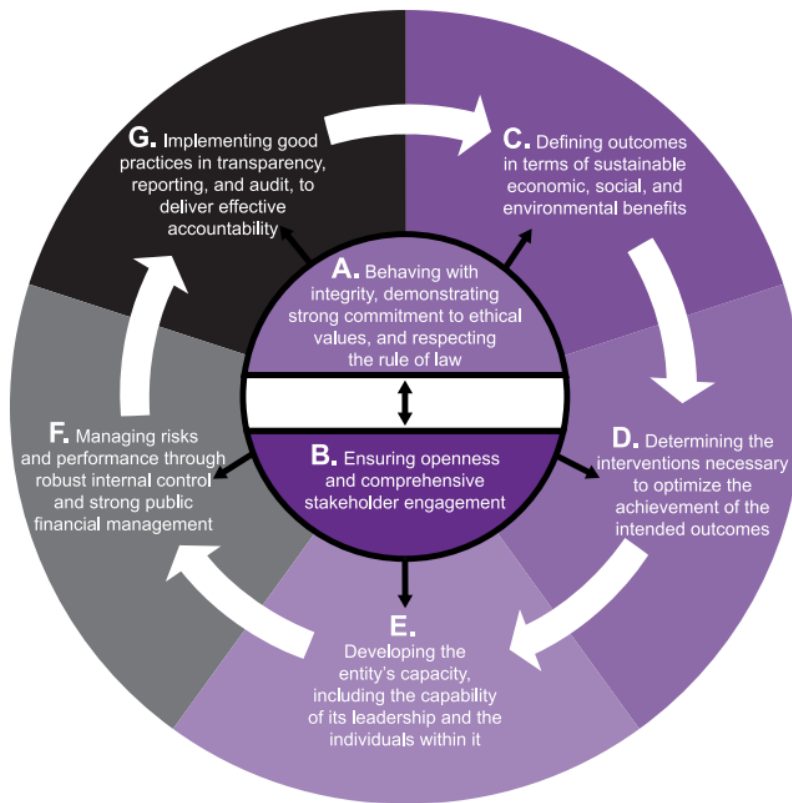
The JCCG requires a clear system of internal control which is designed to manage and reduce risk to a reasonable level. The system of internal control is a continuous process which helps us to identify and prioritise risks to the achievement of the PCC's policies, aims and objectives, evaluate the likelihood and impact of those risks being realised, and manage them economically, efficiently and effectively.

The development and publication of our Annual Governance Statement helps us to take stock of the effectiveness of these controls while also providing assurance that our strategic objectives have led to the delivery of strong, effective services which provide value for money.

¹ [Joint Code of Corporate Governance and Working Together \(Part A\)](#), May 2000

² [Joint Code of Corporate Governance Part B – Financial Regulations](#), July 2022

Fig 1. International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)



The annual review of the effectiveness of the PCC's arrangements for governance, risk and internal control has been informed by the PCC's Governance Framework as shown in Appendix A. This takes account of:

- the work of Internal Audit, including the annual report and opinion of the Head of Internal Audit
- comments received from external auditors who would ordinarily provide an opinion on financial statements and value for money (last opinion was 2019/20).
- the Joint Independent Audit Committee (JIAC) which meets at least 4 times per year and provides advice on matters relating to the adequacy and effectiveness of the financial and other controls, corporate governance, financial and contract regulations and risk management arrangements operated by both the PCC and CC and other assurance panel activity.
- other panels, groups and boards which meet on a regular basis, including the PCC's Accountability Board³ as the formal meeting where the PCC holds the CC to account on a wide range of areas including performance and use of resources
- the work of senior managers within the OPCC and Force, principally the OPCC's two statutory officers – the Chief Executive and Monitoring Officer (CEMO) and Chief Financial Officer (CFO).

Assurance on the effectiveness of the PCC's regulatory framework has been provided by the CEMO who has a legal duty to ensure the lawfulness and fairness of decision-making. Specialist legal advice is available to the Monitoring Officer as required.

³ The [Accountability Board](#) is convened 11 times per year. This is supplemented by weekly meetings with the Chief Constable in between the formal Accountability Boards.

Assurance on the effectiveness of the PCC's financial controls has been provided by the CFO who is designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision-making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of CIPFA's 'Statement on the Role of the CFO of the Police and Crime Commissioner and the CFO of the Chief Constable' (2014).

The PCC's risk management arrangements are well developed and embedded. The JIAC monitors the OPCC corporate risk register on a quarterly basis and reviews the risk management strategy on an annual basis. The OPCC's Senior Leadership Team (SLT) considers and reviews risks on a monthly basis, as part of its business work programming. SLT works to identify and mitigate strategic risks, examine the progress made, and make recommendations to discharge issues where appropriate.

Oversight of regional force-to-force collaborations is undertaken at Regional PCC and CC meetings; regional CEMOs and CFOs also meet with their counterparts separately.

The Police and Crime Panel in Nottinghamshire exists to scrutinise, review and support the PCC in the effective exercise of their functions. In Nottinghamshire, the PCC and their senior staff have attended every meeting of the Police and Crime Panel. During 2023/24, the CC and some of their chief officers also attended to provide additional information, although it is recognised this is not routine practice elsewhere.

The PCC's Annual Report for 2023/24 will be reviewed by the Police and Crime Panel in June 2024. The Annual Report demonstrates how the former PCC, carried out her legal duties, sets out what has been achieved over the year and reports on the progress that has been made in meeting the objectives set out in the Make Notts Safe Plan (The Police and Crime Plan). The Annual Report is available at the following link: [Annual Report \(pcc.police.uk\)](https://www.pcc.police.uk)

The OPCC has monitored and reviewed the CC's annual review of governance and her Annual Governance Statement which has informed and supports this statement.

The PCC has been advised on the implications of the result of the annual review of the effectiveness of the systems of governance, risk and control by the SLT and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Review of Effectiveness

The review of the effectiveness of the PCC's arrangements for risk, governance and internal control for 2023/24 determines, amongst other things, whether any governance issues and 'significant governance issues' are identified. A 'significant governance issue' is defined for the purposes of the annual review as 'any issue requiring action necessary to avoid exposure to a substantial risk to the achievement of the objectives of the system under review.'

The JIAC has received and considered independent reports from the Internal Auditors and has monitored the implementation of action plans drawn up to address identified internal control weaknesses throughout the year.

The Head of Internal Audit provides an annual report including their opinion on the framework of governance, risk management, and control to the PCC and CC. For 2023/24 their opinion of the adequacy and effectiveness is 'Moderate'. This highlighted some areas for improvement which include assurance in respect of Procurement and Supply Chain and Project Efficiency. The report notes that all recommendations categorised as 'High' and 'Medium' have either been addressed or are in the process of being addressed.

The results of the OPCC's own annual governance review has identified a number of governance issues which are already being addressed through an improvement plan. The review identified two significant governance issues for 2023/24, as detailed below:

1. **Information governance: Ability of the OPCC to demonstrate compliance with key information governance policies.** The OPCC underwent an information governance audit in December 2022, commissioned from Essex County Council IGS which provided an action plan of remedial activity required to mitigate identified weaknesses and risks. Progress in responding to the action plan has been affected by the OPCC's capacity constraints during 2023/24, as outlined in significant governance issue 2.

Update: A working group was convened in May 2024 following the arrival of the CEMO earlier in the year. The working group is being supported by the CEMO and CEMO in addressing all actions arising from the action plan ahead of an audit revisit planned for later in 2024.

2. **OPCC Capacity and Capability: Ability of the OPCC to effectively support the PCC in the discharge their statutory functions.** The OPCC was without a CEMO present from April 2023 until the end of February 2024, with this role being covered through acting up arrangements with three members of SLT performing aspects of the CEMO role alongside their normal duties. In addition, the OPCC has faced ongoing recruitment and staffing challenges which have led to gaps relating to other key roles within the organisation with responsibilities for governance, risk and internal control. This has presented a risk to the organisation's ability to effectively discharge some core functions.

Update: Work is ongoing to recruit to vacant posts and prioritise workloads accordingly. Temporary staff have been appointed to help alleviate pressure, however employment market factors and long lead times due to vetting and notice periods remains an ongoing issue.

These issues will be addressed through a Governance Action Plan and remain a priority for the OPCC in 2024, alongside activity to drive improvements in the OPCC's internal business planning processes and ensure that the office has the capacity and capability to support development, implementation and oversight of the 2024-29 Police and Crime Plan.

Conclusion

The PCC acknowledges the assurance in place and the significant governance issues outlined in this report relating to the financial year 2023/24. The PCC and OPCC are taking immediate steps to address the two significant governance issues and governance issues identified during the review and will monitor implementation and operation of these improvements during the course of the year via the PCC's SLT meeting structures and Joint Independent Audit Committee.

Progress made in addressing these issues will be formally captured within the next annual governance review as part of a continuous cycle of improvement.

SIGNED

A handwritten signature in black ink, appearing to read 'Gary Godden', with several overlapping loops and a long horizontal stroke at the bottom.

Gary Godden
The Police and Crime Commissioner for Nottinghamshire

Michelle Buttery
Chief Executive & Monitoring Officer, Office of the Police and Crime Commissioner

Appendix A: Nottinghamshire PCC's Governance Framework (Arrangements for governance, risk and internal control)

The Governance Framework introduced by the PCC gives effect to the provisions of the Police Reform and Social Responsibility Act 2011 (PRSRA). This framework was designed so that:

- where statutory powers provide for non-operational decision making that rests with the PCC, the PCC may give consent for certain decisions to be reached by the CC.
- there is clarity on which statutory powers of the PCC have been delegated to the PCC's staff.
- the decision-making structure provides for effective management of resources.
- proportionate control mechanisms are in place in order to secure probity in the use of public resources and value for money.
- the PCC can be assured of the highest standards of openness, transparency, integrity, respect for others and corporate governance in the exercise of functions.
- the PCC is seen to be accountable to the electorate for the delivery of the service.

By law the CC is responsible for operational policing matters, the direction and control of police officers and staff, and for putting in place proper arrangements for the governance, risk and internal control of Nottinghamshire Police. It is however the PCC who is required to hold the CC to account for the exercise of those functions and those of the persons under their direction and control. This is done in a manner that recognises the commitment of the PCC and CC to abide by the working principles of the Policing Protocol as set out in the Schedule to the Policing Protocol Order 2023.

The key elements of the systems and processes that comprise the governance arrangements put in place for the PCC and the CC are measures:

- for identifying and communicating the PCC's vision, purpose and intended outcomes.
- for reviewing the PCC's vision and its implications for governance arrangements.
- for measuring the quality of services for users, for ensuring they are delivered in accordance with the PCC's objectives and for ensuring that they represent the best use of resources.
- for defining and documenting the roles and responsibilities of the PCC/OPCC and CC/Force and the senior officers of each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity for developing, communicating, and embedding codes of conduct, defining the standards of behaviour for officers and staff.
- for reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedure notes/ manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.
- for undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police.
- for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- for whistle blowing and for receiving and investigating complaints from the public and handling redress.
- for identifying the development needs of senior officers in relation to their strategic roles, supported by appropriate training.
- for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- for incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the PCC's overall governance arrangements.

The below schematic describes how the PCC's Governance Framework is used to conduct the Annual Governance Review to produce the Annual Governance Statement and a Governance Action Plan to address any significant governance issues identified.

Over-arching Considerations: The statutory framework, legislative requirements, PSIA standards, Good Governance principles, the Joint Code of Corporate Governance, changing political, economic, social, technological, environmental, legal and organisational environment.

- Organisational Control Framework**
1. Strategic Leadership & Management and Governance (including decision-making)
 2. Strategic & Financial Planning
 3. Performance Management
 4. Financial and Asset Management, Commissioning and Contract Management
 5. Risk Management
 6. Employer Responsibilities / People Management
 7. Ethical Governance (culture, standards and conduct management)
 8. Information Governance
 9. Partnerships and Collaboration Governance
 10. Business Continuity / Emergency Resilience

- Assurance Mechanisms**
- Joint Independent Audit Committee
 - Internal Audit Activity
 - External Audit Opinion
 - CEO Assurance re. regulatory framework
 - CFO Assurance. Financial controls
 - Public and stakeholder engagement
 - OPCC Corporate Delivery Plan
 - Corporate risk register and issues log
 - Delivery / performance management
 - Performance Review Process
 - Policies & Procedures Review
 - Annual Business Continuity Assessment



COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The Service analysis in the CIES is based on reporting to management and as such follows the two services being funding to the Chief Constable for policing and the Office of the Police and Crime Commissioner.

The CIES shows the accounting cost in the year of providing services in accordance with the Code, on an accruals basis rather than a cash basis. Revenue income and expenditure is measured at fair value in the year to which it relates, and not when cash payments are made or received. Interest both receivable and payable is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than by the contractual cash flows.

Supplies not consumed within the year are carried on the Balance Sheet as Inventory. If required a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts are doubtful, the debt is written off by a charge to the CIES.

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.

There are charges to the CIES for capital to record the true cost of holding fixed assets during the year as follows:

- Depreciation of Non-Current Assets.
- Revaluation and Impairment losses on assets used where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Revaluation Gains reversing previous losses charged to the CIES.
- Amortisation of Intangible Assets.

The Group is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution, from revenue towards the reduction in its overall borrowing requirement in accordance with statutory guidance, the Minimum Revenue Provision (MRP). The MRP is chargeable to the council tax payer and is the way that purchasing capital assets is made - approximately over the useful life of the asset, additional voluntary contributions may also be made where considered appropriate and affordable.

Whilst all the expenditure is paid for by the Commissioner including employee pay, the recognition in the accounts is based on economic benefit of resources consumed.

The reconciliation to the amount received from main grants and taxation is explained by the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Comprehensive Income & Expenditure Statement (CIES) - PCC & Group

| 2022-23 | | | | | PCC & GROUP CIES | | 2023-24 | | | | |
|----------------|------------------|-----------------|--------------------|--------------------|--|-----------|----------------|------------------|-----------------|-----------------|----------------|
| PCC Exp' | PCC Income | PCC Net | CC Net | Group Total | | Note | PCC Exp' | PCC Income | PCC Net | CC Net | Group Total |
| £'000 | £'000 | £'000 | £'000 | £'000 | | | £'000 | £'000 | £'000 | £'000 | £'000 |
| 272,743 | 0 | 272,743 | (272,743) | 0 | Funding to Chief Constable | | 286,023 | 0 | 286,023 | (286,023) | 0 |
| 15,494 | (8,096) | 7,398 | 264,758 | 272,156 | Service cost | | 15,003 | (8,407) | 6,596 | 228,977 | 235,573 |
| 288,237 | (8,096) | 280,141 | (7,985) | 272,156 | Cost of Services | | 301,026 | (8,407) | 292,619 | (57,046) | 235,573 |
| 275 | (97) | 178 | 0 | 178 | Other Operating (Income) and Expenditure | 2.6 | 460 | (952) | (492) | 0 | (492) |
| 2,451 | (1,068) | 1,382 | 77,094 | 78,476 | Financing and Investment | 2.4 | 2,264 | (3,643) | (1,379) | 91,124 | 89,745 |
| 0 | (287,762) | (287,762) | 0 | (287,762) | Taxation and Non Specific Grant Income | 2.5 | 0 | (302,315) | (302,315) | 0 | (302,315) |
| 290,963 | (297,023) | (6,061) | 69,109 | 63,048 | (Surplus) or Deficit on Provision of Services | 2.1 & 2.8 | 303,749 | (315,317) | (11,568) | 34,079 | 22,511 |
| | | (152) | 0 | (152) | (Surplus) or deficit on revaluation of Property, Plant and Equipment | | | | (71) | 0 | (71) |
| | | (4,220) | (1,003,782) | (1,008,002) | Re-measurement of the net defined benefit liability / asset | | | | (293) | 14,068 | 13,775 |
| | | (4,372) | (1,003,782) | (1,008,154) | Other Comprehensive (Income) and Expenditure | | | | (364) | 14,068 | 13,704 |
| | | (10,433) | (934,673) | (945,106) | Total Comprehensive (Income) and Expenditure | | | | (11,932) | 48,147 | 36,215 |

Comprehensive Income & Expenditure Statement (CIES) – Group

| 2022-23 | | | GROUP CIES | | 2023-24 | | |
|----------------------|-------------------------------|---------------|--|----------------------|----------------------|-------------------------------|---------------|
| Expenditure £'000 | Income (Note 2.3) £'000 | Net £'000 | | Note | Expenditure £'000 | Income (Note 2.3) £'000 | Net £'000 |
| 307,727 | (35,571) | 272,156 | Group Cost of Services | | 277,670 | (42,097) | 235,573 |
| 275 | (97) | 178 | Other Operating (Income) and Expenditure | 2.6 | 460 | (952) | (492) |
| 79,545 | (1,068) | 78,476 | Financing and Investment | 2.4 | 93,388 | (3,643) | 89,745 |
| 0 | (287,762) | (287,762) | Taxation and Non Specific Grant Income | 2.5 | 0 | (302,315) | (302,315) |
| 387,547 | (324,499) | 63,048 | (Surplus) or Deficit on Provision of Services | 2.1 & 2.8 | 371,518 | (349,006) | 22,511 |
| | (152) | | (Surplus) or deficit on revaluation of Property, Plant and Equipment | | | | (71) |
| | (1,008,002) | | Re-measurement of the net defined benefit liability / asset | | | | 13,775 |
| | (1,008,154) | | Other Comprehensive (Income) and Expenditure | | | | 13,704 |
| | (945,106) | | Total Comprehensive (Income) and Expenditure | | | | 36,215 |

MOVEMENT IN RESERVES STATEMENT (MIRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held. Usable Reserves are set aside for future policy purposes or to cover contingencies. The Unusable Reserves manage the movements as a result of accounting adjustments required by the Code, for capital, financial instruments, retirement, and employee benefits.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. Expenditure to be financed from a reserve is charged to the appropriate service and hence included within the 'Provision of Services' in the CIES. The reserve is then appropriated back in the Movement in Reserves Statement to avoid impacting on council tax.

The following pages contain the MIRS.

Movement in Reserves Statement (MIRS) – Group

| Group Movement in Reserves 2023/24 | General Fund Balance £000 | Earmarked General Fund Reserves (Note 3.1) £000 | Capital Receipts Reserve (Note 3.2) £000 | Capital Grants Unapplied Account (Note 3.2) £000 | Total Usable Reserves £000 | Unusable Reserves (Note 3.3 & 3.4) £000 | Group Total Reserves £000 |
|---|---------------------------------|---|--|--|----------------------------------|--|---------------------------------|
| Balance at 31 March 2023 | (9,012) | (25,395) | 0 | 0 | (34,407) | 1,998,220 | 1,963,813 |
| Movement in reserves during 2023-24 | | | | | | | |
| (Surplus) or deficit on the provision of services | 22,511 | 0 | 0 | 0 | 22,511 | 0 | 22,511 |
| Other Comprehensive (Income) / Expenditure | 0 | 0 | 0 | 0 | 0 | 13,704 | 13,704 |
| Total Comprehensive Income and Expenditure | 22,511 | 0 | 0 | 0 | 22,511 | 13,704 | 36,215 |
| Adjustments between accounting basis and funding basis under regulations (Note 3.5) | (28,715) | 0 | 0 | 0 | (28,715) | 28,715 | (0) |
| Net (Increase) or Decrease before Transfers to Earmarked Reserves | (6,203) | 0 | 0 | 0 | (6,203) | 42,419 | 36,215 |
| Net Transfers to / (from) Earmarked Reserves | 6,085 | (6,085) | 0 | 0 | 0 | 0 | 0 |
| (Increase) or Decrease in 2023-24 | (118) | (6,085) | 0 | 0 | (6,203) | 42,419 | 36,215 |
| Balance at 31 March 2024 | (9,130) | (31,480) | 0 | 0 | (40,610) | 2,040,639 | 2,000,028 |

Movement in Reserves Statement (MIRS) - PCC

| PCC Movement in Reserves 2023/24 | General Fund Balance | Earmarked General Fund Reserves (Note 3.1) | Capital Receipts Reserve (Note 3.2) | Capital Grants Unapplied Account (Note 3.2) | Total Usable Reserves | Unusable Reserves (Note 3.3 & 3.4) | Group Total Reserves |
|---|-------------------------|---|--|--|--------------------------|--|-------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance at 31 March 2023 | (9,012) | (25,395) | 0 | 0 | (34,407) | 173 | (34,234) |
| Movement in reserves during 2023-24 | | | | | | | |
| (Surplus) or deficit on the provision of services | (11,568) | 0 | 0 | 0 | (11,568) | 0 | (11,568) |
| Other Comprehensive (Income) / Expenditure | 0 | 0 | 0 | 0 | 0 | (364) | (364) |
| Total Comprehensive Income and Expenditure | (11,568) | 0 | 0 | 0 | (11,568) | (364) | (11,932) |
| Adjustments between accounting basis and funding basis under regulations (Note 3.5) | 5,365 | 0 | 0 | 0 | 5,365 | (5,365) | 0 |
| Net (Increase) or Decrease before Transfers to Earmarked Reserves | (6,203) | 0 | 0 | 0 | (6,203) | (5,729) | (11,932) |
| Net Transfers to / (from) Earmarked Reserves | 6,085 | (6,085) | 0 | 0 | 0 | 0 | 0 |
| (Increase) or Decrease in 2023-24 | (118) | (6,085) | 0 | 0 | (6,203) | (5,729) | (11,932) |
| Balance at 31 March 2024 | (9,130) | (31,480) | 0 | 0 | (40,610) | (5,556) | (46,166) |

Movement in Reserves Statement (MIRS) – Group

| Group Movement in Reserves 2022-23 | General Fund Balance £000 | Earmarked General Fund Reserves (Note 3.1) £000 | Capital Receipts Reserve (Note 3.2) £000 | Capital Grants Unapplied Account (Note 3.2) £000 | Total Usable Reserves £000 | Unusable Reserves (Note 3.3 & 3.4) £000 | Group Total Reserves £000 |
|---|-------------------------------------|---|--|--|--------------------------------------|--|-------------------------------------|
| Balance at 31 March 2022 | (8,613) | (20,083) | 0 | 0 | (28,695) | 2,937,614 | 2,908,919 |
| Movement in reserves during 2022-23 | | | | | | | |
| (Surplus) or deficit on the provision of services | 63,048 | 0 | 0 | 0 | 63,048 | 0 | 63,048 |
| Other Comprehensive (Income) / Expenditure | 0 | 0 | 0 | 0 | 0 | (1,008,154) | (1,008,154) |
| Total Comprehensive Income and Expenditure | 63,048 | 0 | 0 | 0 | 63,048 | (1,008,154) | (945,106) |
| Adjustments between accounting basis and funding basis under regulations (Note 3.5) | (68,760) | 0 | 0 | 0 | (68,760) | 68,760 | (0) |
| Net (Increase) or Decrease before Transfers to Earmarked Reserves | (5,712) | 0 | 0 | 0 | (5,712) | (939,394) | (945,106) |
| Net Transfers to / (from) Earmarked Reserves | 5,313 | (5,313) | 0 | 0 | 0 | 0 | 0 |
| (Increase) or Decrease in 2022-23 | (399) | (5,313) | 0 | 0 | (5,712) | (939,394) | (945,106) |
| Balance at 31 March 2023 | (9,012) | (25,395) | 0 | 0 | (34,407) | 1,998,220 | 1,963,813 |

Movement in Reserves Statement (MIRS) - PCC

| PCC Movement in Reserves 2022-23 | General Fund Balance £000 | Earmarked General Fund Reserves (Note 3.1) £000 | Capital Receipts Reserve (Note 3.2) £000 | Capital Grants Unapplied Account (Note 3.2) £000 | Total Usable Reserves £000 | Unusable Reserves (Note 3.3 & 3.4) £000 | Group Total Reserves £000 |
|---|-------------------------------------|---|--|--|--------------------------------------|--|-------------------------------------|
| Balance at 31 March 2022 | (8,613) | (20,083) | 0 | 0 | (28,695) | 4,893 | (23,802) |
| Movement in reserves during 2022-23 | | | | | | | |
| (Surplus) or deficit on the provision of services | (6,061) | 0 | 0 | 0 | (6,061) | 0 | (6,061) |
| Other Comprehensive (Income) / Expenditure | 0 | 0 | 0 | 0 | 0 | (4,372) | (4,372) |
| Total Comprehensive Income and Expenditure | (6,061) | 0 | 0 | 0 | (6,061) | (4,372) | (10,433) |
| Adjustments between accounting basis and funding basis under regulations (Note 3.5) | 348 | 0 | 0 | 0 | 348 | (348) | (0) |
| Net (Increase) or Decrease before Transfers to Earmarked Reserves | (5,712) | 0 | 0 | 0 | (5,712) | (4,720) | (10,433) |
| Net Transfers to / (from) Earmarked Reserves | 5,313 | (5,313) | 0 | 0 | 0 | 0 | 0 |
| (Increase) or Decrease in 2022-23 | (400) | (5,313) | 0 | 0 | (5,712) | (4,720) | (10,433) |
| Balance at 31 March 2023 | (9,012) | (25,395) | 0 | 0 | (34,407) | 173 | (34,234) |

BALANCE SHEET

The Balance Sheet shows the value of assets and liabilities, as at the end of the accounting year. The net assets (assets less liabilities) are matched by the reserves held. Reserves are both usable, which may be used to provide services and unusable which fulfil specific accounting purposes.

| 2022-23 | | PCC & Group Balance Sheet | Note | 2023-24 | |
|-----------------|--------------------|-------------------------------|-----------|-----------------|--------------------|
| PCC £000 | Group £000 | | | PCC £000 | Group £000 |
| 58,495 | 58,495 | Property, Plant and Equipment | 4.2 | 60,008 | 60,008 |
| 825 | 825 | Investment Property | 4.4 | 785 | 785 |
| 491 | 491 | Intangible Assets | 4.5 | 265 | 265 |
| 0 | 0 | Long-Term Debtors | | 0 | 0 |
| 59,811 | 59,811 | Long Term Assets | | 61,058 | 61,058 |
| 364 | 364 | Assets Held for Sale | 4.7 | 0 | 0 |
| 1,575 | 1,575 | Inventories | | 3,484 | 3,484 |
| 27,743 | 27,743 | Short-Term Debtors | 4.8 | 27,209 | 27,209 |
| 32,000 | 32,000 | Short-Term Investments | 4.9 | 27,000 | 27,000 |
| 20,863 | 20,863 | Cash and Cash Equivalents | 5.1 | 25,416 | 25,416 |
| 82,545 | 82,545 | Current Assets | | 83,109 | 83,109 |
| (11,033) | (11,033) | Short-Term Borrowing | 4.12 | (4,161) | (4,161) |
| (28,332) | (32,687) | Short-Term Creditors | 4.10 | (29,820) | (33,479) |
| (6,585) | (6,585) | Provisions | 4.11 | (6,564) | (6,564) |
| (45,950) | (50,305) | Current Liabilities | | (40,545) | (44,204) |
| (63,240) | (63,240) | Long-Term Borrowing | 4.12 | (59,079) | (59,079) |
| 1,070 | (1,992,623) | Other Long-Term Liabilities | | 1,625 | (2,040,911) |
| (62,170) | (2,055,863) | Long Term Liabilities | | (57,454) | (2,099,990) |
| 34,236 | (1,963,812) | Net Assets | | 46,168 | (2,000,027) |
| (34,409) | (34,409) | Usable Reserves | 3.1 & 3.2 | (40,613) | (40,613) |
| 173 | 1,998,221 | Unusable Reserves | 3.3 | (5,556) | 2,040,639 |
| (34,236) | 1,963,812 | Total Reserves | | (46,168) | 2,000,027 |

CASHFLOW STATEMENT

This Cash Flow Statement has been prepared using the 'Indirect Method', which adjusts the surplus or deficit on the provision of services for non-cash items. This statement shows the changes in cash and cash equivalents during the reporting period. Cash includes cash in hand and deposits of up to 24 hours' notice. Cash equivalents are investments that mature up to three months from acquisition date. These are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

| 2022-23 | | | Cash Flow Statement | Note | 2023-24 | | |
|-----------------|-----------------|-----------------|---|------------|-----------------|-----------------|-----------------|
| Commissioner | Chief Constable | Group | | | Commissioner | Chief Constable | Group |
| £000 | £000 | £000 | | | £000 | £000 | £000 |
| (6,061) | 69,109 | 63,048 | Net (surplus) or deficit on the provision of services | | (11,568) | 34,079 | 22,511 |
| (14,643) | (69,109) | (83,752) | Adjustment to (surplus) or deficit on the provision of services for noncash movements | 5.2 | (7,312) | (34,079) | (41,391) |
| 306 | 0 | 306 | Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing or financing activities | 5.2 | 1,124 | 0 | 1,124 |
| (20,397) | 0 | (20,397) | Net cash flows from operating activities | | (17,755) | 0 | (17,755) |
| 9,566 | 0 | 9,566 | Net cash flows from investing activities | 5.3 | 2,170 | 0 | 2,170 |
| (3,903) | 0 | (3,903) | Net cash flows from financing activities | 5.3 | 11,033 | 0 | 11,033 |
| (14,734) | 0 | (14,734) | Net (increase) or decrease in cash and cash equivalents | | (4,553) | 0 | (4,553) |
| (6,130) | 0 | (6,130) | Cash and cash equivalents at the beginning of the reporting period | | (20,863) | 0 | (20,863) |
| (20,863) | 0 | (20,863) | Cash and cash equivalents at the end of the reporting period | 5.1 | (25,416) | 0 | (25,416) |

GENERAL ACCOUNTING POLICIES

1. GENERAL PRINCIPLES

The Statement of Accounts summarises transactions for the 2023-24 financial year and its position as at 31 March 2024. Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2015, in accordance with proper accounting practices. These practices primarily comprise of the Code and the Best Value Accounting Code of Practice 2021-22, supported by International Financial Reporting Standards (IFRS). The Accounts have been prepared on a going concern basis using the historic cost convention, modified by the revaluation of certain categories of non-current assets and financial instruments. Under The Act 2011 the Commissioner and Chief Constable are separate 'corporation sole' bodies. Both are required to prepare a separate Statement of Accounts. The Financial Statements included here represent the Commissioner and the Commissioner as a group with the Chief Constable (The Group). The figures in these accounts are rounded appropriately and this may cause apparent minor arithmetical errors.

The basis of cost allocation between The Commissioner and Chief Constable is outlined in Note 8.1.

2. EXCEPTIONAL ITEMS

When items of income and expenditure are material, their nature and amount are disclosed separately, either on the face of the CIES or in the Notes to the Accounts, depending on how significant the items are to an understanding of the Group financial performance.

3. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the current year and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative figures for the prior period as if the new policy had always been applied. There have been no changes in Accounting Policies requiring restatement. Material errors discovered in prior year figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

NOTES TO CORE STATEMENTS

1. JUDGEMENTS AND MAJOR ACCOUNTING EVENTS

1.1. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies, certain judgements about complex transactions or those involving uncertainty about future events have been made. The main critical judgement made in the Statement of Accounts is that there is a high degree of uncertainty about future levels of funding for the Police Service. However, it is considered that this uncertainty is not yet sufficient to provide an indication that assets might be impaired as a result of a need to close facilities.

1.2. MATERIAL ITEMS OF INCOME AND EXPENSE

There are no changes to accounting policies this year, and no significant amendments to the Code. The accounts are produced on a 'true economic cost basis' which differs from the cost required to be met from taxpayers. The accounting for pensions which recognises benefits accrued by current employees has a significant impact on the surplus/deficit for the year and on the value of the Balance Sheet. These transactions are based on actuarial valuations as opposed to the transactions which have taken place in the year.

1.3. 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 2023-24) 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. Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner will continue to operate for the foreseeable future.

Cashflow and Liquidity Risk Exposure:

The Group's treasury function ensures that cash flow is adequately planned, and liquidity risk exposure is controlled in accordance with the relevant professional codes.

Cash and equivalents at the balance sheet date were £25.4m and are held by the PCC as detailed in Note 5. These have remained positive during 2023-24 and are estimated to remain positive throughout 2024-25.

Cashflow is monitored on a daily basis and should short term cash be required to meet unforeseen bills this could be borrowed from other local authorities.

The Cashflow forecast and the Treasury Management Strategy also incorporate the capital borrowing requirements and demonstrate how the Group will be able to raise funds to meet its commitments.

1.4. ACCOUNTING STANDARDS ISSUED BUT NOT ADOPTED

For 2023/24 new standards that have been issued but not adopted relate to:

- IFRS 16 Leases issued in January 2016
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

The impact on the financial statements of the PCC and Group is either not applicable or not considered to be material.

1.5. PRIOR PERIOD ADJUSTMENTS

There have been no prior period adjustments made to the PCC & Group Accounts.

1.6. FUTURE ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

The largest area of estimation included within the accounts is in staff related costs.

These include calculations for overtime, bonuses, accumulated absences, early retirement costs, pension costs and other one-off payments.

The pensions adjustments are based on the professional judgement of the Actuaries and these form a significant part of the accounts.

The valuations of fixed assets are based on periodic valuations plus any valuations felt required due to current circumstances from a qualified valuer. There is a chance that particular assets may not fully represent fair value.

An item in these accounts which has a significant risk of material adjustment in the forthcoming financial year is the Insurance Claim Provision. A time lag may occur between insurable liability events and the date claims are received. No allowance is made for this value unless specific incidents have occurred which make it appropriate to do so. One potential use of the General Reserve is to cover for emerging trends of liability claims or an exceptional value of incurred but not reported claims. Estimates of the value of claims change as information regarding the circumstances evolve. The reserve and provision total of £5.2m is based on estimates provided by Insurance Companies and by the Regional Legal Services Team. An increase/decrease in the value of claims of 10% will impact the provision by (+/-) £0.5m.

1.7. 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.

2. NOTES TO COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

EXPENDITURE

2.1. EXPENDITURE FUNDING ANALYSIS

This note demonstrates the link between the accounting figures included in the CIES and the amounts raised by grant and taxation used in the management accounting decision making.

| 2022-23 | | | Commissioner & Group Expenditure Funding Analysis | 2023-24 | | |
|--|--------------------------------|-------------------------------------|--|--|--------------------------------|-------------------------------------|
| Net Expenditure Chargeable to the General Fund £000 | Adjustments (Note 2.2) £000 | Net Expenditure in the CIES £000 | | Net Expenditure Chargeable to the General Fund £000 | Adjustments (Note 2.2) £000 | Net Expenditure in the CIES £000 |
| 272,743 | (7,985) | 264,758 | Policing | 286,023 | (57,046) | 228,977 |
| 7,085 | 313 | 7,398 | Commissioner | 6,601 | (5) | 6,596 |
| 279,828 | (7,672) | 272,156 | Net Cost of Services | 292,624 | (57,051) | 235,573 |
| | | | Other (Income) and Expenditure | | | |
| 0 | 77,094 | 77,094 | Policing | 0 | 91,124 | 91,124 |
| (285,541) | (661) | (286,202) | Commissioner | (298,827) | (5,359) | (304,186) |
| (5,713) | 68,761 | 63,048 | (Surplus) or Deficit on Provision of Service | (6,203) | 28,714 | 22,511 |
| (28,696) | | | Opening General Fund Balance | (34,409) | | |
| (34,409) | | | Closing General Fund Balance | (40,612) | | |

2.2. ADJUSTMENTS TO THE EXPENDITURE FUNDING ANALYSIS

| 2023-24 | Net Capital Statutory Adjustments £000 | Net Pensions Statutory Adjustments £000 | Other Statutory Adjustments £000 | Total Adjustments £000 |
|---|---|--|--|------------------------------|
| Policing | 0 | (56,350) | (696) | (57,046) |
| Commissioner | 0 | (5) | | (5) |
| Net Cost of Services | 0 | (56,355) | (696) | (57,051) |
| Other (Income) and Expenditure Chief Constable | 0 | 91,124 | 0 | 91,124 |
| Other (Income) and Expenditure Commissioner | (4,031) | 9 | (1,337) | (5,359) |
| Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES | (4,031) | 34,778 | (2,033) | 28,714 |

| 2022-23 | Net Capital Statutory Adjustments £000 | Net Pensions Statutory Adjustments £000 | Other Statutory Adjustments £000 | Total Adjustments £000 |
|---|---|--|--|------------------------------|
| Policing | 0 | (7,932) | (53) | (7,985) |
| Commissioner | 0 | 313 | 0 | 313 |
| Net Cost of Services | 0 | (7,619) | (53) | (7,672) |
| Other (Income) and Expenditure Chief Constable | 0 | 77,094 | 0 | 77,094 |
| Other (Income) and Expenditure Commissioner | (1,464) | 103 | 700 | (661) |
| Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES | (1,464) | 69,578 | 647 | 68,761 |

INCOME

Revenue government grants, third party contributions and donations are recognised as income when the conditions of entitlement are satisfied. Grants and contributions with unsatisfied conditions are creditors on the Balance Sheet. As conditions are satisfied, it is credited to the CIES. Unconditional monies are carried as an earmarked reserve on the Balance Sheet until used.

A de minimis level of £0.050m exists whereby it is essential that income is assessed whether it should form part of the Earmarked Reserves. Capital grants are credited to the CIES, and then reversed out of the General Fund Balance in the Movement in Reserves Statement. The grant is either used to finance capital expenditure or credited to the Capital Grants Unapplied Account.

2.3. INCOME CREDITED TO SERVICES

| 2022-23 £000 | | 2023-24 £000 |
|-----------------|--|-----------------|
| (8,096) | Relating to the Commissioner - Other Income | (8,407) |
| (1,952) | Partnership and Joint Controlled Operations | (2,045) |
| (588) | PFI Grant | (588) |
| (4,810) | Recharge of Officers | (5,224) |
| (20,125) | Other Income | (25,833) |
| (35,571) | Total for the Group | (42,097) |

2.4. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

| 2022-23 £000 | | 2023-24 £000 |
|-----------------|---|-----------------|
| 2,348 | Interest payable and similar charges | 2,255 |
| 103 | Net interest on the net defined benefit liability (asset) - PCC | 9 |
| (1,068) | Interest receivable and similar income | (3,643) |
| 1,383 | Relating to the Commissioner | (1,379) |
| 77,094 | Net interest on the defined benefit liability (asset) - CC | 91,124 |
| 78,477 | Total for the Group | 89,745 |

2.5. TAXATION AND NON-SPECIFIC GRANT INCOME – PCC AND GROUP

| 2022-23 £000 | | 2023-24 £000 |
|------------------|---|------------------|
| (83,672) | Council tax income | (91,212) |
| (164,713) | Non-ringfenced government grants | (171,962) |
| (39,154) | HO Police Pension Grant | (39,109) |
| (223) | Capital grants and contributions | (33) |
| (287,762) | Total for the Commissioner and Group | (302,315) |

2.6. OTHER OPERATING EXPENDITURE – PCC AND GROUP

| 2022-23 £000 | | 2023-24 £000 |
|-----------------|--|-----------------|
| 178 | (Gains)/losses on the Disposal of Non-Current Assets | (492) |
| 0 | Other | 0 |
| 178 | Total for the Commissioner and Group | (492) |

2.7. IMPAIRMENT LOSSES

There are no instances of impairment to report.

2.8. INCOME AND EXPENDITURE ANALYSED BY NATURE

| 2022-23 | | | Nature of Expenditure or Income | 2023-24 | | |
|----------------|-----------------|---------------|--|-----------------|-----------------|---------------|
| PCC | Chief Constable | Group | | PCC | Chief Constable | Group |
| £000 | £000 | £000 | | £000 | £000 | £000 |
| 4,644 | 245,530 | 250,174 | Expenditure on services - employees | 2,404 | 212,131 | 214,535 |
| 7,922 | 40,584 | 48,506 | Expenditure on services - other | 11,078 | 45,035 | 56,113 |
| (8,096) | (27,475) | (35,571) | Income from services | (8,407) | (33,690) | (42,097) |
| (83,672) | 0 | (83,672) | Income from local taxation | (91,212) | 0 | (91,212) |
| (204,090) | 0 | (204,090) | Government grants and contributions | (211,103) | 0 | (211,103) |
| 2,927 | 6,119 | 9,046 | Depreciation, amortisation and impairment | 1,521 | 5,501 | 7,022 |
| 1,382 | 77,094 | 78,476 | Other Financing | (1,379) | 91,124 | 89,745 |
| 178 | 0 | 178 | (Gain) or loss on disposal of non-current assets | (492) | 0 | (492) |
| 272,743 | (272,743) | 0 | Intra Group Funding | 286,023 | (286,023) | 0 |
| (6,061) | 69,109 | 63,048 | (Surplus) or Deficit for Year | (11,568) | 34,079 | 22,511 |

2.9. OPERATING EXPENDITURE RECONCILIATION TO OUTTURN

Total operating expenditure for the 2023-24 financial year was £250.3m. This is less than expenditure shown in the financial statements because it excludes regional costs, pension costs and other adjustments for statutory reporting purposes. The Pensions accounting are purely technical accounting costs relating to IFRS19. The table below shows those items which are excluded from total operational expenditure.

| 2022-23 Group £000 | Operating Expenditure Reconciliation to Outturn | 2023-24 Group £000 |
|--------------------------|--|--------------------------|
| 386,202 | Gross expenditure as per financial statements | 367,415 |
| (35,571) | Fee Charges Other Service Income as per financial statements | (42,097) |
| 350,631 | Net Operating Expenditure as per financial statements | 325,318 |
| (108,732) | Pension Accounting | (73,887) |
| 242 | PFI | 253 |
| (1,568) | Joint Operations | (1,342) |
| (2,313) | Capital Accounting | (821) |
| (137) | Accumulated Absences | 693 |
| 468 | Post outturn adjustments | 53 |
| 238,591 | Net Operating Expenditure as per Outturn | 250,267 |

2.10 BENEFITS PAYABLE DURING EMPLOYMENT

Short-term employee benefits are those due to be settled within 12 months of the year-end. This includes wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (where applicable). An accrual is made for the estimated cost of holiday entitlements or any form of leave (e.g., time off in lieu earned by employees) but not taken before the year-end, which Employees can carry forward into the next financial year (Accumulated Absences Account).

The accrual is made at the estimated salary rates applicable for the following accounting year, being when the employee takes the benefit. The accrual is charged to the CIES, but then reversed out through the Movement in Reserves Statement.

2.11 TERMINATION BENEFITS

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment prior to normal retirement date or an acceptance of a voluntary redundancy.

These are charged to the CIES at the time when the decision is demonstrably committed to. If not actually paid, then it is included by use of a provision.

3. NOTES TO COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

3.1 TRANSFERS (TO)/FROM EARMARKED RESERVES – PCC AND GROUP

This shows how monies have been set aside or used during the year. All earmarked reserves are within the PCC accounts only.

| | Balance at 31 March 2022 £000 | Transfers In 2022-23 £000 | Transfers Out 2022-23 £000 | Balance at 31 March 2023 £000 | Transfers In 2023-24 £000 | Transfers Out 2023-24 £000 | Trf Between Reserves 2023-24 £000 | Balance at 31 March 2024 £000 |
|-----------------------------------|--|---------------------------------|----------------------------------|--|---------------------------------|----------------------------------|--|-------------------------------------|
| Target Hardening | (73) | 0 | 0 | (73) | 0 | 0 | 73 | 0 |
| MTFP | (293) | 0 | 293 | 0 | 0 | 0 | 0 | 0 |
| Animal Welfare | (19) | 0 | 0 | (19) | 0 | 0 | 19 | 0 |
| TPAC Collisions | (100) | 0 | 0 | (100) | 0 | 0 | 100 | 0 |
| Temp PC Uplift | 0 | 0 | 0 | 0 | (1,830) | 1,000 | (1,000) | (1,830) |
| Grants and Commissioning | (6,326) | (500) | 0 | (6,826) | (445) | 0 | 0 | (7,271) |
| PFI Life Cycle Costs | (166) | (41) | 0 | (207) | (42) | 0 | 0 | (249) |
| PCC Night Time Levy | (212) | (63) | 0 | (275) | (55) | 0 | 0 | (330) |
| Op Perth | 0 | 0 | 0 | 0 | (2,281) | 0 | (1,951) | (4,232) |
| Op Catalyst | 0 | 0 | 0 | 0 | (500) | 0 | 0 | (500) |
| Asset Replacement | (4,199) | (370) | 1,981 | (2,588) | 0 | 0 | 0 | (2,588) |
| Investment Reserve | (1,383) | (310) | 0 | (1,693) | 0 | 310 | 0 | (1,383) |
| PCC | (1,048) | 0 | 0 | (1,048) | 0 | 0 | 0 | (1,048) |
| Police Property Act | (128) | (300) | 0 | (428) | (350) | 0 | 0 | (778) |
| Drug Fund | (52) | (19) | 0 | (71) | (22) | 0 | 0 | (93) |
| Sustainability | 0 | (1,500) | 0 | (1,500) | 0 | 0 | 0 | (1,500) |
| Revenue Grants | (1,883) | (2,168) | 0 | (4,051) | 0 | 0 | 4,051 | 0 |
| Mini Police | 0 | 0 | 0 | 0 | 0 | 0 | (14) | (14) |
| Traffic Safety Camera Partnership | 0 | 0 | 0 | 0 | 0 | 19 | (1,719) | (1,700) |
| Police Incentivisation Reserve | 0 | 0 | 0 | 0 | (427) | 0 | (620) | (1,047) |
| Safer Roads for Nottinghamshire | 0 | 0 | 0 | 0 | (610) | 0 | (295) | (905) |
| PCC Revenue Reserves | 0 | 0 | 0 | 0 | (1,052) | 0 | (403) | (1,455) |
| Medium Term Financial Plan | (3,165) | 0 | 0 | (3,165) | 0 | 0 | 1,759 | (1,406) |
| Insurance | 0 | (2,237) | 0 | (2,237) | 0 | 0 | 0 | (2,237) |
| Joint Operations | (1,035) | (103) | 24 | (1,114) | (8) | 208 | 0 | (914) |
| Total Earmarked Reserves | (20,083) | (7,611) | 2,298 | (25,396) | (7,622) | 1,537 | 0 | (31,481) |
| General Fund | (8,613) | (970) | 570 | (9,013) | (118) | 0 | 0 | (9,131) |
| Total General Fund Balance | (28,696) | (8,581) | 2,868 | (34,409) | (7,740) | 1,537 | 0 | (40,612) |

3.2 USABLE RESERVES – PCC AND GROUP

| 2022-23 £000 | Capital Receipts Reserve | 2023-24 £000 |
|-----------------|--------------------------|-----------------|
| 0 | Balance 1 April | 0 |
| (83) | Capital Receipts in Year | (946) |
| 83 | Applied in Year | 946 |
| 0 | Balance 31 March | 0 |

| 2022-23 £000 | Capital Grants & Contributions Unapplied | 2023-24 £000 |
|-----------------|---|-----------------|
| 0 | Balance 1 April | 0 |
| (223) | Capital Grants and Contributions Recognised in Year | (178) |
| 223 | Capital Grants and Contributions Applied | 178 |
| 0 | Balance 31 March | 0 |

3.3 UNUSABLE RESERVES

| 2022-23 | | Type of Reserve | 2023-24 | |
|------------|------------------|----------------------|----------------|------------------|
| PCC | Group | | PCC | Group |
| £000 | £000 | | £000 | £000 |
| (1,852) | 1,991,841 | Pensions | (2,142) | 2,040,394 |
| 200 | 4,554 | Accumulated Absences | 246 | 3,905 |
| (3,294) | (3,294) | Revaluation Reserve | (3,287) | (3,287) |
| 5,122 | 5,122 | Capital Adjustment | 1,091 | 1,091 |
| (2) | (2) | Collection Fund | (1,464) | (1,464) |
| 174 | 1,998,221 | Total | (5,556) | 2,040,639 |

UNUSABLE RESERVES - PENSIONS

| 2022-23 | | Pensions Reserve | 2023-24 | |
|----------------|------------------|--|----------------|------------------|
| PCC £000 | Group £000 | | PCC £000 | Group £000 |
| 1,951 | 2,930,265 | Balance 1 April | (1,853) | 1,991,841 |
| (4,220) | (1,008,002) | Remeasurements of the net defined benefit liability/(asset) | (293) | 13,775 |
| 601 | 147,460 | 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 | 285 | 116,251 |
| (185) | (77,882) | Employer's contributions to pensions schemes | (282) | (81,473) |
| (1,853) | 1,991,841 | Balance 31 March | (2,143) | 2,040,394 |

UNUSABLE RESERVES – ACCUMULATED ABSENCES

| 2022-23 | | | | Accumulated Absences | 2023-24 | | | |
|---------|------|---------|-------|---|---------|------|---------|-------|
| PCC | | Group | | | PCC | | Group | |
| £000 | £000 | £000 | £000 | | £000 | £000 | £000 | £000 |
| (13) | 13 | (4,421) | 4,421 | Balance 1 April | (200) | 200 | (4,554) | 4,554 |
| 200 | | 4,554 | | Settlement or cancellation of accrual made at the end of the preceding year | 246 | | 3,905 | |
| | 187 | | 133 | Amounts accrued at the end of the current year | | 46 | | (649) |
| | 200 | | 4,554 | 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 | | 246 | | 3,905 |
| | | | | Balance at 31 March | | | | |

UNUSABLE RESERVES – REVALUATION RESERVE

| 2022-23 £000 | Revaluation Reserve | 2023-24 £000 |
|-----------------|---|-----------------|
| (3,222) | Balance 1 April | (3,295) |
| (157) | Upward Revaluation of assets | (71) |
| 5 | Downward revaluation of assets and impairment losses not charged to the (surplus)/deficit on the provision of services | 0 |
| (152) | (Surplus) or deficit on revaluation of non-current assets not posted to the (surplus)/deficit on the provision of services | (71) |
| 79 | Difference between fair value depreciation and historical cost depreciation | 79 |
| | Accumulated gains/ (losses) on assets disposed | |
| 79 | Amount written off to the Capital Adjustment Account | 79 |
| (3,295) | Balance 31 March | (3,287) |

UNUSABLE RESERVES – COLLECTION FUND

| 2022-23 £000 | Collection Fund (PCC / Group) | 2023-24 £000 |
|-----------------|--|-----------------|
| (436) | Balance 1 April | (2) |
| 434 | Amount by which council tax income credited to the comprehensive income and expenditure statement is different from council tax income calculated for the year in accordance with statutory requirements | (1,462) |
| (2) | Balance 31 March | (1,464) |

UNUSABLE RESERVES – CAPITAL ADJUSTMENT ACCOUNT

| 2022-23 | Capital Adjustment Account | 2023-24 |
|--------------|-----------------------------|--------------|
| £000 | | £000 |
| 6,586 | Balance 1 April | 5,122 |
| | Capital Accounting | |
| 6,071 | Depreciation & Amortisation | 5,820 |
| 275 | Disposals | 460 |
| 2,975 | Revaluations & Impairments | 1,202 |
| (79) | Historic Cost Adjustments | (79) |
| | Capital Financing | |
| (223) | Grants & Contributions | (178) |
| (83) | Receipts Reserve | (946) |
| (1,981) | Earmarked Reserves | (36) |
| (4,585) | Revenue Financing | (5,927) |
| (242) | Lease Accounting | (253) |
| 0 | Lease Adjustment | 0 |
| (3,591) | MRP charge | (4,093) |
| 5,122 | Balance 31 March | 1,091 |

3.4 UNUSABLE RESERVES MOVEMENTS

The table analyses the unusable reserves movements in the MIRS.

| 2022-23 | | Movement in Unusable Reserves | 2023-24 | |
|-------------|------------------|--|----------------|------------------|
| PCC £000 | Group £000 | | PCC £000 | Group £000 |
| 4,893 | 2,937,615 | Balance at Start of year | 173 | 1,998,221 |
| (4,372) | (1,008,154) | Comprehensive Income and Expenditure | (364) | 13,704 |
| (348) | 68,760 | Adjustments between accounting basis and funding basis under regulations | (5,365) | 28,715 |
| 0 | 0 | Transfers from Earmarked Reserves | 0 | 0 |
| 173 | 1,998,221 | Balance at End of Year | (5,556) | 2,040,640 |

3.5 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

| 2023-24 | General Fund Balance | General Fund Balance | Capital Receipts Reserve | Capital Grants Unapplied | Movement in Unusable Reserves | Movement in Unusable Reserves |
|--|----------------------|----------------------|--------------------------|--------------------------|-------------------------------|-------------------------------|
| | PCC | Group | Group | Group | PCC | Group |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Pension costs (transferred to / (from) the Pensions Reserve) | (3) | (34,778) | 0 | 0 | 3 | 34,778 |
| Council tax (transfers to / (from) the Collection Fund) | 1,462 | 1,462 | 0 | 0 | (1,462) | (1,462) |
| Holiday pay (adjustments to the Accumulated Absences reserve) | (46) | 649 | 0 | 0 | 46 | (649) |
| Revaluation Reserve | (79) | (79) | 0 | 0 | 79 | 79 |
| Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) | (7,149) | (7,149) | 0 | 0 | 7,149 | 7,149 |
| Capital Grants | 178 | 178 | 0 | (178) | 0 | 0 |
| Total Adjustments to Revenue Resources | (5,638) | (39,718) | 0 | (178) | 5,816 | 39,895 |
| Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve | 946 | 946 | (946) | 0 | 0 | 0 |
| Statutory Provision for the repayment of debt | 4,093 | 4,093 | 0 | 0 | (4,093) | (4,093) |
| Capital expenditure financed from revenue balances | 5,927 | 5,927 | 0 | 0 | (5,927) | (5,927) |
| Total Adjustments between Revenue & Capital Resources | 10,967 | 10,967 | (946) | 0 | (10,020) | (10,020) |
| Application of capital grant to finance capital expenditure | 0 | 0 | 0 | 178 | (178) | (178) |
| Use of capital receipts reserve to finance capital expenditure | 0 | 0 | 946 | 0 | (946) | (946) |
| Use of earmarked reserves to finance capital expenditure | 36 | 36 | 0 | 0 | (36) | (36) |
| Total Adjustment to Grants/Contributions & Reserves | 36 | 36 | 947 | 178 | (1,160) | (1,160) |
| Total Adjustments | 5,365 | (28,715) | 0 | 0 | (5,365) | 28,715 |

| 2022-23 | General Fund Balance | General Fund Balance | Capital Receipts Reserve | Capital Grants Unapplied | Movement in Unusable Reserves | Movement in Unusable Reserves |
|--|----------------------|----------------------|--------------------------|--------------------------|-------------------------------|-------------------------------|
| | PCC | Group | Group | Group | PCC | Group |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Pension costs (transferred to / (from) the Pensions Reserve) | (416) | (69,578) | 0 | 0 | 416 | 69,578 |
| Pension reserve adjustment of PCC / CC b/f split | 0 | 0 | 0 | 0 | 0 | 0 |
| Council tax (transfers to / (from) the Collection Fund) | (434) | (434) | 0 | 0 | 434 | 434 |
| Holiday pay (adjustments to the Accumulated Absences reserve) | (187) | (133) | 0 | 0 | 187 | 133 |
| Revaluation Reserve | (79) | (79) | 0 | 0 | 79 | 79 |
| Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account) | (9,000) | (9,000) | 0 | 0 | 9,000 | 9,000 |
| Capital Grants | 223 | 223 | 0 | (223) | 0 | 0 |
| Total Adjustments to Revenue Resources | (9,892) | (79,001) | 0 | (223) | 10,115 | 79,224 |
| Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve | 83 | 83 | (83) | 0 | 0 | 0 |
| Statutory Provision for the repayment of debt | 3,591 | 3,591 | 0 | 0 | (3,591) | (3,591) |
| Capital expenditure financed from revenue balances | 4,585 | 4,585 | 0 | 0 | (4,585) | (4,585) |
| Total adjustments between Revenue and Capital Resources | 8,259 | 8,259 | (83) | 0 | (8,176) | (8,176) |
| Application of capital grant to finance capital expenditure | 0 | 0 | 0 | 223 | (223) | (223) |
| Use of capital receipts reserve to finance capital expenditure | 0 | 0 | 83 | 0 | (83) | (83) |
| Use of earmarked reserves to finance capital expenditure | 1,981 | 1,981 | 0 | 0 | (1,981) | (1,981) |
| Total Adjustment to Grants/Contributions & Reserves | 1,981 | 1,981 | 83 | 223 | (2,287) | (2,287) |
| Total adjustments | 348 | (68,760) | 0 | 0 | (348) | 68,760 |

4. NOTES TO THE BALANCE SHEET

4.1 PROPERTY, PLANT AND EQUIPMENT

Assets with physical substance which are held for operational or administrative purposes with an expected life of over a year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that the cost of the item can be measured reliably and it is probable it can generate future economic benefits or service potential. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred, to the CIES.

Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions but does not result in the creation of tangible assets.

De-minimis levels are applied to allow sensible administration arrangements without materially affecting the figures presented. The de-minimis levels applied for all property, plant, and equipment (including finance leases) is £0.020m.

Component Accounting

Components with appropriate depreciation are included where this is significant as determined by the following test: Only assets with a carrying value above £0.600m are considered and then components are included if the item forms at least 5% of the asset value.

Measurement

Assets are initially measured at cost, comprising the purchase price plus costs in bringing the asset to the location and to be fit for purpose. The value of assets acquired other than by purchase is deemed to be its fair value.

Assets are then carried in the Balance Sheet using the following measurement bases in accordance with IAS 16:

- Fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV) Operational buildings have been valued on this basis.
- If there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Bridewell custody suite is valued on this basis.
- For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Vehicles, equipment and furniture is on this basis.
- Non-operational buildings including assets for sale and investment properties have been valued on the basis of Open Market Value.
- Assets under construction are included at actual cost.

These standards are incorporated into the RICS 'Red book' valuation standards.

Increases in valuations have been matched by credits to the Revaluation Reserve since 1 April 2007, the date of its formal implementation. Gains prior to that date are consolidated into the Capital Adjustment Account. Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the CIES once the Revaluation Reserve is fully utilised.

Impairment

Assets are assessed annually for potential impairment. When material, an impairment loss is recognised for the deficit, as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down in the CIES.
- Where an impairment loss is reversed subsequently by a revaluation gain, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is charged on all operational non-current assets by the systematic allocation of their depreciable amounts, over their useful lives, after allowing for residual values.

| Asset Type | Depreciation Method | Period of Years |
|-------------------|---------------------|--|
| Land | Nil | Nil as unlikely to reduce in value |
| Property | Straight Line | 10-50 years as estimated by the valuer |
| Vehicles | Straight Line | 1-20 years |
| Plant & Equipment | Straight Line | 1-20 years |
| Finance Leases | Straight Line | Over the life of the finance lease |

A full years charge is made in the year of acquisition, with no charge made in the year of disposal. Depreciation is charged to the CIES. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and depreciation that would have been chargeable based on their historical cost. This is transferred each year from the Revaluation Reserve to the Capital Adjustment Account. Where an item of property, plant and equipment has major components whose cost and life span is significantly different from the rest, the components are depreciated separately (subject to meeting de minimis levels).

Assets held for Sale

When a non-current asset is actively marketed and reasonably expected to be sold in the next 12 months it is reclassified as an Asset Held for Sale and is held as a current asset.

Disposal

The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the 'Other Operating Expenditure' line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the 'Surplus or Deficit on Provision of Services'.

If assets no longer meet the criteria of Assets Held for Sale, they are reclassified back to non-current assets and re-valued appropriately.

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve for application to future capital investment. Revaluation Reserve balances relating to disposed assets are transferred to the Capital Adjustment Account.

4.2 PROPERTY PLANT AND EQUIPMENT MOVEMENTS

| PPE Movements during 2023-24 | Land and Buildings £000 | Vehicles, Plant, Furniture & Equipment £000 | Assets Under Construction £000 | Total Property, Plant and Equipment £000 |
|--|----------------------------|--|--------------------------------------|---|
| Cost or Valuation | | | | |
| at 1 April 2023 | 55,790 | 41,784 | 5 | 97,580 |
| Adjustments to cost/value | (437) | 0 | 0 | (437) |
| Additions | 2,359 | 5,909 | 14 | 8,283 |
| Revaluation increases/(decreases) recognised in the Revaluation Reserve | 71 | 0 | 0 | 71 |
| Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services | (1,377) | 0 | 0 | (1,377) |
| De-recognition – disposals | 0 | (472) | 0 | (472) |
| Reclassifications and transfers | 0 | 6 | (6) | 0 |
| at 31 March 2024 | 56,407 | 47,227 | 13 | 103,647 |
| Depreciation & Impairment | | | | |
| at 1 April 2023 | (7,206) | (31,879) | 0 | (39,085) |
| Adjustments to depreciation/impairment | 437 | 215 | 0 | 652 |
| Depreciation charge | (1,533) | (4,053) | 0 | (5,585) |
| De-recognition – disposals | 0 | 379 | 0 | 379 |
| Reclassifications and transfers | 0 | 0 | 0 | 0 |
| at 31 March 2024 | (8,301) | (35,337) | 0 | (43,639) |
| Net Book Value | | | | |
| at 31 March 2024 | 48,106 | 11,890 | 13 | 60,009 |
| at 31 March 2023 | 48,584 | 9,906 | 5 | 58,495 |

| PPE Movements during 2022-23 | Land and Buildings | Vehicles, Plant, Furniture & Equipment | Assets Under Construction | Total Property, Plant and Equipment |
|--|---------------------------|---|----------------------------------|--|
| | £000 | £000 | £000 | £000 |
| Cost or Valuation | | | | |
| at 1 April 2022 | 53,204 | 40,898 | 1,497 | 95,599 |
| Adjustments to cost/value | (449) | (50) | 0 | (499) |
| Additions | 3,868 | 2,479 | 525 | 6,872 |
| Revaluation increases/(decreases) recognised in the Revaluation Reserve | 152 | 0 | 0 | 152 |
| Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services | (1,500) | 0 | (1,495) | (2,995) |
| De-recognition – disposals | 0 | (1,543) | 0 | (1,543) |
| Reclassifications and transfers | 515 | 0 | (522) | (7) |
| at 31 March 2023 | 55,790 | 41,784 | 5 | 97,580 |
| Depreciation & Impairment | | | | |
| at 1 April 2022 | (6,243) | (28,933) | 0 | (35,177) |
| Adjustments to depreciation/impairment | 449 | 57 | 0 | 506 |
| Depreciation charge | (1,412) | (4,270) | 0 | (5,682) |
| De-recognition – disposals | 0 | 1,268 | 0 | 1,268 |
| Reclassifications and transfers | 0 | 0 | 0 | 0 |
| at 31 March 2023 | (7,206) | (31,879) | 0 | (39,085) |
| Net Book Value | | | | |
| at 31 March 2023 | 48,584 | 9,906 | 5 | 58,495 |
| at 31 March 2022 | 46,961 | 11,965 | 1,497 | 60,422 |

4.3 PROPERTY, PLANT AND EQUIPMENT REVALUATIONS

Land and buildings are revalued on a five year rolling programme to ensure that their carrying amount is not materially different from their fair value. Land and Building values are based on valuations by Andrew Martin BSc MRICS, (Director) and Roger Smalley BSc MRICS, (Associate Director) of the independent valuers Lambert Smith Hampton.

The resulting revaluations were considered by the internal valuer and it was not considered appropriate to commission any further valuations, because there were no trends emerging that would materially affect the valuations.

| Revaluations | Land & Buildings £000 | Vehicles, Plant, Furniture & Equipment £000 | Assets under Construction £000 | Total £000 |
|--|--------------------------|---|--------------------------------------|---------------|
| Carried at historical cost | 7,034 | 10,918 | 0 | 17,952 |
| Valued at current value as at: | | | | |
| 31/03/2024 | 1,650 | 0 | 0 | 1,650 |
| 31/03/2023 | 3,583 | 0 | 0 | 3,583 |
| 31/03/2022 | 31,925 | 0 | 0 | 31,925 |
| 31/03/2021 | 1,672 | 0 | 0 | 1,672 |
| 31/03/2020 | 160 | 0 | 0 | 160 |
| Total Cost or Valuation | 46,023 | 10,918 | 0 | 56,941 |
| Share of Joint Operations Property/Plant/Equipment | | | | 3,068 |
| Total Net Book Value | | | | 60,008 |

4.4 INVESTMENT PROPERTIES

Investment properties are used to earn rentals or for capital appreciation, and not used in any way to deliver services or are being held for sale. The carrying value is annually revalued under IFRS13 to current fair value. This is currently £0.785m (£0.825m 2022-23). Rentals received in relation to investment properties are credited to the CIES.

4.5 INTANGIBLE ASSETS

Intangible assets do not have physical substance, but it is expected that future economic benefits or service potential will occur. Software licences are intangible assets, and are included at historic cost amortised over seven years, as there is no alternate method to ascertain a fair value.

Income is received on investment properties (telecoms masts) from Cell C.M., who also undertake the maintenance and repair of the telecoms masts.

Amortisation is a revenue expense. Movements are summarised in the table below:

| 2022-23 Other Assets £000 | Intangible Assets | 2023-24 Other Assets £000 |
|---------------------------------|---|---------------------------------|
| | Balance at start of year: | |
| 2,510 | Gross carrying amounts | 2,306 |
| (1,601) | Accumulated amortisation | (1,815) |
| 910 | Net carrying amount at start of year | 491 |
| 0 | Purchases | 11 |
| (204) | Disposals | (3) |
| 204 | Amortisation on disposals | 0 |
| (419) | Amortisation for the period | (234) |
| 491 | Net carrying amount at end of year | 265 |
| | Comprising: | |
| 2,306 | Gross carrying amounts | 2,315 |
| (1,815) | Accumulated amortisation | (2,049) |
| 491 | | 265 |

4.6 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure, including capitalised PFI and leases and sources of finance are shown in the table below. It shows cumulative capital expenditure which is to be financed in future years by charges to revenue. The Capital Financing Requirement is determined by these factors.

At the 31 March 2024 the Commissioner had entered into a number of capital contracts which would continue to incur expenditure in future years. These future obligations totalled £3.9m. The contracts covered new build schemes and ongoing enhancement to technology and fleet.

| 2022-23 £000 | Capital Expenditure and Capital Financing | 2023-24 £000 |
|-----------------|--|-----------------|
| 66,582 | Opening Capital Financing Requirement | 62,991 |
| 0 | In year adjustment: | - |
| | Capital Investment: | |
| 6,872 | Property Plant and Equipment | 8,283 |
| 0 | Intangible Assets | 11 |
| 6,872 | Total Capital Spending | 8,294 |
| | Sources of Finance: | |
| (83) | Capital Receipts | (946) |
| (1,981) | Earmarked Reserves | (36) |
| (223) | Government Grants and other contributions | (178) |
| (4,585) | Revenue Contributions | (5,927) |
| | Sums set aside from revenue: | |
| 0 | Lease Accounting | (253) |
| 0 | Lease Accounting - Prior year corrections | (1,039) |
| (3,591) | Minimum Revenue Provision | (4,093) |
| 0 | Additional Revenue Provision | 0 |
| (10,463) | Total Sources of Finance | (12,473) |
| 62,991 | Closing Capital Financing Requirement | 58,812 |

4.7 ASSETS HELD FOR SALE

The Commissioner's Estates Strategy is to review all property held and place surplus property up for sale. The following table shows the value of properties held for sale at the Balance Sheet dates.

When classified as 'Held For Sale' the asset is no longer subject to depreciation. It is shown as a current asset because the funds are due within the forthcoming year.

| 2022-23 £000 | Assets Held for Sale | 2023-24 £000 |
|-----------------|--------------------------------------|-----------------|
| 364 | Balance outstanding at start of year | 364 |
| 0 | Newly classified as held for sale | 0 |
| 0 | Revaluations | 0 |
| 0 | Assets sold | (364) |
| 364 | Balance outstanding year end | 0 |

4.8 DEBTORS PCC AND GROUP

An impairment allowance of £5.95m is held against Council Tax arrears of £11.33m at 31 March 2024 (£6.12m and £10.07m respectively at 31 March 2023). This level of allowance has been assessed by the Council Tax Billing Authorities. Debtors relate to the Commissioner only.

| 2022-23 £000 | Debtors | 2023-24 £000 |
|-----------------|--------------------------------|-----------------|
| 9,671 | Central Government Bodies | 7,829 |
| 7,591 | Other Local Authorities | 8,577 |
| 10,481 | Other Entities and Individuals | 10,803 |
| 27,743 | Total Debtors | 27,209 |

4.9 SHORT TERM INVESTMENTS PCC AND GROUP

| 2022-23 £000 | Short Term Investments | 2023-24 £000 |
|-----------------|-------------------------------------|-----------------|
| 8,000 | Watford Borough Council | 0 |
| 8,000 | West Dunbartonshire Council | 5,000 |
| 8,000 | Thurrock Council | 0 |
| 0 | Aberden City Council | 5,000 |
| 8,000 | Guildford Borough Council | 0 |
| 0 | City of Stoke-on-Trent | 5,000 |
| 0 | Merseyside PCC | 5,000 |
| 0 | Eastleigh Borough Council | 4,000 |
| 0 | Isle of Wight Council | 3,000 |
| 32,000 | Total Short Term Investments | 27,000 |

4.10 CREDITORS PCC AND GROUP

The creditors figure includes receipts under The Proceeds of Crime Act 2002 and The Police Property Act 1997 (as amended by the Serious Crime Act 2005 and 2007). These cover monies received from the confiscation or sale of property which has come into their possession in connection with a criminal charge.

Once judgement is made monies are either, paid over to the State, repaid to the individual or made available for the Commissioner to use on specific purposes. At 31 March 2024 cash totalling £0.207m was held in the Commissioner's bank account (£0.128m at 31 March 2023).

| 2022-23 | | Creditors | 2023-24 | |
|-----------------|-----------------|--------------------------------|-----------------|-----------------|
| PCC £000 | Group £000 | | PCC £000 | Group £000 |
| (6,052) | (6,052) | Central Government Bodies | (6,706) | (6,706) |
| (9,376) | (9,376) | Other Local Authorities | (8,839) | (8,839) |
| (12,904) | (17,259) | Other Entities and Individuals | (14,275) | (17,934) |
| (28,332) | (32,687) | Total Creditors | (29,820) | (33,479) |

4.11 PROVISIONS

Provisions are made where an event has taken place that gives a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and also that a reliable estimate can be made of the amount of the obligation. This is charged to the CIES on becoming aware of the obligation. They are measured as the best estimate at the balance sheet date, taking into account relevant risks and uncertainties.

Settlement of the obligation is charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed and further transactions to or from the CIES are made appropriately. Liability claims are generally paid out within one to three years. It is expected that the majority will be utilised within a year and hence the provision is all short term. Provisions relate to the Commissioner only.

| 2023-24 | Insurance £000 | Dilapidation £000 | Legal Pay Claims £000 | Medical Retirement £000 | Redundancy £000 | Joint Operations £000 | Bad Debt £000 | Total £000 |
|-----------------------------------|---------------------------|------------------------------|--------------------------------------|--|----------------------------|--------------------------------------|--------------------------|-----------------------|
| Opening Balance | (2,988) | (620) | (2,301) | (78) | (14) | 0 | (585) | (6,586) |
| Increase in provision during year | (1,019) | (202) | (205) | 0 | 0 | 0 | (239) | (1,665) |
| Utilised during year | 760 | 0 | 836 | 78 | 14 | 0 | 0 | 1,688 |
| Closing Balance | (3,247) | (822) | (1,670) | 0 | 0 | 0 | (824) | (6,563) |

| 2022-23 | Insurance £000 | Dilapidation £000 | Legal Pay Claims £000 | Medical Retirement £000 | Redundancy £000 | Joint Operations £000 | Bad Debt £000 | Total £000 |
|-----------------------------------|---------------------------|------------------------------|--------------------------------------|--|----------------------------|--------------------------------------|--------------------------|-----------------------|
| Opening Balance | (3,756) | (620) | (1,973) | (78) | (14) | 0 | (209) | (6,650) |
| Increase in provision during year | (268) | 0 | (328) | 0 | 0 | 0 | (376) | (972) |
| Utilised during year | 1,036 | 0 | 0 | 0 | 0 | 0 | 0 | 1,036 |
| Closing Balance | (2,988) | (620) | (2,301) | (78) | (14) | 0 | (585) | (6,586) |

4.12 SHORT AND LONG TERM DEBT

| 2022-23 £000 | Short Term Borrowing | 2023-24 £000 |
|-----------------|---|-----------------|
| 0 | Market Loan - Broxbourne Borough Council | 0 |
| 0 | Market Loan - Elmbridge Borough Council (1) | (3,000) |
| (5,000) | Market Loan - Middlesbrough Council | 0 |
| (5,000) | Market Loan - Cambridge City Council | 0 |
| (1,033) | PWLB | (1,161) |
| (11,033) | Total Short Term Borrowing | (4,161) |

| 2022-23 £000 | Long Term Borrowing | 2023-24 £000 |
|-----------------|---|-----------------|
| (3,000) | Market Loan - Elmbridge Borough Council (2) | 0 |
| (3,500) | Market Loan – L.O.B.O. | (3,500) |
| (56,740) | PWLB | (55,579) |
| (63,240) | Total Long Term Borrowing | (59,079) |

4.13 LEASES

Leases are classified according to the conditions of IAS 17. Lease payments are made for land, buildings, vehicles and equipment. Leases are classified as finance leases if the terms of the lease transfer (substantially) the risks and rewards incidental to ownership from the lessor to the lessee. Leases that do not meet the definition of finance leases are accounted for as operating leases.

Where a lease covers both land and buildings, those elements are considered separately for classification. Major contracts are reviewed for the possibility of embedded leases within them. Assets held under a finance lease are recognised on the Balance Sheet at fair value. There is a liability for the obligation to pay the lessor. Initial direct costs are added to the carrying amount of the asset.

Finance Lease assets on the balance sheet are accounted for in the same way as other non-current assets.

Lease payments are apportioned between finance charges debited to the CIES, and the acquisition charge applied to write down the lease liability.

The minimum lease payments exclude values that are contingent on events such as subsequent rent reviews. Currently there are no such events.

The minimum finance lease payments will be payable over the following periods:

| Minimum Lease Payments | | | Finance Lease Payments | |
|------------------------|-----------------|---|------------------------|-----------------|
| 2022-23 £000 | 2023-24 £000 | | 2022-23 £000 | 2023-24 £000 |
| 0 | 0 | Not later than one year | 0 | 0 |
| 0 | 0 | Later than one year and not later than five years | 0 | 0 |
| 0 | 0 | Later than five years | 0 | 0 |
| 0 | 0 | Total | 0 | 0 |

Included in short-term creditors

| 2022-23 | 2023-24 |
|---------|---------|
| £000 | £000 |
| 0 | 0 |

Included in other long-term liabilities

| 2022-23 | 2023-24 |
|---------|---------|
| £000 | £000 |
| 0 | 0 |

Authority as Lessee - Operating Leases

The future minimum lease payments due under non-cancellable operating leases in future years are set out below:

| 2022-23 | | 2023-24 |
|----------|---|----------|
| £000 | | £000 |
| 0 | Not later than one year | 0 |
| 0 | Later than one year and not later than five years | 0 |
| 0 | Later than five years | 0 |
| 0 | Total | 0 |

4.14 SERVICE CONCESSION ARRANGEMENTS – PFI AGREEMENTS

Private Finance Initiative Agreements (PFI) is a way to receive assets, whereby the responsibility for asset availability is with the PFI contractor.

Miven provides and maintains the Riverside building on a 25 year contract until 2026-27, at which point the Commissioner has the option to purchase. The capital value of this scheme is £0.782m. £1.045m was paid in 2023-24 (£1.045m in 2022-23).

With the PFI agreement now being less than 5 years until completion, the opportunity was taken to review the accounting policy to ensure that best practice was being followed.

Future payments are linked to the retail price index but are otherwise fixed, except reductions for poor contractor performance. Specific government grant of £0.588m was received (£0.588m in 2022-23).

The annual amounts payable for the buildings comprise:

- Fair value of the services received during the year – debited to the relevant service in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, has been debited to the Financing and Investment Income and Expenditure line in the CIES for the PFI buildings.
- The repayment of the capital liability on the balance sheet.
- Contingent rent – increases in the amount to be paid for the properties arising during the contracts, debited to the ‘Financing and Investment Income and Expenditure’ line in the CIES.
- Lifecycle replacement costs – whereby a proportion of the amounts payable is carried as an earmarked reserve. This may be a negative balance in some years but by the end of the agreement the balance will be zero and the revenue charges are equalised.

| Reimbursement of Capital Expenditure 2022-23 £000 | Payment for Services 2022-23 £000 | Riverside Premises PFI | Reimbursement of Capital Expenditure 2023-24 £000 | Payment for Services 2023-24 £000 |
|---|-----------------------------------|----------------------------------|---|-----------------------------------|
| 253 | 792 | Payable within one year | 265 | 780 |
| 782 | 2,175 | Payable within two to five years | 517 | 1,394 |
| 0 | 0 | Payable within six to ten years | 0 | 0 |
| 1,035 | 2,966 | Total | 782 | 2,175 |

| 2022-23 £000 | PFI | 2023-24 £000 |
|--------------|-----|--------------|
|--------------|-----|--------------|

| | | |
|--------------|--|--------------|
| 1,166 | Gross PFI liabilities | 862 |
| | Due: | |
| 304 | Not later than one year | 304 |
| 862 | Later than one year and not later than five years | 558 |
| 0 | Later than five years | 0 |
| 1,166 | | 862 |
| (131) | Finance charges allocated to future periods | (80) |
| 1,035 | Net PFI liabilities | 782 |
| | Net PFI liabilities | |
| | Due: | |
| 253 | Not later than one year | 265 |
| 782 | Later than one year and not later than five years | 517 |
| 0 | Later than five years | 0 |
| 1,035 | | 782 |
| | Finance cost payments committed in respect of PFI | |
| 51 | Not later than one year | 40 |
| 80 | Later than one year and not later than five years | 40 |
| 0 | Later than five years | 0 |
| 131 | | 80 |
| | Services and contingent rents payable to PFI operator (included in the unitary payment) | |
| 740 | Not later than one year | 740 |
| 2,094 | Later than one year and not later than five years | 1,354 |
| 0 | Later than five years | 0 |
| 2,835 | | 2,094 |
| | Total unitary payments to PFI operator | |
| 1,045 | Not later than one year | 1,045 |
| 2,957 | Later than one year and not later than five years | 1,912 |
| 0 | Later than five years | 0 |
| 4,001 | | 2,957 |

5. NOTES TO THE CASH FLOW STATEMENT

5.1 CASH AND EQUIVALENTS

Cash and cash equivalents consist of bank, temporary investments and instant access accounts.

| 2022-23 £000 | Cash and Equivalents Comprise | 2023-24 £000 |
|-----------------|---|-----------------|
| 5,180 | Low Volatility Net Asset Value Funds (LVNAVs) | 5,180 |
| 16,000 | Temporary Investments | 19,360 |
| (317) | Cash and Bank | 876 |
| 20,863 | Total | 25,416 |

5.2 CASH FLOW FROM OPERATING ACTIVITIES – GROUP CASH FLOWS

| 2022-23 £000 | The cash flows for operating activities include the following items | 2023-24 £000 |
|-----------------|---|-----------------|
| (1,068) | Interest Received | (3,643) |
| 2,348 | Interest Paid | 1,812 |
| 1,280 | Total | (1,831) |

| 2022-23 £000 | The cash flows for operating activities include the following items | 2023-24 £000 |
|-----------------|---|-----------------|
| (5,682) | Depreciation | (5,585) |
| (419) | Amortisation | (237) |
| 202 | Property revaluations | 246 |
| (2,925) | (Increase)/decrease in creditors | (771) |
| (3,614) | Increase/(decrease) in debtors | (534) |
| 1,414 | (Increase)/decrease in inventories | 1,910 |
| (69,578) | Movement in long term liability | (34,778) |
| 274 | Movement in other non-current assets/liabilities | 265 |
| (275) | Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised | (457) |
| (3,148) | Other non-cash movements charged to the (surplus) or deficit on provision of services | (1,449) |
| (83,752) | Total | (41,391) |

| 2022-23 £000 | The (surplus) or deficit on the provision of services has been adjusted for the following investing and financing activities | 2023-24 £000 |
|-----------------|--|-----------------|
| 83 | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 946 |
| 223 | Any other items for which the cash effects are investing or financing cash flows | 178 |
| 306 | Total | 1,124 |

5.3 CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES - GROUP CASH FLOWS

| 2022-23 £000 | Cash Flow from Investing and Financing Activities | 2023-24 £000 |
|-----------------|--|-----------------|
| 6,872 | Purchase of PPE, investment property and intangible assets | 8,294 |
| 16,000 | Purchase of short term and long term investments | 27,000 |
| (13,000) | Repayments of short-term and long term investments | (32,000) |
| (83) | Proceeds from the sale of PPE, investment property and intangible assets | (946) |
| (223) | Other receipts from investing activities | (178) |
| 9,566 | Net cash flows from investing activities | 2,170 |
| (12,000) | Cash receipts of short-term and long-term borrowing | (6,000) |
| 8,097 | Repayments of short-term and long-term borrowing | 17,033 |
| (3,903) | Net cash flows from financing activities | 11,033 |

6. REMUNERATION NOTES

6.1 MEMBERS REMUNERATION

Members of the Joint Independent Audit Committee were paid £0.008m (£0.009m 2022-23), and members of the Independent Community Scrutiny Panel were paid £0.007m (nil 2022-23)

6.2 OFFICERS REMUNERATION OVER £50,000

Employees within the Group who are receiving over £50,000 remuneration for the year are shown in the table below. This excludes the senior officers reported in a separate table.

| Remuneration over £50,000 | 2022-23 | 2023-24 |
|---------------------------|-----------|-----------|
| £50,001 to £55,000 | 22 | 28 |
| £55,001 to £60,000 | 8 | 19 |
| £60,001 to £65,000 | 5 | 4 |
| £65,001 to £70,000 | 3 | 5 |
| £70,001 to £75,000 | 1 | 1 |
| £75,001 to £80,000 | 0 | 1 |
| £80,001 to £85,000 | 3 | 0 |
| £85,001 to £90,000 | 1 | 3 |
| £90,001 to £95,000 | 1 | 0 |
| £95,001 to £100,000 | 0 | 2 |
| £100,001 to £105,000 | 0 | 0 |
| £105,001 to £110,000 | 0 | 0 |
| Total | 44 | 63 |

6.3 SENIOR OFFICER PAYMENTS

| Officers Remuneration 2023-24 | Note | Salary, Fees & Allowances (Note 1) £ | Bonuses £ | Expenses Allowances (Note 2) £ | Compensation for Loss of Office £ | Pension Contribution £ | Total £ |
|--|------|---|--------------|---|--|------------------------------|------------------|
| Police & Crime Commissioner | | 78,400 | 0 | 0 | 0 | 14,047 | 92,447 |
| Chief Executive to the Police & Crime Commissioner | 3 | 84,441 | 0 | 0 | 0 | 9,426 | 93,867 |
| Chief Executive to the Police & Crime Commissioner | 4 | 9,374 | 0 | 0 | 0 | 1,706 | 11,080 |
| Chief Finance Officer to the Police & Crime Commissioner | | 90,949 | 0 | 0 | 0 | 16,212 | 107,161 |
| TOTAL PCC | | 263,164 | 0 | 0 | 0 | 41,391 | 304,555 |
| Chief Constable - K Meynell | | 190,529 | 0 | 0 | 0 | 57,473 | 248,002 |
| Deputy Chief Constable - S Cooper | | 139,454 | 0 | 7,000 | 0 | 43,231 | 189,684 |
| Assistant Chief Constable - R Griffin | | 123,887 | 0 | 6,000 | 0 | 33,336 | 163,223 |
| Assistant Chief Constable - G Hooks | 5 | 117,282 | 800 | 5,250 | 0 | 32,625 | 155,957 |
| Chief Finance Officer to the Chief Constable | | 119,117 | 0 | 0 | 0 | 21,407 | 140,524 |
| TOTAL CHIEF CONSTABLE | | 690,269 | 800 | 18,250 | 0 | 188,072 | 897,390 |
| TOTAL FOR GROUP | | 953,433 | 800 | 18,250 | 0 | 229,463 | 1,201,945 |

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

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

Note 3: PCC CEO left 31/10/2023

Note 4: PCC CEO wef 26/02/2024

Note 5: G Hooks bonus relates to the Mandatory Bonus Payment Scheme for 24/7 Duty Rota Superintendents/Chief Superintendents & 24/7 Firearms Commander paid in May.

6.3 SENIOR OFFICER PAYMENTS (CONT)

| Officers Remuneration 2022-23 | Note | Salary, Fees & Allowances (Note 1) £ | Bonuses £ | Expenses Allowances (Note 2) £ | Compensation for Loss of Office £ | Pension Contribution £ | Total £ |
|--|-------|---|--------------|---|--|------------------------------|------------------|
| Police & Crime Commissioner | | 78,339 | 0 | 0 | 0 | 12,910 | 91,249 |
| Chief Executive to the Police & Crime Commissioner | | 90,449 | 0 | 0 | 0 | 14,924 | 105,373 |
| Chief Finance Officer to the Police & Crime Commissioner | 3 | 57,314 | 0 | 0 | 0 | 9,457 | 66,770 |
| TOTAL PCC | | 226,101 | 0 | 0 | 0 | 37,291 | 263,392 |
| Chief Constable - C Guildford | 4 | 128,231 | 0 | 5,419 | 0 | 37,136 | 170,786 |
| Chief Constable | 5 | 55,420 | 0 | 0 | 0 | 16,762 | 72,182 |
| Deputy Chief Constable | 6 | 34,845 | 0 | 1,806 | 0 | 0 | 36,651 |
| Deputy Chief Constable - S Cooper | 7 | 129,872 | 0 | 6,742 | 0 | 40,260 | 176,874 |
| Assistant Chief Constable | | 111,369 | 0 | 6,000 | 0 | 28,786 | 146,155 |
| Assistant Chief Constable | 8 & 9 | 104,032 | 400 | 5,250 | 0 | 28,786 | 138,468 |
| Chief Finance Officer to the Chief Constable | 10 | 94,096 | 0 | 0 | 0 | 15,526 | 109,621 |
| TOTAL CHIEF CONSTABLE | | 657,864 | 400 | 25,218 | 0 | 167,257 | 850,739 |
| TOTAL FOR GROUP | | 883,965 | 400 | 25,218 | 0 | 204,548 | 1,114,131 |

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: PCC CFO wef 01/08/2022

Note 4: C Guildford left 04/12/2022

Note 5: Chief Constable (CC) wef 12/12/2022

Note 6: Deputy Chief Constable (DCC) left 03/07/2022

Note 7: S Cooper DCC wef 22/06/2022

Note 8: Temporary Assistant Chief Constable (ACC) wef 22/06/2022

Note 9: Temp ACC bonus relates to the Mandatory Bonus Payment Scheme for 24/7 Duty Rota Superintendents/Chief Superintendents, paid in May before promotion to ACC

Note 10: The CFO acted as joint CFO for the PCC and CC until Aug 2022, total costs are shown here

6.4 EXIT PACKAGES (EXCLUDING EMPLOYEES IN NOTE 6.3)

Contracts were terminated for 10 employees in the group during the year (9 in 2022-23), incurring costs of £246k (£110k in 2022-23). This included redundancy payments of £145k and pension strain costs of £101k.

In 2023-24 there was 1 exit payment within the PCC (1 in 2022-23), incurring costs of £40k. The Group made no material payments in relation to injury awards during the year.

| 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) | |
| | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 |
| £0 - £20,000 | 2 | - | 5 | 7 | 7 | 7 | 50 | 40 |
| £20,001 - £40,000 | - | - | 2 | 3 | 2 | 2 | 60 | 60 |
| £40,001 - £60,000 | - | - | - | - | - | - | - | - |
| £60,001 - £80,000 | - | - | - | - | - | - | - | - |
| £80,001 - £100,000 | - | - | - | - | - | - | - | - |
| £100,001 - £150,000 | - | 1 | - | - | - | 1 | - | 146 |
| Over £150,000 | - | - | - | - | - | - | - | - |
| Total | 2 | 1 | 7 | 10 | 9 | 10 | 110 | 246 |

6.5 AUDITOR REMUNERATION

Grant Thornton UK LLP are the external auditor to the Commissioner and Group. The accrued cost is £0.152m (£0.101m accrued in 2022-23), but due to delays in the production of the accounts and increased external audit scrutiny, these costs may be increased once the audit of accounts has been completed. No other services were purchased.

As these figures are not material, any additional costs will be charged to the financial year in which they are paid, and the accounts will not be updated for the payments.

7. FINANCIAL INSTRUMENTS

Financial instruments are recognised on the Balance Sheet when the Commissioner enters a contract. They are initially measured at fair value and carried at their amortised value, the charge to the CIES is the amount payable per the loan agreement. Financial assets held by the Group comprise loans and receivables. These have determinable payments but are not quoted in an active market. The financial liabilities of the Group consist of short-term cost. This generally will equate to the principal outstanding plus accrued interest. Impairment may be appropriate if it becomes likely that the contract may not be fulfilled.

7.1 RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Commissioners activities expose it to a variety of financial risks:

- Credit risk – the possibility that the amounts due may not be received.
- Liquidity risk – the possibility that insufficient funds are available to meet expenditure commitments.
- Market risk – the possibility that loss arises as a result of changes to interest rates and stock market movements.

The Treasury Management Strategy (incorporating the Annual Investment Strategy) focuses on mitigating the risk of the unpredictability of financial markets, It includes policies on the risks above.

Credit Risk

Credit risk arises from investments and customer debt. The risk is minimised through the Annual Investment Strategy. This requires that deposits are only made with financial institutions meeting identified minimum credit criteria, as laid down by market leading rating services.

Maximum investment limits and durations are also specified to reduce credit risk. The maximum exposure to credit risk for deposits during the year was £108.0m. This was placed within the criteria of the strategy with high quality counterparties. There was no evidence at year end of potential counterparty default.

Customers owed £3.34m at year end (£6.58m in 2022-23). An allowance of £0.82m is set aside for debts to mitigate the effect of default (£0.58m in 2022-23).

Liquidity Risk

Cash flow management ensures that cash is available as needed. For unexpected events, there is ready access to borrowings from the money markets and the PWLB. There is no significant risk of being unable to raise the required finance. If a significant proportion of borrowing needed replacing at a time of unfavourable interest rates, this could be costly. The Treasury Management Strategy limits the proportion of borrowing maturity in specific periods to minimise the risk. All trade and other payables are due within one year.

Interest Rate Risk

There is a risk from exposure to interest rate movements on borrowings and investments. Borrowings are not carried out at fair value, so nominal gains and losses on fixed rate borrowings do not impact on the CIES. A rise in interest rates would have the following effects:

- Borrowing at variable rates - the interest charged to the CIES will rise
- Borrowings at fixed rates - the fair value of the liabilities will fall
- Investments at variable rates - the interest credited to the CIES will rise
- Investments at fixed rates - the fair value of the assets will fall

The Treasury Management Strategy sets a maximum of 50% of debt to be variable rate loans to mitigate this. Only £3.5m is held as variable which is 6%. There was no temporary borrowing at 31 March 2024.

Price Risk

Investments are not held as equity shares, and therefore there is no exposure to losses arising from movements in the prices of the shares.

Foreign Exchange Risk

Investments are not held in foreign currencies and therefore there is no exposure to loss arising from movements in exchange rates.

The table below shows the maturity spread of debt.

| Liquidity Risk | 2022-23 £000 | 2023-24 £000 |
|----------------------------|-----------------|-----------------|
| Less than one year | 11,033 | 4,161 |
| Between one and two years | 4,161 | 1,038 |
| Between two and five years | 5,615 | 5,551 |
| More than 5 Years | 7,563 | 7,499 |
| More than 10 Years | 45,901 | 44,991 |
| | 74,273 | 63,240 |

7.2 FINANCIAL INSTRUMENTS – FAIR VALUE

Financial liabilities and financial assets represented by loans and receivables, and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Interest rates paid during 2023-24 ranged between 1.85% and 5.63% for PWLB loans and between 2.08% and 4.50% on market loans. The average interest rates received were 4.80%. No early repayment or impairment is recognised.
- For instruments maturing in the next year, the carrying amount is assumed to be fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of the loans is £48.2m which is £15.1m lower than the carrying amount because there are a number of fixed rate loans with the PWLB with an interest rate payable lower than the prevailing rates at the Balance Sheet date.

This shows a notional future gain as there is a commitment to pay the PWLB at a rate below current market rates. The fair value of assets is the year end carrying value, being either variable rate instruments or short term.

No long-term borrowing took place in 2023-24.

7.3 FINANCIAL INSTRUMENTS OUTSTANDING

The Market Loan of £3.5m was taken out with Danske Bank in May 2006 for 60 years. Since May 2011 it has featured a break clause every six months (Lenders Option, Borrowers Option LOBO). This option has not yet been used.

| | Long-term 2022-23 £000 | Long-term 2023-24 £000 | Current 2022-23 £000 | Current 2023-24 £000 |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| Financial Assets | | | | |
| Debtors | | | | |
| Debtors at Amortised Cost | 0 | 0 | 18,229 | 13,895 |
| Other at Amortised Cost | 0 | 0 | 0 | 0 |
| Total included in Debtors | 0 | 0 | 18,229 | 13,895 |
| Cash & Investments | | | | |
| Cash | | | (317) | 876 |
| Investments at Amortised Cost | 0 | 0 | 53,180 | 51,540 |
| Total included in Cash & Investments | 0 | 0 | 52,863 | 52,416 |
| Total Financial Assets | 0 | 0 | 71,092 | 66,311 |
| Financial Liabilities | | | | |
| Borrowings | | | | |
| Borrowings at Amortised Cost | (63,240) | (59,079) | (11,033) | (4,161) |
| Total included in Borrowings | (63,240) | (59,079) | (11,033) | (4,161) |
| Other Long Term Liabilities | | | | |
| PFI and finance lease liabilities | (782) | (517) | (253) | (265) |
| Total included in Other Long Term liabilities | (782) | (517) | (253) | (265) |
| Creditors | | | | |
| Creditors at Amortised Cost | 0 | 0 | (32,687) | (33,479) |
| Total included in Creditors | 0 | 0 | (32,687) | (33,479) |
| Total Financial Liabilities | (64,022) | (59,596) | (43,973) | (37,905) |
| Financial Liabilities at amortised cost | | | | |
| Interest expense | | | 2,348 | 1,812 |
| Financial Assets: Loans and receivables | | | | |
| Interest income | | | (1,068) | (3,643) |
| Net expense in (Surplus) or Deficit on the Provision of Services | | | 1,280 | (1,831) |

8. OTHER NOTES

8.1 BASIS OF COST ALLOCATION

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.

8.2 CONTINGENT ASSETS

Contingent assets arise where an event has taken place that gives the potential for an asset, whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly in the control of the Group. They are not recognised in the Balance Sheet, The Commissioner had no contingent assets as at 31 March 2024.

8.3 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 Group.

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.

8.4 RELATED PARTIES

Disclosures are required for material transactions with related parties, bodies or individuals that have the potential to control or influence the Group or vice versa. This allows transparency to the extent that the Group might have been constrained in its ability to operate independently or might have limited another party's ability to bargain freely.

Central Government asserts significant influence over the general operations of the police. It provides the statutory framework, and the majority of its funding in the form of grants and limits the increase in precepts. There is also influence by other Local Authority partners. This is particularly relevant to Nottingham City Council, who provide funding for specific roles.

The CIPFA Code requires members to complete a declaration of personal interests under section 81(1) of the Local Government Act 2000 and the Local Authorities (Model Code of Conduct) Order 2007. Audit and Scrutiny Panel members are required to complete a register of interest form. Senior employees can influence decisions and they also complete a declaration of personal interests. Joint Operations are areas where significant influence can be exerted by all parties.

SUPPLEMENTARY ACCOUNTS AND EXPLANATORY NOTES

PENSION FUND ACCOUNTS AND EXPLANATORY NOTES

| 2022-23 £000 | Pension Fund | 2023-24 £000 |
|-----------------|---|-----------------|
| | Contributions Receivable | |
| 0 | Employers Contributions 1987 Scheme | 0 |
| 0 | Employers Contributions 2006 Scheme | 0 |
| (26,342) | Employers Contributions 2015 Scheme | (28,519) |
| (601) | Additional Contributions for early retirements - all schemes | (404) |
| (41) | Members contributions 1987 Scheme | (42) |
| 0 | Members contributions 2006 Scheme | 0 |
| (11,337) | Members contributions 2015 Scheme | (12,365) |
| 0 | Transfer in 1987 Scheme | 0 |
| 0 | Transfer in 2006 Scheme | 0 |
| (322) | Transfer in 2015 Scheme | 28 |
| | Benefits Payable | |
| 64,967 | Pensions 1987 Scheme | 71,382 |
| 69 | Pensions 2006 Scheme | 106 |
| 699 | Pensions 2015 Scheme | 832 |
| 11,052 | Commutations and lump sum retirement benefits - all schemes | 7,678 |
| 798 | Annual Allowance Tax charge | 356 |
| 0 | GAD v Milne Payments | 0 |
| | Payments to / on account of leavers | |
| 0 | Refund of contributions 2006 Scheme | 0 |
| 211 | Refund of contributions 2015 Scheme | 57 |
| 0 | Transfers out 1987 Scheme | 0 |
| 0 | Transfers out 2006 Scheme | 0 |
| 0 | Transfers out 2015 Scheme | 0 |
| 39,154 | Sub-total before transfer from the Commissioner of amount equal to the deficit | 39,109 |
| (39,154) | Transfer of Government Grant from the Commissioner to meet the deficit | (39,109) |
| 0 | Balance at 31 March | 0 |

This fund account relates solely to the Police Officer Pension Scheme

POST-EMPLOYMENT BENEFITS

Employees are members of two separate defined benefits pension schemes providing retirement lump sums and pensions, earned whilst employed by the Group. The Pension Reserve absorbs the timing differences between the difference in accounting and funding for post-employment benefits in accordance with statutory provisions. The debit balance on the Pension Reserve represents a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements ensure that funding will meet payments. Actuarial gains and losses are charged to the Pension Reserve.

The CIES recognises the benefits earned by employees accruing service in accordance with IFRS19 but the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. This ensures that there is no effect on the amounts to be met from government grant and local taxpayers.

The liabilities are adjusted for inflation, valuation assumptions and investment returns.

The Group makes contributions towards the pension schemes and contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations.

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. The assets are included at fair value. The liabilities are included at current prices using the appropriate discount rate. The discount rate is the annualised yield at the 30-year point on the Merrill Lynch AA-rated corporate bond yield curve which meets the requirements of IAS19.

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 reimbursed from Central Government by way of Pension Top-up grant of up to 100%, subject to parliamentary scrutiny and approval. More details are included in the Pension Fund Statement. If however, the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Commissioner who then must repay the amount to central government. This means that the true liability relating to police pensions rests with the Home Office. The element relating to The Group's assets and liabilities is included within these accounts. Since 1 April 2015 pensions have been based on a career average value.

DISCRETIONARY BENEFITS

The Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements due to medical reasons or injury. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme. Assets are not built up within the scheme to meet these pension liabilities.

ACCOUNTING TREATMENT

The Group Balance Sheet recognises the net pension liability and reserve. The actuarial valuation of the staff LGPS fund was carried out as at 31 March 2023 and set contributions for the period from 1 April 2023 to 31 March 2024. This scheme includes both staff working for the Chief Constable entity and the Commissioner. It was not practical or economical to obtain separate actuary reports for the two entities. As a reasonable estimate the relevant information was calculated on a pro rata basis to scheme participants in the year.

Police officer pension schemes are unfunded defined benefit schemes. Contributions from officers are paid into the fund and pension payments are met from the fund. Any surplus or deficit is either paid to or recovered from Central Government. Employees and employers 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 for 2023-24 are based on a detailed valuation of the most recent data provided (as at 31 March 2020), together with cash flow information for the year ending 31st March 2024. In particular the actuary has allowed for service accrued between 1 April 2023 and 31 March 2024 and known pension and salary increases that would have applied.

The figures for the LGPS are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2023 for all members. The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

Liabilities have been assessed on an actual basis using the projected unit credit method, an estimate of future pension payments. This depends on assumptions about mortality rates, salary levels etc.

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

| 2022-23 | | Pension Fund Comprehensive Income and Expenditure Statement | 2023-24 | |
|------------------|------------------|---|--------------|----------------|
| LGPS £000 | Police £000 | | LGPS £000 | Police £000 |
| 20,595 | 49,550 | Current Service Cost | 8,847 | 15,950 |
| 118 | 0 | Admin Expense | 140 | 0 |
| 0 | 0 | Past Service Cost | 191 | (10) |
| 0 | 0 | (Gain) / loss from curtailments | 0 | 0 |
| 4,287 | 72,910 | Net interest expense / (income) | 283 | 90,850 |
| 25,000 | 122,460 | Total charged to (Surplus) and Deficit on Provision of Services | 9,461 | 106,790 |
| | | Other post-employment benefits charged to the Comprehensive Income and Expenditure Account | | |
| | | Re-measurement of the net defined benefit liability comprising: | | |
| 13,653 | 0 | Return on Assets less interest | (10,481) | 0 |
| 33,328 | 158,610 | Actuarial (gains) and losses - experience | 1,573 | 65,920 |
| 0 | (43,490) | Actuarial (gains) and losses arising on changes in demographic assumptions | (3,866) | 0 |
| (222,593) | (947,510) | Actuarial (gains) and losses arising on changes in financial assumptions | (8,849) | (42,420) |
| 0 | 0 | Asset Ceiling | 11,898 | 0 |
| 0 | 0 | Other Actuarial Gains/Losses | 0 | 0 |
| (150,612) | (709,930) | Total charged to the Comprehensive Income and Expenditure Statement | (264) | 130,290 |

| 2022-23 | | Pension Fund Movement in Reserves Statement | 2023-24 | |
|--------------|----------------|---|--------------|----------------|
| LGPS £000 | Police £000 | | LGPS £000 | Police £000 |
| (25,000) | (122,460) | Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services | (9,461) | (106,790) |
| | | Actual amount charged against the general fund balance for pensions in the year: | | |
| 7,682 | 0 | Employers' contributions payable to scheme | 9,353 | 0 |
| 0 | 70,200 | Retirement benefits payable to pensioners | 0 | 72,120 |

| 2022-23 | | Pensions Assets and Liabilities Recognised in the Balance Sheet | 2023-24 | |
|-----------------|--------------------|--|--------------|--------------------|
| LGPS | Police | | LGPS | Police |
| £000 | £000 | | £000 | £000 |
| (295,773) | (1,981,410) | Present value of the defined obligation | (301,041) | (2,039,580) |
| 285,342 | 0 | Fair value of plan assets | 300,227 | 0 |
| (10,431) | (1,981,410) | Value of Assets / (Liabilities) | (814) | (2,039,580) |
| (10,431) | (1,981,410) | Net (liability) / asset arising from the defined benefit obligation | (814) | (2,039,580) |

| 2022-23 | | Movement in the Fair Value of Scheme Assets | 2023-24 | |
|----------------|-------------------------------|--|----------------|-------------------------------|
| LGPS | Police Officer Pension Scheme | | LGPS | Police Officer Pension Scheme |
| £000 | £000 | | £000 | £000 |
| 290,811 | 0 | Opening fair value of scheme assets | 285,342 | 0 |
| 7,571 | 0 | Interest income | 13,760 | 0 |
| (13,653) | 0 | Re-measurement gain / (loss): | | |
| | | The return on plan assets, excluding the amount included in the net interest expense | 10,481 | 0 |
| 7,682 | 70,200 | Contributions from employer | 9,353 | 72,120 |
| 2,955 | 11,700 | Contributions from employees into the scheme | 3,283 | 12,560 |
| (9,906) | (81,900) | Benefits / transfers paid | (9,954) | (84,680) |
| 0 | 0 | Asset Ceiling | (11,898) | 0 |
| 0 | 0 | Other actuarial gains(losses) on assets | 0 | 0 |
| (118) | 0 | Admin Expense | (140) | 0 |
| 285,342 | 0 | Closing value of scheme assets | 300,227 | 0 |

| 2022-23 | | Movements in the Present Value of Scheme Liabilities | 2023-24 | |
|------------------|---|--|------------------|---|
| LGPS £000 | Police Officer Pension Scheme £000 | | LGPS £000 | Police Officer Pension Scheme £000 |
| (459,536) | (2,761,540) | Opening balance at 1 April | (295,773) | (1,981,410) |
| (20,595) | (49,550) | Current service cost | (8,847) | (15,950) |
| (11,858) | (72,910) | Interest cost | (14,043) | (90,850) |
| 0 | (11,700) | Contributions from scheme participants | 0 | (12,560) |
| (2,955) | 0 | Unusable Reserves | (3,283) | 0 |
| | | Re-measurement gains and losses: | | |
| (33,328) | (158,610) | - Actuarial gains / (losses) - experience | (1,573) | (65,920) |
| 0 | 43,490 | - Actuarial gains / (losses) from changes in demographic assumptions | 3,866 | 0 |
| 222,593 | 947,510 | - Actuarial gains / (losses) from changes in financial assumptions | 8,849 | 42,420 |
| 0 | 0 | Past service cost | (191) | 10 |
| 0 | 0 | Gains / (losses) on curtailments | 0 | 0 |
| 9,906 | 81,900 | Benefits / transfers paid | 9,954 | 84,680 |
| (295,773) | (1,981,410) | Balance as at 31 March | (301,041) | (2,039,580) |

The liabilities show the underlying commitments that the Group will eventually have for retirement benefits. The total liability of £2,039.6m 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. The situation will be re-assessed based on the actuarial valuation report.

The total employer contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2025 are £9.2m and £28.6m 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 £30.9m (2022-23, -£6.1m). 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 £5.5m and a decrease by the same amount increases the pension liability by £5.7m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £158m with a 0.5% decrease in the rate increasing the liability by the same amount.

| Pension Assumptions | LGPS | | Police | |
|---|----------|----------|----------|----------|
| | 2022-23 | 2023-24 | 2022-23 | 2023-24 |
| Mortality assumptions | | | | |
| Longevity at 65 retiring today | | | | |
| Men | 20.7 yrs | 20.4 yrs | 21.9 yrs | 21.9 yrs |
| Women | 23.5 yrs | 23.3 yrs | 23.5 yrs | 23.6 yrs |
| Longevity at 65 retiring in 20 years | | | | |
| Men | 22.0 yrs | 21.7 yrs | 23.5 yrs | 23.6 yrs |
| Women | 25.0 yrs | 24.7 yrs | 25.0 yrs | 25.1 yrs |
| Rate of inflation | | | | |
| CPI increases | 2.90% | 2.90% | 2.60% | 2.60% |
| Rate of increase in salaries | 3.90% | 3.90% | 3.85% | 3.85% |
| Rate of increase in pensions | 2.90% | 2.90% | 2.60% | 2.60% |
| Rate for discounting scheme liabilities | 4.80% | 4.95% | 4.65% | 4.75% |

| Value of LGPS Assets at Bid Value | 2022-23 | 2022-23 | 2023-24 | 2023-24 |
|-----------------------------------|----------------|-------------|----------------|-------------|
| | £000 | % | £000 | % |
| Equity Investments | 166,313 | 58% | 188,757 | 60% |
| Gilts | 5,898 | 2% | 7,474 | 2% |
| Other Bonds | 16,900 | 6% | 15,484 | 5% |
| Property | 33,867 | 12% | 33,181 | 11% |
| Cash | 14,931 | 5% | 18,792 | 6% |
| Inflation-linked pooled fund | 14,403 | 5% | 15,877 | 5% |
| Infrastructure | 22,427 | 8% | 22,565 | 7% |
| Unit Trust | 10,603 | 4% | 9,995 | 3% |
| | 285,342 | 100% | 312,125 | 100% |

JOINT OPERATIONS

Joint operations (JOs) are treated in accordance with IAS 31 - Interests in Joint Ventures. They are governed by legally binding Section 22 Agreements and incorporated into the accounts on agreed proportions. The Group participates in 7 collaborative arrangements with other PCCs covered by formal legal documents. The police officers involved are seconded from the individual forces and costs are borne in agreed proportions. These agreements meet the definition of JOs in that decisions on relevant activities require the unanimous consent of the parties sharing control. The relevant proportions of these assets are incorporated throughout these Accounts.

There are six JOs between Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire, Nottinghamshire's proportion is 27.3% (27.3% 2022-23).

- The East Midlands Special Operations Unit (EMSOU), which includes The Technical Surveillance Unit (TSU)
- The East Midlands Special Operations Major Crime (EMSOU MC).
- The East Midlands Occupational Health Unit (EMCHRS OHU).
- The East Midlands Forensic Support Services (EMFSS).
- The East Midlands Legal Service (EMLS).
- The Regional Emergency Services Network (ESN) 22.6% (22.6% 2022-23).

The other collaborations are:

- The East Midlands Learning & Development (EMCHRS L&D) is a four-way shared service with Leicestershire, Derbyshire, and Northamptonshire. Nottinghamshire's proportion is 31.42% (31.42% 2022-23).

| 2022-23 | | | Joint Operations Comprehensive Income and Expenditure Statement | 2023-24 | | |
|---------------------|-----------------|---------------|---|---------------------|-----------------|---------------|
| Expenditure £000 | Income £000 | Net £000 | | Expenditure £000 | Income £000 | Net £000 |
| 13,627 | 0 | 13,627 | Cost of Police Services | 13,246 | 0 | 13,246 |
| 13,627 | 0 | 13,627 | Cost of Services | 13,246 | 0 | 13,246 |
| 11 | (342) | (331) | Other Operating Expenditure / Income | 5 | (314) | (309) |
| 0 | (1,578) | (1,578) | External Grants and Contributions | 0 | (1,338) | (1,338) |
| 0 | (11,731) | (11,731) | Contributions From Partners | 0 | (11,596) | (11,596) |
| 13,638 | (13,651) | (13) | (Surplus) or Deficit on Provision of Services | 13,251 | (13,248) | 3 |
| | | 0 | Other CIES | | | 0 |
| | | (13) | Total CIES | | | 3 |

| Joint Operations Movement in Reserves | General Fund Balance £000 | Earmarked Reserves £000 | Capital Grants Unapplied £000 | Total Usable Reserves £000 | Unusable Reserves £000 | Total Reserves £000 |
|--|---------------------------------|-------------------------------|--|----------------------------------|------------------------------|---------------------------|
| Balance at 31 March 2023 | (75) | (1,039) | 0 | (1,114) | (2,668) | (3,782) |
| Movements in reserves during 2023-24 | 160 | 0 | 0 | 160 | (196) | (36) |
| (Surplus) / deficit on the provision of services | 40 | 0 | 0 | 40 | 0 | 40 |
| Other CIES | 0 | 0 | 0 | 0 | 0 | 0 |
| Total CIES | 200 | 0 | 0 | 200 | (196) | 4 |
| Adjustments between accounting basis and funding basis under regulations | 0 | 36 | 0 | 36 | 0 | 36 |
| Net (Increase) or Decrease before Transfers to Earmarked Reserves | 200 | 36 | 0 | 236 | (196) | 40 |
| Transfers to / (from) Earmarked Reserves | (200) | 164 | 0 | (36) | 0 | (36) |
| (Increase) or Decrease in 2023-24 | 0 | 200 | 0 | 200 | (196) | 4 |
| Balance at 31 March 2024 | (75) | (839) | 0 | (914) | (2,864) | (3,778) |

| 2022-23 £000 | Joint Operations Balance Sheet | 2023-24 £000 |
|-----------------|--------------------------------|-----------------|
| 2,829 | Property, Plant and Equipment | 3,054 |
| 5 | Assets Under Construction | 13 |
| 9 | Intangible Assets | 15 |
| 2,843 | Long Term Assets | 3,082 |
| 0 | Assets Held for Sale | 0 |
| 635 | Short Term Debtors | 720 |
| 1,127 | Cash and Cash Equivalents | 1,124 |
| 1,762 | Current Assets | 1,844 |
| (824) | Short-Term Creditors | (1,148) |
| (824) | Current Liabilities | (1,148) |
| 0 | Long Term Liabilities | 0 |
| 3,781 | Net Assets | 3,778 |
| (1,113) | Usable Reserves | (914) |
| (2,668) | Unusable Reserves | (2,864) |
| (3,781) | Total Reserves | (3,778) |

GROUP ACCOUNTS – JOINT OPERATIONS & ASSOCIATE ENTITIES

The OPCC's share of Joint Operations (JO's) for 2023-24 is as follows:

| Ownership % | Arrangement | 2023-24 | | |
|----------------|----------------------------------|---------------------|-----------------|-------------|
| | | Expenditure £000 | Income £000 | Net £000 |
| 27.30% | EM Major Crime | 233 | (233) | 0 |
| 27.30% | EM Legal Services | 621 | (632) | (11) |
| 27.30% | EM Serious Organised Crime | 8,809 | (8,808) | 1 |
| 27.30% | EM Occupational Health Unit | 5 | 0 | 5 |
| 31.42% | EM Learning & Development | 491 | (492) | (1) |
| 27.30% | EM Forensics | 3,089 | (3,079) | 10 |
| 22.60% | Emergency Services Network (ESN) | 4 | (4) | 0 |
| | | 13,252 | (13,248) | 4 |

The OPCC's does not have any Associate Entities in 2023-24.

ACCOUNTING PERIOD

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.

ACCOUNTING POLICIES

These are a set of rules and codes of practice used when preparing the accounts.

ACCRUALS

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

The Police Reform and Social Responsibilities Act 2011.

ACTUARIAL GAINS AND LOSSES

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.

ASSET

An item having value to the PCC in monetary terms. Assets are categorised as either current or non-current.

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A non-current asset provides benefits to the PCC and to the services it provides for a period of more than one year and may be tangible e.g. a police station, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the PCC's financial affairs

BALANCE SHEET

A statement of the recorded assets, liabilities, and other balances at the end of the accounting period.

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the PCC intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CODE

The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the PCC 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.

CONSISTENCY

The concept that the accounting treatment of like items, within an accounting period and from one period to the next, are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the PCC's accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of uncertain future events not wholly within the PCC's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CREDITOR

Amount owed by the PCC 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.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the PCC for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of the accounting period.

DEFINED BENEFIT PENSION SCHEME

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

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the PCC's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has not legal, contractual, or constructive obligation to award and are awarded under the PCC's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS

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.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lease.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the PCC will continue in operational existence for the foreseeable future.

IFRS

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.

GROUP

Nottinghamshire Office of the Police and Crime Commissioner and its Group.

IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. These are generally computer software licences.

INTEREST COSTS (PENSION)

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.

LIABILITY

A liability is where the PCC owes payment to an individual or another organisation:

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

MATERIALITY

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.

NON-OPERATIONAL ASSETS

Fixed assets held by the PCC but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

NET BOOK VALUE

The amount at which fixed assets are included in the balance sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

OPERATIONAL ASSETS

Fixed assets held and occupied, used, or consumed by the PCC in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST COSTS (PENSIONS)

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.

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

MINIMUM REVENUE PROVISION (MRP)

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 PCC.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measure during the projected unit method reflect the benefits that the employer is committed to provide for services up to the valuation date.

PRECEPT

The levy made by precepting authorities to billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

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.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

REMUNERATION

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.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the PCC. Some capital reserves such as the capital adjustment account cannot be used to meet current expenditure.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE CAPITALISED UNDER STATUTE (REFCUS)

Expenditure which ordinarily would be revenue but is statutorily defined as capital. Examples of REFCUS include grants of a capital nature to voluntary organisations and back pay expenditure capitalised under Secretary of State Direction.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

USEFUL ECONOMIC LIFE (UEL)

The period over which the PCC will derive benefits from the use of a fixed asset.