

JOINT INDEPENDENT AUDIT COMMITTEE

20th July 2023

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SUBJECT	PCC & Group and CC Draft Statement of Accounts 2021-22
REPORT BY	PCC CFO and CC CFO
CONTACT OFFICER	CFOs at Officepcc@notts.police.uk
SUMMARY AND PURPOSE OF REPORT	
To present to the meeting the draft of the Statement of Accounts for the PCC & Group and the draft Statement of Accounts for the Chief Constable which include the Annual Governance Statements. These documents are being reviewed concurrently with the JIAC Review.	
RECOMMENDATION	The content of the reports are noted and any feedback provided to the CFOs.

A. SUPPORTING INFORMATION

- The Draft PCC & Group Statement of Accounts for 2021/22 which incorporates the Annual Governance Statement.
- The Draft Chief Constable Statement of Accounts for 2021/22 which incorporates the Annual Governance Statement.

B. FINANCIAL CONSIDERATIONS

There are no direct financial implications of the report. The attached statements are prepared to provide a fair view of the financial position of the Chief Constable, Police & Crime Commissioner and group as a whole.

The statements of the Chief Constable show the cost of policing and provision of services to deliver the Police & Crime Plan.

The PCC & Group accounts also include the financial statements relating to the Office of the Police & Crime Commissioner.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The requirement to produce the Annual Statement of Accounts is part of the Accounts and Audit Regulations 2015 (and amendment 2022).

The preparation and production of the Annual Governance Statement is in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (the Framework).

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

There are no personnel, equal opportunities and diversity implications of the report.

E. REVIEW ARRANGEMENTS

The draft accounts once finalised will be subject to external audit scrutiny and our auditors (Ernest Young) will provide an External Audit Report (IAS260) which will be presented to a future meeting of JIAC.

F. RISK MANAGEMENT

There are no direct risk management implications of the report.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.



Statement of Accounts 2021-22

Nottinghamshire Police & Crime Commissioner and Group



NOTTINGHAMSHIRE
POLICE & CRIME
COMMISSIONER

(V1 as at 13th July 2023)



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WRITTEN STATEMENT AND CHIEF FINANCE OFFICER'S NARRATIVE REPORT



NOTTINGHAMSHIRE

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

There is a population of approximately 1.2m within the City and County.

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 a seamless and efficient service.

Central Government funding provides the Commissioner with approximately 66% of the funding required to police Nottinghamshire. The remainder is met from local council tax payers.

For 2021-22 the Government Grant was increased as a result of the National Uplift Programme to a total of £154.7m.

For 2021-22 precept freedoms to raise council tax by £10 per annum (Band D equivalent) were given.

The Force still needed to achieve savings of £2.5m to balance the budget. Those efficiencies have been met and contributed to an underspend position of £1.6m.

Brexit and Covid-19 will continue to create uncertainty, as well as the ongoing war in Ukraine. These factors may impact on police funding in the future, the results of which are not currently quantified.

GOVERNANCE

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

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. This also includes the governance arrangements of the Chief Constable.

PRIORITIES

Protecting People from Harm

Helping and Supporting Victims

Tackling Crime and Antisocial
Behaviour

Transforming Services and
Delivering Quality Policing

PERFORMANCE

Achievements 2021-22

Preventing

We secured more funding than any other OPCC area nationally as part of the Home Office Safer Streets programme. This has helped to deliver a range of innovative projects to make Nottinghamshire residents safe and feel safe.

- Our projects in Newark, Nottingham, Mansfield, Sutton in Ashfield and Worksop South have directly led to improvements in feelings of safety among over 580 household beneficiaries, whilst security installations and improvements in lighting and CCTV have further reduced the risk of crime. Residents are also benefiting from increased use and coverage of Neighbourhood Watch and the Neighbourhood Alert service.
- Our successful bid to the Home Office's Safety for Women at Night fund enabled a wide-reaching programme of activity in Nottingham's City Centre. That scheme improved service responses among those working in the night-time economy and improved feelings of safety and confidence in the police among women using the night-time economy. The scheme included: training for night-time economy staff; citywide campaigns; and, the development and roll out of a Safe Space Pledge for venues.

We have led partnership activity to tackle serious violence and divert more young people from harm. Our Violence Reduction Unit has secured £880k of core funding in 2021/22. It was also successful in securing £442.5k funding for the Divert Plus Programme and a further £233k for the U Turn programme via Home Office Serious Violence Youth Interventions and 'Teachable Moments' Grants.

- The Commissioner became the Chair of the Nottinghamshire Violence Reduction Board in May 2021. She has worked with the Violence Reduction Unit to launch an innovative Youth Work Programme and 'Our Youth Charter', which outlines our commitment to improving the quality and consistency of youth work across Nottingham and Nottinghamshire.
- Collectively, our diversion and mentoring schemes supported around 2,800 children and young people aged between 5 and 25 in 2021/22. This led to improved resilience and wellbeing, increased self-esteem, positive progression to education, training and employment and reduced risk of offending.
- We launched two new multi-agency teams in police custody suites to tackle youth violence (Divert Plus Programme) as a result of securing £442.5k additional Home Office funding. We secured over £233k to build on the success of the VRU's existing U-turn project to increase the number of young people accessing interventions at 'teachable moments'. We also made £270k available to third sector organisations to help deliver local youth diversion projects.

We ensured a continued priority focus on prevention and early intervention activity in our work to tackle domestic and sexual abuse.

- The Commissioner supported the launch of the Consent Coalition's 'A-Z of Consent' campaign in during 2021 and we worked with the Consent Coalition and Nottingham Business Improvement District (BID) to launch the Safe Space Pledge in March 2022. This helped venues in the night-time economy to improve the safety of women and girls.
- Marked increases in police pro-activity in the response to domestic and sexual abuse and serious violence in 2021/22 saw the use of Domestic Violence Protection Orders and Notices rise by more than 65% during the year. The number of 'possession of weapon' offences identified by Nottinghamshire Police also rose by 18%.

PERFORMANCE

Achievements 2021-22 (continued)

Responding

We achieved our March 2023 officer recruitment target a year ahead of schedule, finishing the year with the highest number of officers seen in Nottinghamshire in over a decade.

- Nottinghamshire Police recruited 357 additional police officers as part of the national ‘uplift’ programme, with HMICFRS commending the Force for having the strongest record on recruitment from Black, Asian and other Minority Ethnic communities in the country.

We have continued to invest in the Operation Reacher model, strengthening our proactive policing capability across all of Nottinghamshire’s policing neighbourhoods.

- The highly successful Operation Reacher model has been rolled out across all 12 policing neighbourhood districts. This targeted local activity has helped to achieve over 3,000 arrests, 615 warrants, 967 PACE searches, the seizure of 911 cars 617 weapons, £787k in cash and 1,240 individual seizures of drugs in the period to March 2022.

We have invested in officers and new capabilities in response to the growing digital demands on policing.

- The Transforming Forensics programme enabled us to invest in new mobile technology. It allows digital material to be extracted at source, which improves the victims’ experience and speeds up our investigation processes.
- We have increased the capacity of our Fraud Triage department. This enables us to better assess and triage incoming reports of fraud as well as improving the signposting of fraud and cybercrime victims to available services.

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

- We have introduced new rural beat officers across the county and 10 new single points of contact for rural crime within the force’s control room. This is helping to improve our response to rural crimes and incidents by ensuring that specialist expertise is available to call takers and dispatchers and neighbourhood officers.
- We have invested in new equipment to support the police response to rural crime. This includes drones, off-road motorbikes, fixed and mobile Automatic Number Plate Recognition cameras, thermal imaging goggles and 4x4 vehicles.
- We have launched a bespoke Neighbourhood Alert program to keep rural communities updated on local issues and activity in their area. We also launched a dedicated rural and wildlife crime online reporting service.

PERFORMANCE

Achievements 2021-22 (continued)

Supporting

Together, the Commissioner and our local authorities invested over £1 million in new domestic abuse and sexual violence support services to meet Covid recovery related demands and pilot new projects in 2021/22.

- New Ministry of Justice funding has been invested into services to: strengthen family court support across the city and county; specialist counselling; Female Genital Mutilation (FGM) support; and to provide 17 new specialist Independent Domestic Violence Adviser (IDVA) and Independent Sexual Violence Adviser (ISVA) posts. IDVA and ISVA funding was awarded for 2 years and has since been extended by MoJ to continue until March 2025.
- The Commissioner invested an additional £1.9m capital funding to improve the adult Sexual Assault Referral Centre (SARC). She also donated £60,000 towards the cost of a new digital recording interview suite at the paediatric SARC to help improve the experience of survivors.

We continued to support effective victim support services across Nottinghamshire, through Notts Victim CARE and specialist co-commissioned domestic abuse and sexual violence support services.

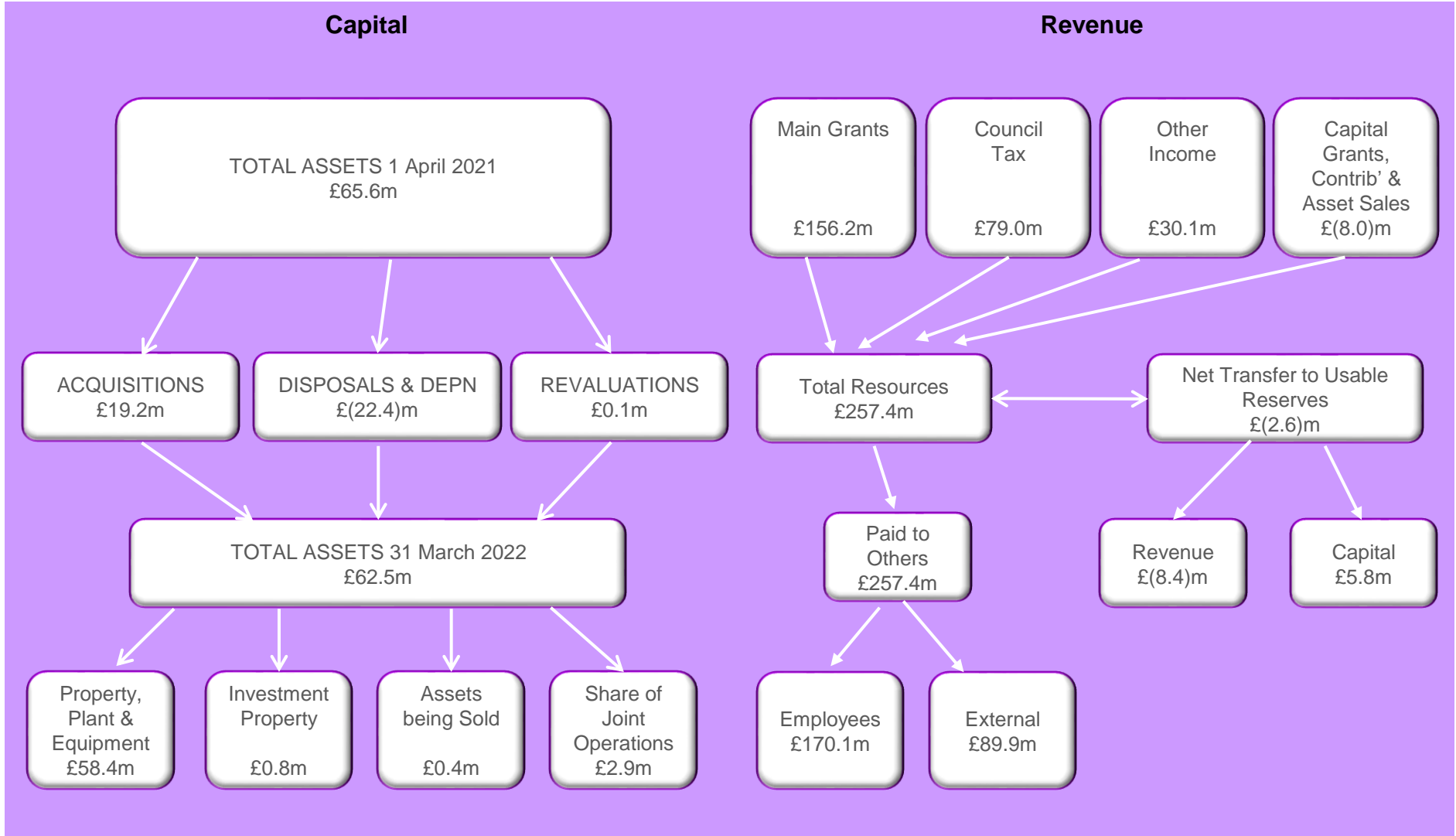
- Over 26,000 victims were contacted via these services with just under 15,000 being supported through these services.
- We commissioned an independent Victim Needs Assessment which is being used to develop the future commissioned service and increase the reach of existing services. The needs assessment was informed by the views of over 350 victims and over 50 key stakeholders. The findings are being used to: inform the recommissioning of victim care; the development of quality standards for the victim services; and, the commissioning of a new restorative Nottinghamshire service for the area.

We launched Nottinghamshire's first Criminal Justice Assurance Partnership in December 2021, bringing together local agencies to better understand and address pinch points within the criminal justice system.

- The Commissioner chaired the inaugural meeting of the Nottinghamshire Criminal Justice Partnership Board in December. This is providing a platform to work with local leaders to ensure that all parts of the system are working efficiently and effectively, particularly in improving the experiences of victims and witness and reducing the court backlog.
- The Commissioner's Office also continues to lead and co-ordinate the Reducing Reoffending Board. We have provided funding to better support vulnerable women and girls with complex needs in the criminal justice system, through the Women Specific Conditional Cautions Project.

We continued to work with partners to improve the identification and response issues of hidden harm, such as modern slavery, criminal exploitation and child sexual exploitation and abuse.

- The Commissioner provided funding to extend the city Slavery and Exploitation Risk Assessment Conference (SERAC) approach to the South Nottinghamshire conurbation in 2021/22. The scope of the service has been extended to include both adult and child referrals. The SERAC reviewed and supported 144 cases during the year, many involving high levels of vulnerability, complexity and risk.



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

FINANCIAL PERFORMANCE (cont.)

Capital Expenditure

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

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

Provisions and Reserves

The Insurance Provision required additional contributions during the year to meet the cost of potential claims outstanding.

Reserves continue to be replenished to finance capital expenditure over the medium term.

At 31 March 2022	£m
TOTAL PROVISION	6.4
TOTAL USABLE REVENUE RESERVES	28.7
TOTAL USABLE CAPITAL RESERVES	0

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 2,385 police officers, 151 PCSOs, 143 specials and 1,395 staff in full-time and part-time positions.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,237	54.91%
Female	1,837	45.09%
Totals	4,074	100.00%

Age Band	Headcount	%
25 and under	567	13.92%
26 to 40	1,628	39.96%
41 to 55	1,527	37.48%
Over 55	352	8.64%
Totals	4,074	100.00%

Self-Declared Disability	Headcount	%
Yes	146	3.58%
No or not specified	3,928	96.42%
Totals	4,074	100.00%

Ethnicity	Headcount	%
Asian or Asian British	140	3.44%
Black or Black British	48	1.18%
Mixed	76	1.87%
Other	5	0.12%
White	3,777	92.71%
Not Stated	23	0.56%
Not Known	5	0.12%
Totals	4,074	100.00%

PRINCIPAL RISKS

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

RISK	IMPACT	MITIGATION
Significant Incidents	Response to Covid-19 Pandemic. Detrimental impact of Brexit and cost of living on public sector financing.	Monitor national activity by the Government – consider lobbying through representative bodies.
Out of Court Disposals	Changes to Out of Court Disposals (OOCd) model from 1 to 2 tier system to start in 2023.	Continued engagement with the OOCd Board and ongoing commissioning meetings with police and lead providers.
Funding Formula Review	Could result in either a positive or negative impact on the amount of police grant Nottinghamshire receives.	Proactive work by the Commissioner on the National Review Body.
Level of Reserves	Insufficient reserves to meet significant risks.	This continues to be managed within the resources available.
System Reviews	Business continuity risks associated with recent changes to our core finance systems, and transfer to inhouse provision.	This is managed as a major project with continued oversight by the internal transition group.
Analytics Capacity	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports.	Forward planning on the development of key analytical products and streamlining partnership assessment processes.
Partnership Information Sharing	Ongoing challenges in establishing long term information sharing protocols with partnerships.	Proactive engagement with key partners.
Changes affecting the Pension Administration	The impact of McCloud.	Advice from Pension Providers XPS and Nottinghamshire LGPS. Involvement with National Implementation Group via NPCC.

Explanation of Accounting Statements	The Core Statements	The Supplementary Financial Statements
<p>The Statement of Accounts sets out the Group income and expenditure for the year and its financial position at 31 March 2022. 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 2021-22; which in turn is underpinned by International Financial Reporting Standards.</p> <p>A new financial management code has come into effect for 2021/22.</p> <p>A glossary of terms can be found at the end of this publication.</p>	<p>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.</p> <p>The Movement in Reserves Statement (MIRS) – is a summary of the changes to the Reserves during the course of 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.</p> <p>The Balance Sheet is a “snapshot” of the assets, liabilities, cash balances and reserves at the year-end date.</p> <p>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).</p>	<p>The Annual Governance Statement – this sets out the governance arrangements in place and the key internal controls.</p> <p>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 PCSO’s) are provided in the notes to the accounts.</p> <p>The Notes to the Accounts – these provide more detail about the accounting policies and individual transactions.</p>











STATEMENT OF RESPONSIBILITIES

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 Section 151 Officer.
- Manage the groups affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the statement of accounts.
- Ensure that the Section 151 Officer is a key member of their strategic management team and is adequately resourced and trained to fulfil this role.

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.

Certification

I certify that in my opinion this Statement of Accounts present a true and fair view of the financial position of the Nottinghamshire Office of the Police and Crime Commissioner as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

G Holder CIMA
Chief Finance Officer
Nottinghamshire Police and Crime
Commissioner

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

C Henry
Nottinghamshire Police and Crime
Commissioner

INTRODUCTION

Police and Crime Commissioners are designated as Local Authorities for accounting purposes. As such they are required to annually review the Governance procedures in place for the Office of the Police and Crime Commissioner and the Group.

The preparation and production of the Annual Governance Statement is in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (the Framework). This Framework requires Commissioners to be responsible 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 within the Police & Crime Plan

The Framework also expects that the Commissioners will put in place proper arrangements for the governance of their affairs, which facilitate the effective exercise of functions and ensure that the responsibilities set out above are being met.

The Commissioner is compliant with the CIPFA Statement on the Role of the Chief Financial Officer of the Police & Crime Commissioner.

KEY ELEMENTS OF THE COMMISSIONER’S GOVERNANCE FRAMEWORK

Police & Crime Plan

- Sets the priorities for policing
- Sets the priorities for supporting victims
- Sets the direction for the use of resources and commissioning

Scrutiny & Review

- Public meetings – Strategic Resources and Performance to hold the Chief Constable to account (Changed to monthly Accountability Board May 2022)
- Joint Audit & Scrutiny Panel (JASP) – to challenge and review the governance and actions of the OPCC and Force
- Public Consultation, Stakeholder events and surveys – to seek public opinion on priorities, police activity and the budget

Police & Crime Panel

- Formalise the appointment of the Commissioner
- Independent body to review decisions of the Commissioner
- Challenge and support the aims/delivery of the Police & Crime Plan
- Review and vote on the proposed level of precept
- Agree the appointment of the Chief Constable
- Hold a confirmation hearing for statutory officer appointments.

Decision making

- Public meetings recorded
- Decision records published on the Commissioner’s website
- Risk management reported to JASP regularly

Effective Management Team

- Chief Executive is the Monitoring Officer responsible for governance
- Chief Finance Officer is the Section 151 Officer responsible for safeguarding the financial position of the group
- The PCC and Chief Financial Officer are part of a Joint Governance Board with Fire for collaboration

Governance during Covid-19

During 2021-22 most restrictions were lifted, the office continued to work differently, but still remain effective and legally compliant. Therefore, some of the governance meetings remained online and were supported by the decision record process. Most document transition remained electronic e.g. claim forms, contracts and returns requiring signature, these were verified and use of electronic signatures have become the norm. This continues to ensure timely decision making and business as usual during the year no matter where staff are based. This has also improved the efficiency of the office.

HOW WE COMPLY WITH THE CIPFA SOLACE FRAMEWORK	PRINCIPLE A Behaving with integrity, demonstrating strong commitment to ethical values and respecting the law.	PRINCIPLE B Ensuring openness and comprehensive stakeholder engagement
<p>The Commissioner has approved and adopted:</p> <ul style="list-style-type: none"> • Code of Corporate Governance • The requirements of the CIPFA/SoLACE Framework: Delivering Good Governance in Local Government Framework • A number of specific strategies and processes for strengthening corporate governance <p>Set out here is how the Commissioner has complied with the seven principles set out in the CIPFA/SoLACE Framework during 2021-22.</p>	<p>The Commissioner has endorsed the Code of Corporate Governance, which provides guidance on expected standards of behaviours to ensure integrity.</p> <p>The Commissioner has approved the Anti-Fraud, Bribery and Corruption policies. JASP receives reports on how these arrangements have been applied during the year. There is a Whistle Blowing policy in place, which together with declaration of interests from the Commissioner, staff and police officers, ensures ethical standards are being monitored and adhered to. Any whistle blowing activities notified are investigated by the Professional Standards Directorate and appropriate action is taken.</p> <p>The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements, and for reporting any such instances to the Commissioner and JASP or the Police and Crime Panel.</p>	<p>All meetings of the JASP, Strategic Resources and Performance Panel, and the Police and Crime Panel, are open to the public. Papers, reports and decisions made by the Commissioner, are published on the Commissioners website together with consultation and public surveys.</p> <p>The Commissioner has a public engagement consultation strategy which sets out how we engage with stakeholders, partners and the public, through a combination of collaborative working, representation on boards, stakeholder consultation meetings and attendance at public community events.</p> <p>When the pandemic impact continued into 2021 public engagement was maintained wherever possible. Meetings such as the Police and Crime Panel were recorded and put on-line. Surveys continued to gauge public opinion.</p> <p>JASP meetings also continued into 2021, in person where possible, and these remain open meetings that members of the public may attend. All minutes and papers are published as soon as is practicable following meetings.</p>

PRINCIPLE C**Defining outcomes in terms of sustainable, economic, social and environmental outcomes**

The Police and Crime Commissioner publishes a four year Police and Crime Plan, which is refreshed annually. This is informed by the Strategic Policing Requirement, strategic assessments of the Force and local partners combining into the Police and Crimes Needs Assessment, and is reflective of emerging priorities for policing in Nottinghamshire.

This plan is used to direct the resources of the Commissioner and Chief Constable. It informs the revenue budget on where resources are most needed and the capital investment programme to identify the priority needs for investment.

The capital investment must meet the requirements of the prudential code in that they must be affordable. There are regular reports in compliance with the code during the year.

The Commissioner has also invested in environmental outcomes by making funding available for electric cars and bicycles and also ensures that new buildings are as energy efficient as possible.

PRINCIPLE D**Determining the intervention necessary to optimise the achievement of intended outcomes**

All new areas of business require a formal business case to be submitted. These business cases go through an internal approval process within the Force before sign off by the Chief Constable or Commissioner depending on the value or public interest.

The same is true of business cases relating to Regional Collaborations. The approval process is slightly different in that groups of officers form layers of approval (e.g. Operation Group, Deputy Chief Constable Board, Chief Finance Officer Board, Chief Constable Board and Police and Crime Commissioner Board). The end result is the same with the Police and Crime Commissioner signing off the final business cases.

The budget and Medium Term Financial Plan are considered annually, this ensures they properly reflect the business plan, and can factor in and risks and opportunities.

PRINCIPLE E**Developing capacity and capability**

The Commissioner and Chief Constable have taken full advantage of the funding made available to uplift the number of police officers. The Chief Constable has ensured that recruitment is ahead of schedule.

The Force works closely with the College of Policing to ensure we maximise our investment in officers and staff.

Internally, the Force and OPCC are identifying posts within the staffing structures that could be provided through the apprenticeship scheme.

The Commissioner recognises and promotes the benefits of collaborative working and continues to work in a number of regional collaborations as well as collaborations with Nottinghamshire Fire and Rescue.

A significant transformation has been undertaken with the OPCC. A restructure process was initiated following an independent review of the roles and responsibilities that are required to be delivered by the PCC. The review found that the team was understaffed in comparison to most similar force groups and that there was little cross functionality and resilience as a result. This has led to reprofiling of personnel into teams and an additional staffing uplift which has strengthened capacity, capability and diversity of workforce in the team.

PRINCIPLE F**Managing risks and performance**

The Force continues to ensure compliance with the National Crime Recording Standard (NCRS) and has a dedicated Force Crime Registrar who monitors performance and reports progress to the Crime & Data Quality Board chaired by an Assistant Chief Constable.

Performance is monitored against a comprehensive Police and Crime Performance Framework and risks identified in the bi-monthly Performance and Insight Report. The OPCC is represented at the Force Performance Board where risks are reviewed and mitigation activity undertaken.

The Joint PCC and Force Risk Management Strategy details how corporate risks are managed and mitigated. In addition, the independent JASP meeting receives a copy of the Force and PCC Strategic Risk Progress Report every six months, as per the Policy.

There are joint policies in place for risk management, anti-fraud, corruption and bribery and together with the financial regulations, these set out expected processes and internal controls.

The Financial Performance and Insight Report, including revenue and capital budget monitoring is reported quarterly to the Strategic Resources and Performance meeting (Accountability Board).

We have a regional contract for the provision of Internal Audit. The Internal Audit Team regularly provides reports on the effective operation of control and an annual report of the overall control environment. Lessons are learned and best practice shared across East Midlands OPCCs/Forces via this shared contract.

The Professional Standards Directorate provides reports on actions within the disciplinary process and on lessons learnt nationally from the IOPC.

An external community panel is being set up to review discrimination complaints, use of force and stop and search.

All recommendations from external and internal reviews (e.g. Audit and HMICFRS) are collated, reviewed and progress is regularly reported to the JASP.

PRINCIPLE G**Implementing good practices in transparency, reporting and accountability**

All decisions of the Commissioner are published on the website, together with any supporting information to explain why any particular option was taken.

The Police and Crime Plan together with financial strategies and internal policies are also published and reviewed regularly.

Reporting of performance both operational and financial is undertaken on a regular basis. The Commissioner meets with the Chief Constable on a weekly basis to keep abreast of current issues.

The Police and Crime Panel meet regularly to challenge and support the Commissioner on the Police and Crime Plan, use of resources and decisions being taken. The papers and minutes of this public meeting are published on the County Council website.

The requirements of the Specified Information Order have lapsed somewhat during the pandemic, a renewed focus has been given to this area during 2022 as staff were recruited to the new OPCC structure.

Change of OPCC Statutory Officers

During 2021-22 both the Chief Executive and the Chief Financial Officer left their posts. The Commissioner made appropriate arrangements to ensure the requirements of the roles were fulfilled until permanent replacements could be recruited.

On 21 December 2021 the Force's Chief Finance Officer also undertook the role of Interim PCC Chief Finance Officer. There was a joint protocol in place to manage any conflicts relating to this joint role and the link to the Force and OPCC. The Force CFO maintained this joint role until 31 July 2022.

The CEO was covered on an interim basis between 3 December 2021 and 31 January 2022 by the Assistant Chief Executive, who had been seconded in October 2021 through a partnership with another OPCC to assist the then CEO with the office restructure. This interim arrangement ensured continuity and stability of the statutory officer provision in the OPCC

A recruitment process was undertaken by an independent organisation and the Interim CEO was successful in being appointed to the permanent role, which she took up on 1 February 2022.

REVIEW OF EFFECTIVENESS

The Commissioner uses a number of ways to review and assess the effectiveness of its governance arrangements, as set out below:

Assurance from Internal Audit

One of the key assurance statements that the Commissioner receives is the annual audit report and opinion of the Head of Internal Audit.

Of the 11 audits in 2021/2022 where an assurance opinion was provided there were 2 with significant assurance (18%), 5 satisfactory (45%) and 4 limited (36%). In comparison in 2020/21 of the 12 audit report where assurance was provided 2 were significant (17%), 7 were satisfactory (58%), 2 were limited (17%) and 1 had no assurance (8%). Reduction in no assurance reports is a positive, however still 36% of audits had limited opinions.

During 2021-22 Core Financial systems were audited and assessed as having satisfactory assurance. The 4 with limited assurance were seized property, business change and in IT, GDPR and information assurance.

The HoIA opinion 2021/22 on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness.

Assurance from External Audit

The External Auditor, Ernst & Young, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing value for money. Currently the 2020/21 audit is not yet complete.

The Annual Governance Report (ISA 260) will be presented to the Joint Audit and Scrutiny Panel with the final 2020/21 statements including the Annual Governance Statement.

Self-Assessment and Review of Key Performance Indicators

The Chief Executive and Chief Finance Officer of the OPCC have undertaken a review to confirm that the arrangements described above have been in place throughout the year.

A number of key outcome indicators exist to assess the quality of governance arrangements. Performance is set out below:

Performance Indicator	Outcome 2021/22
No formal reports issued by Section 151 Officer	None issued
No negative outcomes from Monitoring Officer's Investigations	None
No proven frauds by members of staff or officers	None
No objections received from local electors	None
No limited assurance or worse from Internal Audit Reports	Fail – 4 Limited Assurance audits in 2021/22
ISA 260 2020/21 only low risk issues identified if any	2020/21 audit not yet complete

Follow-up of issues identified previously

Issues identified:	Action taken:
Levels of Reserves	These were considered to be low, but compared with the previous year this was improving significantly. Reserves are now being held to finance major capital expenditure to reduce the impact on future revenue budgets. A full review of the General Reserve is planned during the current medium Term Financial Planning (MFTP) period. The general reserves were increased by £1.6m at the end of 2021/22 which brings that up to a more appropriate level against the risk assessment in the Reserves Strategy.
Internal Audit	<p>The Core Financial Audits had been assessed with significant assurance in 2020/21 but this was reduced to satisfactory in 2021/22. The restructure and new processes should see this improve in 2022/23.</p> <ul style="list-style-type: none"> Information Assurance was followed up in 2020-21 and 2021/22 progress had been made, but remains with a limited assurance opinion. Custody Arrangements is monitored through the 'tracker'; and relates to an HMICFRS recommendation Health and Safety was followed up in 2021/22 and had improved to satisfactory. Seized Property was given no assurance in 2020/21 and had improved slightly to limited assurance in 2021/22.
VFM Qualification of Arrangements for financial Reporting	This concluded that arrangements were not in place to enable resources to be deployed in a sustainable manner. Primarily this related to the delay in the ability to produce draft and final statement of accounts. Given the 2021/22 accounts production is also very late this is expected to have the same impact on the VfM conclusion. Additional resources were agreed by the PCC/CC and an additional Financial Accountant to assist in the production of the accounts has been employed with effect from 1 st August 2022, so it is anticipated to be back on track for 2022/23.
HMCFRS 2021/22	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Nottinghamshire Police's performance across nine areas of policing and found the force was 'good' in two areas, 'adequate' in six areas and 'requires improvement' in one area (recording data about crime). The CC AGS sets out the performance against areas for improvement (AFIs)
Economic Outlook	The pandemic, the Russian invasion of Ukraine and to a lesser extent Brexit have had a significant impact on national funding. It will take years for the additional national borrowing to be replaced. This will impact the funding available for the public sector and the NHS will likely be the priority. We will continue to monitor and make representation on this at a national level. The continuous delay in the Funding Formula Review provides ongoing uncertainty over the future financial health. However, the continuation of additional funding for 20,000 police officers nationally is positive.

REVIEW OF EFFECTIVENESS – Response to Covid-19

The Covid-19 Pandemic impact was first experienced in the UK in March 2020 and therefore a review of Governance subsequent to this and into the 2021-22 financial year is set out below. Whilst many aspects of work have returned to pre-pandemic practices, where it is more effective and efficient to do so some practices have been retained.

Governance Meetings	
<p>The usual Governance meetings have continued where possible. This has been through a variety of mediums. Initially telephone conferencing was used for JASP meetings, moving to Microsoft Teams meetings. The latter being the preferred option for all Governance meetings going forward.</p> <p>Public Meetings have been recorded and uploaded to the OPCC website.</p>	<p>This will continue to be monitored and where appropriate delegation to complete key tasks will be approved through the decision making process.</p> <p>Risks continue to be monitored and managed including those specific to Covid-19.</p>
Decision making	Sustainability
<p>Decision making has continued in the usual way with meeting reports or decision records and all are published on the Commissioners website.</p>	<p>We have undertaken the assessment within the Financial Management Code of Practice, identified areas for improvement and will review sustainability in line with the CIPFA model.</p>
Financial impact	
<p>The Government was proactive in supporting authorities with regard to council tax funding by setting the following funding initiatives; Local Council Tax Support Schemes enables councils to continue to reduce council tax bills for those least able to pay and; Collection Fund Deficits able to be spread over three years instead of one The Government will compensate authorities for 75% of irrecoverable losses in council tax income for 2021/22.</p>	<p>The longer term impact on public spending from all of the financial assistance that was provided by the Government e.g Furlough, is yet to manifest itself in grant allocations to public bodies. This is now compounded by global issues such as the invasion of Ukraine by Russia, increasing energy prices and realities of Brexit.</p>

CONCLUSION

The Commissioner is satisfied that a sound system of Governance is in place. This includes the system of internal control which is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. However they remain committed to maintaining and wherever possible improving these arrangements, in particular by:

- Addressing the issues identified by internal audit with limited assurance.
- Addressing the issues identified by HMICFRS as requiring improvement.
- Addressing issues identified by external audit.
- Continued dialogue with the public through the Engagement Strategy and public meetings.

SIGNED

Caroline Henry
Nottinghamshire Police and Crime Commissioner

Sharon Caddell
Chief Executive

Gillian Holder CIMA
Chief Finance Officer

CORE FINANCIAL STATEMENTS



COMPREHENSIVE INCOME & 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.

2020-21					PCC & GROUP CIES		2021-22				
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
244,545	-	244,545	(244,545)	-	Funding to Chief Constable		263,218	-	263,218	(263,218)	-
9,406	(5,341)	4,065	238,737	242,802	Service cost		29,011	(9,283)	19,728	273,263	292,991
253,951	(5,341)	248,610	(5,808)	242,802	Cost of Services		292,229	(9,283)	282,946	10,045	292,991
3,523	(3,564)	(41)	-	(41)	Other Operating (Income) and Expenditure	2.6	2,691	(5,746)	(3,055)	-	(3,055)
2,434	(417)	2,017	60,250	62,267	Financing and Investment	2.4	2,939	(144)	2,795	58,634	61,429
-	(260,675)	(260,675)	-	(260,675)	Taxation and Non Specific Grant Income	2.5	-	(277,364)	(277,364)	-	(277,364)
259,908	(269,997)	(10,089)	54,442	44,353	(Surplus) or Deficit on Provision of Services	2.1 & 2.8	297,859	(292,537)	5,322	68,679	74,001
		(43)	-	(43)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(2,517)	-	(2,517)
		1,368	229,802	231,170	Re-measurement of the net defined benefit liability / asset				(1,448)	(90,659)	(92,107)
		1,325	229,802	231,127	Other Comprehensive (Income) and Expenditure				(3,965)	(90,659)	(94,624)
		(8,764)	284,244	275,480	Total Comprehensive (Income) and Expenditure				1,357	(21,980)	(20,623)

2020-21			GROUP CIES		2021-22		
Expenditure	Income (Note 2.3)	Net		Note	Expenditure	Income (Note 2.3)	Net
£'000	£'000	£'000			£'000	£'000	£'000
277,378	(34,576)	242,802	Group Cost of Services		323,109	(30,118)	292,991
3,523	(3,564)	(41)	Other Operating (Income) and Expenditure	2.6	2,691	(5,746)	(3,055)
62,684	(417)	62,267	Financing and Investment	2.4	61,573	(144)	61,429
-	(260,675)	(260,675)	Taxation and Non Specific Grant Income	2.5	-	(277,364)	(277,364)
343,585	(299,232)	44,353	(Surplus) or Deficit on Provision of Services	2.1 & 2.8	387,373	(313,372)	74,001
		(43)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(2,517)
		231,170	Re-measurement of the net defined benefit liability / asset				(92,107)
		231,127	Other Comprehensive (Income) and Expenditure				(94,624)
		275,480	Total Comprehensive (Income) and Expenditure				(20,623)

MOVEMENT IN RESERVES STATEMENT

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.

Group Movement in Reserves	General Fund Balance (Note 3.1)	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
2021-22	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021	(7,000)	(19,139)	(5,837)	(300)	(32,276)	2,961,410	2,929,134
Movement in reserves during 2021-22							
(Surplus) or deficit on the provision of services	74,001	-	-	-	74,001	-	74,001
Other Comprehensive (Income) / Expenditure	-	-	-	-	-	(94,624)	(94,624)
Total Comprehensive Income and Expenditure	74,001	-	-	-	74,001	(94,624)	(20,623)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(74,001)	-	5,837	300	(67,864)	70,800	2,937
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(0)	-	5,837	300	(6,137)	(23,824)	(17,686)
Transfers to / (from) Earmarked Reserves	(1,613)	(946)	-	0	(2,559)	0	(2,559)
(Increase) or Decrease in 2021-22	(1,631)	(946)	5,837	300	(3,578)	(23,824)	(20,245)
Balance at 31 March 2022	(8,613)	(20,085)	-	-	(28,697)	2,937,586	2,908,889

PCC Movement in Reserves	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
2021-22	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021	(7,000)	(19,139)	(5,837)	(300)	(32,276)	6,708	(25,568)
Movement in reserves during 2021-22							
(Surplus) or deficit on the provision of services	5,322	-	-	-	5,322	-	5,322
Other Comprehensive (Income) / Expenditure	-	-	-	-	-	(3,965)	(3,965)
Total Comprehensive Income and Expenditure	5,322	-	-	-	5,322	(3,965)	1,357
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(5,321)	-	5,837	300	816	2,119	2,935
Net (Increase) or Decrease before Transfers to Earmarked Reserves	0	-	5,837	300	6,137	(1,845)	4,292
Transfers to / (from) Earmarked Reserves	(1,613)	(946)	-	0	(2,559)	0	(2,559)
(Increase) or Decrease in 2021-22	(1,613)	(946)	5,837	300	3,578	(1,845)	1,733
Balance at 31 March 2022	(8,613)	(20,085)	-	-	(28,698)	4,863	(23,835)

Group Movement in Reserves	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
2020-21	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2020	(7,075)	(19,516)	(4,882)	-	(31,473)	2,684,359	2,652,886
Movement in reserves during 2020-21							
(Surplus) or deficit on the provision of services	44,353	-	-	-	44,353	-	44,353
Other Comprehensive (Income) / Expenditure	-	-	-	-	-	231,127	231,127
Total Comprehensive Income and Expenditure	44,353	-	-	-	44,353	231,127	275,480
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(43,353)	-	(955)	(300)	(45,608)	45,924	316
Net (Increase) or Decrease before Transfers to Earmarked Reserves	0	-	(955)	(300)	(1,255)	277,051	275,796
Transfers to / (from) Earmarked Reserves	75	377	-	-	452	0	452
(Increase) or Decrease in 2020-21	75	377	(955)	(300)	(803)	277,051	276,248
Balance at 31 March 2021	(7,000)	(19,139)	(5,837)	(300)	(32,276)	2,961,410	2,929,134

PCC Movement in Reserves	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
2020-21	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2020	(7,075)	(19,516)	(4,882)	-	(31,473)	13,902	(17,571)
Movement in reserves during 2020-21							
(Surplus) or deficit on the provision of services	(10,089)	-	-	-	(10,089)	-	(10,089)
Other Comprehensive (Income) / Expenditure	-	-	-	-	-	1,325	1,325
Total Comprehensive Income and Expenditure	(10,089)	-	-	-	(10,089)	1,325	(8,764)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	10,089	-	(955)	(300)	8,835	(8,519)	316
Net (Increase) or Decrease before Transfers to Earmarked Reserves	0	-	(955)	(300)	(1,254)	(7,194)	(8,448)
Transfers to / (from) Earmarked Reserves	75	377	-	-	452	0	452
(Increase) or Decrease in 2020-21	75	377	(955)	(300)	(802)	(9,205)	(7,996)
Balance at 31 March 2021	(7,000)	(19,139)	(5,837)	(300)	(32,275)	4,697	(25,567)

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.

2020-21		PCC & Group Balance Sheet	Note	2021-22	
PCC	Group			PCC	Group
£000	£000			£000	£000
63,721	63,721	Property, Plant and Equipment	4.2	60,422	60,422
575	575	Investment Property	4.4	805	805
1,348	1,348	Intangible Assets	4.5	910	910
-	-	Long-Term Debtors		-	-
65,644	65,644	Long Term Assets		62,137	62,137
-	-	Assets Held for Sale	4.7	364	364
91	91	Inventories		161	161
27,410	27,410	Short-Term Debtors	4.8	31,357	31,357
30,000	30,000	Short-Term Investments	4.9	29,000	29,000
26,784	26,784	Cash and Cash Equivalents	5.1	6,130	6,130
84,285	84,285	Current Assets		67,012	67,012
(35,441)	(35,441)	Short-Term Borrowing	4.12	(8,097)	(8,097)
(24,438)	(28,698)	Short-Term Creditors	4.10	(25,498)	(29,906)
(4,045)	(4,045)	Provisions	4.11	(6,441)	(6,441)
(63,924)	(68,184)	Current Liabilities		(40,036)	(44,444)
(55,396)	(55,396)	Long-Term Borrowing	4.12	(62,273)	(62,273)
(5,043)	(2,955,484)	Other Long-Term Liabilities		(3,007)	(2,931,321)
(60,439)	(3,010,880)	Long Term Liabilities		(65,280)	(2,993,594)
25,566	(2,929,135)	Net Assets		23,833	(2,908,889)
(32,275)	(32,275)	Usable Reserves	3.1 & 3.2	(28,697)	(28,697)
6,709	2,961,410	Unusable Reserves	3.3	4,863	2,937,586
(25,566)	2,929,135	Total Reserves		(23,834)	2,908,889

CASH FLOW 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.

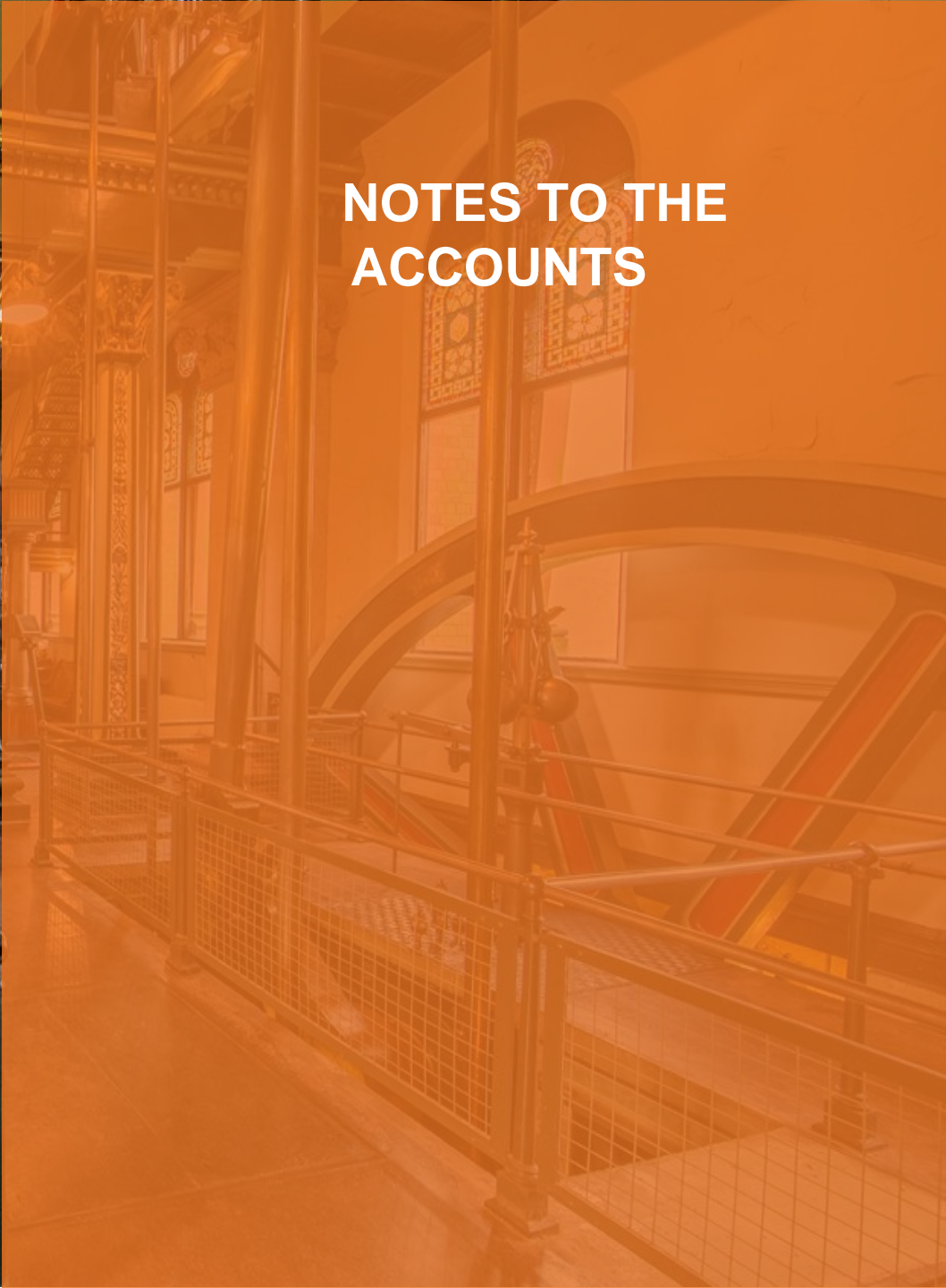
Cash includes cash in hand and deposits of up to 24 hours' notice. Cash equivalents are investments that mature up to three months from acquisition date. These are readily convertible to known amounts of cash with

insignificant risk of change in value. Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

2020-21			Cash Flow Statement	Note	2021-22		
Commissioner	Chief Constable	Group			Commissioner	Chief Constable	Group
£000	£000	£000			£000	£000	£000
(10,089)	54,442	44,353	Net (surplus) or deficit on the provision of services		5,322	68,679	74,001
(8,510)	(54,442)	(62,952)	Adjustment to (surplus) or deficit on the provision of services for noncash movements	5.2	(23,344)	(68,679)	(92,023)
5,263	-	5,263	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing or financing activities	5.2	7,954	-	7,954
(13,336)	-	(13,336)	Net cash flows from operating activities		(10,069)	-	(10,069)
36,848	-	36,848	Net cash flows from investing activities	5.3	10,256	-	10,256
(21,444)	-	(21,444)	Net cash flows from financing activities	5.3	20,467	-	20,467
2,068	-	2,068	Net (increase) or decrease in cash and cash equivalents		20,654	-	20,654
(28,852)	-	(28,852)	Cash and cash equivalents at the beginning of the reporting period		(26,784)	-	(26,784)
(26,784)	-	(26,784)	Cash and cash equivalents at the end of the reporting period	5.1	(6,130)	-	(6,130)



NOTES TO THE ACCOUNTS



GENERAL ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises transactions for the 2021-22 financial year and its position as at 31 March 2022. 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.

Section 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 2021-22) 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 provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner and Force will continue to operate for the foreseeable future.

Restrictions surrounding Covid-19 within the United Kingdom have now ceased with policing functions more aligned with pre-pandemic activity. It is now anticipated that expenditure as a result of Covid-19 for 2022-23 and beyond will be low and managed within existing budgets.

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

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

Section 1 Judgements and Major Accounting Events

1.3 Going Concern (continued)

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

In carrying out the detailed assessment, the PCC has taken into account its statutory duty to allocate assets and funds to the Chief Constable.

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

Increased Expenditure

The outturn report for 2021/22 shows a net underspend for the force of (£1,610k) and at the end of 2021/22 the force had incurred additional overtime costs of £257k relating to Covid-19, however this was offset in full by additional income.

Reductions in income

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

Cashflow and Liquidity Risk Exposure:

The 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 £6.1m and are held by the PCC as detailed in Note 5. These have remained positive during 2021-22 and are estimated to remain positive throughout 2022-23.

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 whilst maintaining the positive cash and equivalent balances and remaining well within its borrowing limits.

The PCC also has ongoing ready access to borrowings from the Public Works Loan Board and other approved lenders.

General Fund Balances and Reserves

The General Fund balance at 31st March 2022 has increased from 2020-21 levels and there are plans to keep this within 2% - 5% of the net budget going forward. The Outturn shows that covid hasn't presented the financial challenge expected due to grants and lower costs, and therefore it is unlikely this will directly have an impact on the Medium Term Financial Plan.

It is considered that there is sufficient headroom within these measures and the general balances. For these reasons, the PCC and CC CFOs do not consider that there is material uncertainty in respect of their ability to continue as a going concern for the foreseeable future.

Section 1 Judgements and Major Accounting Events

1.4 Accounting Standards Issued but not Adopted

For 2021/22 new standards that have been issued but not adopted relate to;

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

These changes were issued after the new CIPFA Code Of Practice for Local Authority Accounts was published but the impact on the financial statements of the PCC 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.

Assessment and estimations are provided by the Transport Manager for vehicles previously purchased by the Force outside of the PFI contract.

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 provision of £3.8m 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 (+/-) £0.4m.

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.

Covid-19 was declared a global pandemic by the World Health Organisation on 11 March 2020. However, the full impact on the UK and world economy was not felt until after 31 March 2020 and is therefore a non-adjusting event.

The financial impact for subsequent financial years is not considered to be significant at this point but this will remain under review as part of the MTFP and there may be further implications and considerations for future accounts, for example, asset impairments, pension fund liability valuations and council tax collection fund.

Any future financial cost would be recognised within the Comprehensive Income and Expenditure Statement (CIES) in the year to which it relates. This would be adjusted for within the Movement in Reserve Statement (Adjustments between Accounting Basis and Funding Basis under Regulations) to negate any immediate financial impact on the council tax payer.

Section 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.

2020-21			Commissioner & Group Expenditure Funding Analysis	2021-22		
Net Expenditure Chargeable to the General Fund	Adjustments (Note 2.2)	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund	Adjustments (Note 2.2)	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
244,545	(5,808)	238,737	Policing	263,218	10,045	273,263
3,903	162	4,065	Commissioner	18,870	858	19,728
248,448	(5,646)	242,802	Net Cost of Services	282,089	10,902	292,991
			Other (Income) and Expenditure			
-	60,250	60,250	Policing	(565)	59,199	58,634
(254,634)	(4,065)	(258,699)	Commissioner	(257,896)	(19,728)	(277,624)
(6,186)	50,539	44,353	(Surplus) or Deficit on Provision of Service	23,627	50,374	74,001
(26,591)			Opening General Fund Balance	(32,777)		
(32,777)			Closing General Fund Balance	(9,149)		

2.2 Adjustments to the Expenditure Funding Analysis

2021-22	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing	-	8,768	1,276	10,045
PCC	-	858	-	858
Net Cost of Services	-	9,626	1,276	10,902
Other (Income) and Expenditure Chief Constable	-	59,199	-	59,199
Other (Income) and Expenditure PCC	2,069	87	(21,884)	(19,728)
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	2,069	68,912	(20,608)	50,374

2020-21	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing	-	(6,519)	711	(5,808)
PCC	-	162	-	162
Net Cost of Services	-	(6,357)	711	(5,646)
Other (Income) and Expenditure Chief Constable	-	60,250	-	60,250
Other (Income) and Expenditure PCC	(9,400)	65	5,270	(4,065)
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	(9,400)	53,958	5,981	50,539

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

2020-21 £000		2021-22 £000
(5,341)	Relating to the PCC - Other Income	(9,283)
(1,045)	Partnership and Joint Controlled Operations	(1,362)
(1,540)	PFI Grant	(588)
(1,645)	Recharge of Officers	(3,208)
(25,005)	Other Income	(15,677)
(34,576)	Total for the Group	(30,118)

2.4 Financing and Investment Income and Expenditure

2020-21 £000		2021-22 £000
2,369	Interest payable and similar charges	2,287
65	Net interest on the net defined benefit liability (asset)	87
(417)	Interest receivable and similar income	(144)
2,017	Relating to the PCC	2,230
60,250	Other net interest on the defined benefit liability (asset)	59,199
62,267	Total for the Group	61,429

2.5 Taxation and Non-Specific Grant Income – PCC and Group

2020-21 £000		2021-22 £000
(73,246)	Council tax income	(79,018)
(146,125)	Non-ring fenced government grants	(156,249)
(38,416)	HO Police Pension Grant	(39,889)
(1,699)	Capital grants and contributions	(2,207)
(259,487)	Total for the PCC and Group	(277,364)

2.6 Other Operating Expenditure – PCC and Group

2020-21 £000		2021-22 £000
(41)	(Gains)/losses on the Disposal of Non-Current Assets	(3,055)
(1,188)	Other – Revenue Contributions to Joint Ops	(1,330)
-	Other – Increase in Bad Debt Provision	-
(1,229)	Total for the PCC and Group	(4,385)

2.7 Impairment Losses

There are no instances of impairment to report.

2.8 Income and Expenditure Analysed by Nature

2020-21			Nature of Expenditure or Income	2021-22		
PCC	Chief Constable	Group		PCC	Chief Constable	Group
£000	£000	£000		£000	£000	£000
1,477	223,407	224,884	Expenditure on services - employees	3,265	248,601	251,866
7,929	37,532	45,461	Expenditure on services - other	11,132	38,002	49,134
(5,341)	(29,235)	(34,576)	Income from services	(9,283)	(20,835)	(30,118)
(73,246)	-	(73,246)	Income from local taxation	(79,018)	0	(79,018)
(187,429)	-	(187,429)	Government grants and contributions	(198,346)	0	(198,346)
-	7,033	7,033	Depreciation, amortisation and impairment	14,614	7,495	22,109
2,017	60,250	62,267	Other Financing	2,795	58,634	61,429
(41)	-	(41)	(Gain) or loss on disposal of non-current assets	(3,056)	0	(3,056)
244,545	(244,545)	-	Intra Group Funding	263,218	(263,218)	-
(10,089)	54,442	44,353	(Surplus) or Deficit for Year	5,321	68,679	74,001

2.9 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.

2.10 Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an employees 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.

Section 3 Notes to the Movement in Reserves 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 2020	Transfers In 2020-21	Transfers Out 2020-21	Balance at 31 March 2021	Transfers In 2021-22	Transfers Out 2021-22	Balance at 31 March 2022
	£000	£000	£000	£000	£000	£000	£000
Police Property Act	(196)	-	147	(49)	(129)	50	(128)
Drug Fund	(27)	-	-	(27)	(25)	-	(52)
PFI Life Cycle Costs	(87)	(39)	-	(126)	(40)	-	(166)
Revenue Grants	(1,698)	(2)	247	(1,453)	(430)	-	(1,883)
Medium Term Financial Plan	-	-	-	-	-	-	-
Tax Base Reserve	(1,679)	-	103	(1,576)	(1,589)	-	(3,165)
Animal Welfare	(19)	-	-	(19)	-	-	(19)
PCC	(817)	(157)	226	(748)	(300)	-	(1,048)
Grants and Commissioning	(5,136)	(1,406)	187	(6,355)	-	29	(6,326)
Target Hardening	(73)	-	-	(73)	-	-	(73)
PCC Night Time Levy	(247)	(69)	15	(301)	-	89	(212)
Allard Reserve	(1,200)	-	-	(1,200)	-	1200	-
Asset Replacement	(6,299)	-	1,883	(4,416)	(1,050)	972	(4,494)
IT Investment	(884)	(554)	-	(1,438)	(500)	555	(1,383)
TPAC Collisions	(100)	-	-	(100)	-	-	(100)
McCloud	-	(125)	-	(125)	-	125	-
Joint Operations	(1,054)	(75)	(3)	(1,132)	-	97	(1,035)
Total Earmarked Reserves	(19,516)	(12,915)	2,805	(19,139)	(4,063)	3,117	(20,085)
General Fund	(7,075)	-	75	(7,000)	(1,613)	-	(8,613)
Total General Fund Balance	(26,591)	(12,915)	2,880	(26,139)	(5,676)	3,117	(28,698)

3.2 Usable Reserves – PCC and Group

31 March 2021 £000	Capital Receipts Reserve	31 March 2022 £000
(4,882)	Balance 1 April	(5,837)
(3,564)	Capital Receipts in Year	(5,746)
2,609	Applied in Year	11,583
(5,837)	Balance 31 March	-

31 March 2021 £000	Capital Grants & Contributions Unapplied	31 March 2022 £000
-	Balance 1 April	(300)
(1,699)	Capital Grants and Contributions Recognised in Year	(2,207)
1,399	Capital Grants and Contributions Applied	2,507
(300)	Balance 31 March	-

3.3 Unusable Reserves

31 March 2021		Type of Reserve	31 March 2022	
PCC £000	Group £000		PCC £000	Group £000
3,019	2,953,460	Pensions	1,952	2,930,265
12	4,273	Accumulated Absences	13	4,421
(781)	(781)	Revaluation Reserve	(3,222)	(3,222)
4,487	4,487	Capital Adjustment	6,556	6,556
(28)	(28)	Collection Fund	(436)	(436)
6,709	2,961,411	Total	4,863	2,937,584

3.3 Unusable Reserves (continued)

31 March 2021		Pensions Reserve	31 March 2022	
PCC £000	Group £000		PCC £000	Group £000
1,425	2,668,332	Balance 1 April	3,020	2,953,460
-	-	Analysis adjustment between PCC and CC	-	-
1,368	(231,170)	Re-measurements of the net defined benefit liability/(asset)	(1,448)	(92,107)
364	128,866	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	513	143,559
(137)	(74,908)	Employer's contributions to pensions schemes	(134)	(74,647)
3,020	2,953,460	Balance 31 March	1,951	2,930,265

2020-21				Accumulated Absences	2021-22			
PCC		Group			PCC		Group	
£000	£000	£000	£000		£000	£000	£000	£000
	12		3,562	Balance 1 April		12		4,273
(12)		(3,562)		Settlement or cancellation of accrual made at the end of the preceding year	(12)		(4,273)	
12		4,273		Amounts accrued at the end of the current year	13		4,421	
	-		711	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		1		148
	12		4,273	Balance at 31 March		13		4,421

3.3 Unusable Reserves (continued)

31 March 2021 £000	Revaluation Reserve	31 March 2022 £000
(1,225)	Balance 1 April	(781)
(48)	Upward Revaluation of assets	(2,549)
5	Downward revaluation of assets and impairment losses not charged to the (surplus)/deficit on the provision of services	31
(43)	(Surplus) or deficit on revaluation of non-current assets not posted to the (surplus)/deficit on the provision of services	(2,517)
76	Difference between fair value depreciation and historical cost depreciation	77
411	Accumulated gains on assets disposed	
487	Amount written off to the Capital Adjustment Account	77
(781)	Balance 31 March	(3,222)

31 March 2021 £000	Capital Adjustment Account	31 March 2022 £000
14,227	Balance 1 April	4,517
	Capital Accounting	
7,793	Depreciation & Amortisation	7,495
3,523	Disposals	2,691
126	Revaluations & Impairments	14,691
(487)	Historic Cost Adjustments	(77)
	Capital Financing	
(1,399)	Grants & Contributions	(2,507)
(2,609)	Receipts Reserve	(11,583)
(2,177)	Earmarked Reserves	(972)
(10,860)	Revenue financing	(4,107)
(222)	Lease Accounting	(232)
(10)	Lease Adjustment	-
(3,388)	MRP charge	(3,329)
-	ARP charge	-
4,517	Balance 31 March	6,586

3.3 Unusable Reserves (continued)

2020-21 £000	Collection Fund	2021-22 £000
(536)	Balance 1 April	(28)
508	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	(407)
(28)	Balance 31 March	(436)

3.4 Unusable Reserves Movements

The table analyses the unusable reserves movements in the MIRS.

31 March 2021		Movement in Unusable Reserves	31 March 2022	
PCC £000	Group £000		PCC £000	Group £000
13,903	2,684,360	Balance at Start of year	6,709	2,961,411
1,325	(231,127)	Comprehensive Income and Expenditure	(3,965)	(94,624)
(8,519)	45,924	Adjustments between accounting basis and funding basis under regulations	6,688	81,506
-	-	Transfers from Earmarked Reserves	-	-
6,709	2,961,411	Balance at End of Year	8,542	2,948,293

3.5 Adjustments between Accounting Basis and Funding Basis under Regulations

2021-22	General Fund Balance PCC £000	General Fund Balance Group £000	Capital Receipts Reserve Group £000	Capital Grants Unapplied Group £000	Movement in Unusable Reserves PCC £000	Movement in Unusable Reserves Group £000
Pension costs (transferred to/(from) the Pensions Reserve)	(379)	(68,912)	-	-	379	68,912
Pension reserve adjustment of PCC/CC b/f split	-	-	-	-	-	-
Council tax (transfers to/(from) the Collection Fund)	407	407	-	-	(407)	(407)
Holiday pay (adjustments to the Accumulated Absences reserve)	1	(148)	-	-	(1)	148
Revaluation Reserve	(2,441)	(2,441)	-	-	2,441	2441
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)	(26,775)	(26,775)	-	-	26,775	26,775
Capital Grants	2,207	2,207	-	(2,207)	-	-
Total Adjustments to Revenue Resources	(26,980)	(95,661)	-	(2,207)	29,187	97,868
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,746	5,746	(5,746)	-	-	-
Statutory Provision for the repayment of debt	3,329	3,329	-	-	(3,329)	(3,329)
Capital expenditure financed from revenue balances	4,107	4,107	-	-	(4,107)	(4,107)
Total Adjustments between Revenue & Capital Resources	13,182	13,182	(5,746)	-	(7,436)	(7,436)
Application of capital grant to finance capital expenditure	-	-	-	2,507	(2,507)	(2,507)
Use of capital receipts reserve to finance capital expenditure	-	-	11,583	-	(11,583)	(11,583)
Use of earmarked reserves to finance capital expenditure	972	972	(5,837)	300	(972)	5,164
Total Adjustments to Grants/Contributions & Reserves	972	972	5,747	2,507	(15,063)	(8,926)
Total Adjustments	(12,825)	(81,507)	-	-	6,688	81,506

2020-21	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)	(227)	(53,958)	-	-	227	53,958
Pension reserve adjustment of PCC/CC b/f split	-	-	-	-	-	-
Council tax (transfers to/(from) the Collection Fund)	(508)	(508)	-	-	508	508
Holiday pay (adjustments to the Accumulated Absences reserve)	-	(711)	-	-	-	711
Revaluation Reserve	444	444	-	-	(444)	(444)
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)	(11,624)	(11,624)	-	-	11,624	11,624
Capital Grants	1,699	1,699	-	(1,699)	-	-
Total Adjustments to Revenue Resources	(10,215)	(64,658)	-	(1,399)	11,914	66,357
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	3,564	3,564	(3,564)	-	-	-
Statutory Provision for the repayment of debt	3,388	3,388	-	-	(3,388)	(3,388)
Capital expenditure financed from revenue balances	10,860	10,860	-	-	(10,860)	(10,860)
Total Adjustments between Revenue and Capital Resources	17,812	17,812	(3,564)	-	(14,248)	(14,248)
Application of capital grant to finance capital expenditure	-	-	-	1,399	(1,399)	(1,399)
Use of capital receipts reserve to finance capital expenditure	-	-	2,609	-	(2,609)	(2,609)
Use of earmarked reserves to finance capital expenditure	2,177	2,177	-	-	(2,177)	(2,177)
Total Adjustments to Grants/Contributions & Reserves	2,177	2,177	2,609	1,399	(6,185)	(6,185)
Total Adjustments	9,773	(44,669)	(955)	(300)	(8,519)	45,924

Section 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 year's 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 deminimis 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 to 31 March 2022

	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 2021	33,073	39,907	21,625	94,605
Adjustments to cost/value	(1,318)	-	-	(1,318)
Additions	3,107	2,401	13,702	19,209
Revaluation increases/(decreases) recognised in the Revaluation Reserve	835	-	1,683	2,517
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(2,137)	-	(12,738)	(14,875)
De-recognition – disposals	(2,592)	(1,410)	-	(4,002)
Reclassifications and transfers	22,236	-	(22,775)	(539)
at 31 March 2022	53,204	40,898	1,497	95,599
Depreciation & Impairment				
at 1 April 2021	(6,883)	(24,001)	-	(30,884)
Adjustments to depreciation/impairment	-	-	-	-
Depreciation charge	167	(5,946)	-	(5,779)
De-recognition – disposals	298	1,014	-	1,311
Reclassifications and transfers	175	-	-	175
at 31 March 2022	(6,243)	(28,933)	-	(35,177)
Net Book Value				
at 31 March 2022	49,961	11,964	1,497	60,422
at 31 March 2021	26,190	15,906	21,625	63,721

4.2 Property Plant and Equipment Movements to 31 March 2021

	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 2020	34,797	28,409	4,314	67,520
Adjustments to cost/value	(441)	-	-	(441)
Additions	1,147	11,650	17,311	30,108
Revaluation increases/(decreases) recognised in the Revaluation Reserve	43	-	-	43
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(126)	-	-	(126)
De-recognition – disposals	(2,347)	(152)	-	(2,499)
Reclassifications and transfers	-	-	-	-
at 31 March 2021	33,073	39,907	21,625	94,605
Depreciation & Impairment				
at 1 April 2020	(6,285)	(17,917)	-	(24,202)
Adjustments to depreciation/impairment	405	-	-	405
Depreciation charge	(1,124)	(6,187)	-	(7,311)
De-recognition – disposals	121	103	-	224
Reclassifications and transfers	-	-	-	-
at 31 March 2021	(6,883)	(24,001)	-	(30,884)
Net Book Value				
at 31 March 2021	26,190	15,906	21,625	63,721
at 31 March 2020	28,512	10,492	4,314	43,318

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	Vehicles, Plant, Furniture & Equipment	Assets under Construction	Total
	£000	£000	£000	£000
Carried at historical cost	5,842	11,111	1,490	18,444
Valued at current value as at:				
31/03/2022	29,383	-	-	29,383
31/03/2021	2,205	-	-	2,205
31/03/2020	167	-	-	167
31/03/2019	7,325	-	-	7,325
Total Cost or Valuation	44,922	11,111	1,490	57,524
Share of Joint Operations Property/Plant/Equipment				2,898
Total Gross Value				60,422

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 £0.805m (£0.575m 2020-21). Rentals received in relation to investment properties are credited to the CIES.

Income is received on investment properties (telecoms masts) from Cell C.M., who also undertake the maintenance and repair of the telecoms masts. These costs are not identified separately in the Statement of Accounts and are included within the management charge. Investment income net of this management charge is retained by Cell C.M. to cover maintenance.

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.

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

31 March 2021 Other Assets £000	Intangible Assets	31 March 2022 Other Assets £000
	Balance at start of year:	
2,496	Gross carrying amounts	2,499
(669)	Accumulated amortisation	(1,151)
1,827	Net carrying amount at start of year	1,348
3	Purchases	-
(482)	Amortisation for the period	(438)
1,348	Net carrying amount at end of year	910
	Comprising:	
2,499	Gross carrying amounts	2,499
(1,151)	Accumulated amortisation	(1,589)
1,348		910

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 2022 the Commissioner had entered into a number of capital contracts which would continue to incur expenditure in future years. These future obligations totalled £1.9m. The contracts covered new buildings, building renovations and IT systems. (£11.0m 31 March 2021).

31 March 2021 £000	Capital Expenditure and Capital Financing	31 March 2022 £000
60,194	Opening Capital Financing Requirement	69,871
-	In Year Adjustment	-
	Capital Investment:	
30,108	Property Plant and Equipment	19,209
3	Intangible Assets	-
30,111	Total Capital Spending	19,209
	Sources of Finance:	
(2,609)	Capital Receipts	(11,583)
(2,177)	Earmarked Reserves	(972)
(1,399)	Government Grants and other contributions	(2,507)
(10,860)	Revenue Contributions	(4,107)
	Sums set aside from revenue:	
(3,388)	Minimum Revenue Provision	(3,329)
-	Additional Revenue Provision	-
(20,434)	Total Sources of Finance	(22,499)
69,871	Closing Capital Financing Requirement	66,582

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.

31 March 2021 £000	Assets Held for Sale	31 March 2022 £000
1,248	Balance outstanding at start of year	-
-	Newly classified as held for sale	364
-	Revaluations	-
(1,248)	Assets sold	-
-	Balance outstanding year end	364

4.8 Debtors PCC and Group

An impairment allowance of £5.471m is held against Council Tax arrears of £8.587m at 31 March 2021 (£4.925m and £7.668m respectively at 31 March 2021). This level of allowance has been assessed by the Council Tax Billing Authorities. Debtors relate to the Commissioner only.

31 March 2021 £000	Debtors	31 March 2022 £000
3,138	Central Government Bodies	7,291
4,625	Other Local Authorities	3,410
19,647	Other Entities and Individuals	20,656
27,410	Total Debtors	31,357

4.9 Short Term Investments PCC and Group

31 March 2021 £000		Short Term Investments	31 March 2022 £000	
5,000		London Borough of Croydon	-	
5,000		London Borough of Islington	-	
5,000		South Ayrshire Council	-	
10,000		West Dunbartonshire Council	-	
5,000		Thurrock Council	8,000	
-		North East Lincolnshire Council	5,000	
-		Guildford Borough Council	8,000	
-		Rotherham Metropolitan Borough Council	8,000	
30,000		Total Short Term Investments	29,000	

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 2022 cash totalling £0.006m was held in the Commissioner's bank account (£0.027m at 31 March 2021).

31 March 2021		Creditors	31 March 2022	
PCC £000	Group £000		PCC £000	Group £000
(4,193)	(4,193)	Central Government Bodies	(3,898)	(3,898)
(7,511)	(7,511)	Other Local Authorities	(6,841)	(6,841)
(12,734)	(16,994)	Other Entities and Individuals	(14,759)	(19,167)
(24,438)	(28,698)	Total Creditors	(25,498)	(29,906)

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.

2021-22	Insurance £000	Dilapidation £000	Allard £000	Medical Retirement £000	Redundancy £000	Joint Operations £000	Total £000
Opening Balance	(3,281)	(672)	-	(78)	(14)	-	(4,045)
Increase in provision during year	(1,128)	-	(1,973)	-	-	-	(3,101)
Utilised during year	653	52	-	-	-	-	705
Closing Balance	(3,756)	(620)	(1,973)	(78)	(14)	-	(6,441)

2020-21	Insurance £000	Dilapidation £000	Allard £000	Medical Retirement £000	Redundancy £000	Joint Operations £000	Total £000
Opening Balance	(3,396)	(672)	-	(78)	(14)	-	(4,160)
Increase in provision during year	(486)	-	-	-	-	-	(486)
Utilised during year	601	-	-	-	-	-	601
Closing Balance	(3,281)	(672)	-	(78)	(14)	-	(4,045)

4.12 Short and Long Term Debt

31 March 2021 £000	Short Term Borrowing	31 March 2022 £000
-	Market Loan – L.O.B.O.	-
(10,000)	Market Loan - Oxfordshire County Council	-
-	Market Loan - PCC West Yorkshire	-
(2,000)	Market Loan - East Suffolk Council	-
(2,000)	Market Loan - Mid Devon DC	-
(5,000)	Market Loan - Rushcliffe BC	-
(8,000)	Market Loan - Buckinghamshire Council	-
(2,000)	Market Loan - Runnymede Borough Council	-
(3,000)	Market Loan - Broxbourne Borough Council	-
-	Market Loan - Broxbourne Borough Council	(5,000)
-	Market Loan - Elmbridge Borough Council (1)	(2,000)
(3,441)	PWLB	(1,097)
(35,441)	Total Short Term Borrowing	(8,097)

31 March 2021 £000	Long Term Borrowing	31 March 2022 £000
(2,000)	Market Loan - Elmbridge Borough Council (1)	-
(3,000)	Market Loan - Elmbridge Borough Council (2)	(3,000)
(3,500)	Market Loan – L.O.B.O.	(3,500)
(46,897)	PWLB	(55,773)
(55,397)	Total Long Term Borrowing	(62,273)

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	
31 March 2021 £000	31 March 2022 £000		31 March 2021 £000	31 March 2022 £000
-	-	Not later than one year	-	-
-	-	Later than one year and not later than five years	-	-
-	-	Later than five years	-	-
-	-	Total	-	-

Included in short-term creditors

31 March 2021 £000	31 March 2022 £000
-	-

Included in other long-term liabilities

31 March 2021 £000	31 March 2022 £000
-	-

PCC as Lessee - Operating Leases

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

31 March 2021 £000		31 March 2022 £000
75	Not later than one year	-
350	Later than one year and not later than five years	-
-	Later than five years	-
425	Total	-

4.14 Service Concession Arrangements – Private Finance Initiative 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 £1.509m. £1.045m was paid in 2021-22 (£1.045m in 2019-20).

Future payments are linked to the retail price index but are otherwise fixed, except reductions for poor contractor performance. Specific government grant of £1.858m was received (£1.858m in 2019-20).

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 2020-21 £000	Payment for Services 2020-21 £000	Riverside Premises PFI	Reimbursement of Capital Expenditure 2021-22 £000	Payment for Services 2021-22 £000
232	813	Payable within one year	242	803
1,036	3,142	Payable within two to five years	1,035	2,966
241	626	Payable within six to ten years	-	-
1,509	4,582	Total	1,277	3,769

2020-21 £000	PFI	2021-22 £000
1,775	Gross PFI liabilities	1,277
	Due:	
304	Not later than one year	304
1,217	Later than one year and not later than five years	1,166
254	Later than five years	-
1,775		1,471
(266)	Finance charges allocated to future periods	(193)
1,509	Net PFI liabilities	1,277
	Net PFI liabilities	
	Due:	
232	Not later than one year	242
1,036	Later than one year and not later than five years	1,035
241	Later than five years	-
1,509		1,277
	Finance cost payments committed in respect of PFI	
73	Not later than one year	62
181	Later than one year and not later than five years	131
13	Later than five years	-
266		193
	Services and contingent rents payable to PFI operator (included in the unitary payment)	
740	Not later than one year	740
2,962	Later than one year and not later than five years	2,835
614	Later than five years	-
4,316		3,575
	Total unitary payments to PFI operator	
1,045	Not later than one year	1,045
4,179	Later than one year and not later than five years	4,001
867	Later than five years	-
6,091		5,046

Section 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.

31 March 2021 £000	Cash and Equivalents Comprise	31 March 2022 £000
7,500	Low Volatility Net Asset Value Funds (LVNAVs)	4,000
17,000	Temporary Investments	-
2,283	Cash and Bank	2,130
26,783	Total	6,130

Section 5 Notes to the Cash Flow Statement

5.2 Cash Flow from Operating Activities – Group Cash Flows

31 March 2021 £000	The cash flows for operating activities include the following items	31 March 2022 £000
(417)	Interest Received	(144)
1,853	Interest Paid	1,781
1,436	Total	1,637

31 March 2021 £000	The cash flows for operating activities include the following items	31 March 2022 £000
(7,311)	Depreciation	(5,779)
(481)	Amortisation	(438)
7	Property revaluations	1,066
(631)	(Increase)/decrease in creditors	(3,604)
2,153	Increase/(decrease) in debtors	3,947
(30)	(Increase)/decrease in inventories	70
(53,958)	Movement in long term liability	(68,912)
222	Movement in other non-current assets/liabilities	968
(3,523)	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(2,326)
601	Other non-cash movements charged to the (surplus) or deficit on provision of services	(17,015)
(62,952)	Total	(92,023)

31 March 2021 £000	The (surplus) or deficit on the provision of services has been adjusted for the following investing and financing activities	31 March 2022 £000
3,564	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,746
1,699	Any other items for which the cash effects are investing or financing cash flows	2,207
5,263	Total	7,954

5.3 Cash Flow from Investing and Financing Activities - Group Cash Flows

31 March 2021 £000	Cash Flow from Investing and Financing Activities	31 March 2022 £000
30,111	Purchase of property, plant and equipment, investment property and intangible assets	19,209
25,000	Purchase of short term and long term investments	24,000
(13,000)	Repayments of short-term and long term investments	(25,000)
(3,564)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,746)
(1,699)	Other receipts from investing activities	(2,207)
36,848	Net cash flows from investing activities	10,256
(30,853)	Cash receipts of short-term and long-term borrowing	812
9,409	Repayments of short-term and long-term borrowing	19,655
(21,444)	Net cash flows from financing activities	20,467

Section 6 Remuneration Notes

6.1 Members Remuneration

Members of the Audit and Scrutiny Panel were paid £0.007m (£0.008m 2020-21).

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.

One is within the PCC.

Remuneration over £50,000	2020-21	2021-22
£50,001 to £55,000	11	19
£55,001 to £60,000	5	4
£60,001 to £65,000	3	3
£65,001 to £70,000	-	2
£70,001 to £75,000	1	-
£75,001 to £80,000	2	4
£80,001 to £85,000	-	1
£85,001 to £90,000	1	-
£90,001 to £95,000	1	1
£95,001 to £100,000	-	-
£100,001 to £105,000	-	-
£105,001 to £110,000	-	-
Total	24	34

6.3 Senior Officer Payments

Officers Remuneration 2021-22	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Police & Crime Commissioner	3	8,715	-	-	-	1,438	10,153
Police & Crime Commissioner	4	67,657	-	-	-	11,164	78,821
Chief Executive to the Police & Crime Commissioner	5	103,347	-	-	191,921	12,789	116,136
Chief Executive to the Police & Crime Commissioner	6	14,438	-	1,021	-	2,382	17,841
Chief Finance Officer to the Police & Crime Commissioner	7	113,826	-	332	259,778	13,310	134,819
TOTAL PCC		307,984	-	1,353	451,699	41,083	357,771
Chief Constable – C Guildford		180,215	-	10,036	-	54,593	244,844
Deputy Chief Constable		132,081	-	8,081	-	-	140,162
Assistant Chief Constable – S Cooper		119,220	-	6,864	-	36,958	163,042
Assistant Chief Constable	8	102,052	400	4,764	-	28,442	135,658
Temporary Assistant Chief Constable	9	47,303	1,154	2,963	-	13,036	64,456
Chief Finance Officer to the Chief Constable		83,333	-	402	-	13,750	97,485
TOTAL CHIEF CONSTABLE		664,204	1,554	33,110	-	146,780	845,648
TOTAL FOR GROUP		972,188	1,554	34,462	451,699	187,863	1,203,418

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 and medical expenses.

Note 3: PCC left 12/05/21

Note 4: PCC commenced wef 13/05/21

Note 5: PCC CEO left 31/12/21

Note 6: PCC CEO commenced wef 01/02/22

Note 7: PCC CFO left 31/01/22

Note 8: Temp ACC wef 27/07/21

Note 9: Temp ACC left 15/09/21

Note 10: The CFO for the Chief Constable acted as joint CFO for the PCC and CC with effect from 21/12/2021 to the end of the 2021/22 financial year, total costs are shown here.

6.3 Senior Officer Payments

Officers Remuneration 2020-21	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Police & Crime Commissioner		76,628	-	569	-	12,644	89,841
Chief Executive to the Police & Crime Commissioner		102,296	-	506	-	16,879	119,680
Chief Finance Officer to the Police & Crime Commissioner		102,074	-	355	-	16,842	119,271
TOTAL PCC		280,997	-	1,430	-	46,365	328,792
Chief Constable – C Guildford		178,425	-	9,639	-	54,038	242,102
Deputy Chief Constable		135,792	-	7,513	-	-	143,304
Assistant Chief Constable – S Cooper		118,009	-	6,725	-	36,583	161,316
Assistant Chief Constable	3	93,133	-	5,032	-	28,015	126,180
Temporary Assistant Chief Constable	4	94,316	300	1,851	-	29,111	125,578
Chief Finance Officer to the Chief Constable		65,772	-	386	-	10,852	77,011
TOTAL CHIEF CONSTABLE		685,446	300	31,145	-	158,600	875,491
TOTAL FOR GROUP		966,444	300	32,575	-	204,965	1,204,283

Note 1: Salary, Fees & Allowances includes Rent Allowance, Housing Allowance, Compensatory Grant and Honoraria.

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

Note 3: ACC left 10/1/21

Note 4: Temp ACC commenced wef 1/1/21

6.4 Exit Packages

Contracts were terminated for 4 employees in the group during the year (7 in 2020-21), incurring costs of £0.500m (£0.085m in 2020-21). This included redundancy payments of £0.082m and pension strain costs of £0.406m.

In 2021-22 there were 2 exit payments within the PCC (0 in 2020-21), incurring costs of £0.487m. The Group made no material payments in relation to injury awards during the year.

6.5 Auditor remuneration

Ernst Young LLP are the external auditor to the Commissioner and Group. The accrued cost is £0.069m (£0.069m accrued in 2020-21), 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.

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 (£)	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
£0 - £20,000	-	-	6	2	6	2	55,260	12,257
£20,001 - £40,000	-	-	1	-	1	-	29,494	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	2	-	-	-	-	-	-
Total	-	2	7	2	7	2	84,754	12,257

Section 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 £91.1m. 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 £X.XXm at year end (£X.XXm in 2020-21). An allowance of £0.21m is set aside for debts to mitigate the effect of default (£0.21m in 2020-21).

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 5%. There was £5m temporary borrowing at 31 March 2022.

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	31 March 2021 £000	31 March 2022 £000
Less than one year	(35,441)	(8,097)
Between one and two years	(2,941)	(1,033)
Between two and five years	(5,765)	(8,738)
More than 5 Years	(6,912)	(7,691)
More than 10 Years	(39,778)	(44,811)
	(90,837)	(70,370)

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 2021-22 ranged between 2.00% and 5.63% for PWLB loans and between 0.06% and 3.73% on market loans. The average interest rates received were X.XX%. 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 £XX.Xm which is £X.XXm higher than the carrying amount because there are a number of fixed rate loans with the PWLB with an interest rate payable higher than the prevailing rates at the Balance Sheet date.

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

Long term borrowing of £XX.Xm took place in 2021-22, £XX.Xm of which is for 2022-23 capital financing.

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 31 March 2021 £000	Long-term 31 March 2022 £000	Current 31 March 2021 £000	Current 31 March 2022 £000
Financial Assets				
Debtors				
Debtors at Amortised Cost	-	-	17,841	21,547
Other at Amortised Cost	-	-	-	-
Total included in Debtors	-	-	17,841	21,547
Cash & Investments				
Cash	-	-	2,283	2,130
Investments at Amortised Cost	-	-	54,500	33,000
Total included in Investments	-	-	56,783	35,130
Total Financial Assets	-	-	74,624	56,677
Financial Liabilities				
Borrowings				
Borrowings at Amortised Cost	(55,396)	(62,273)	(35,441)	(8,097)
Total included in Borrowings	(55,396)	(62,273)	(35,441)	(8,097)
Other Long Term Liabilities				
PFI and finance lease liabilities	(2,024)	(1,056)	(232)	(242)
Total included in Other Long Term liabilities	(2,024)	(1,056)	(232)	(242)
Creditors				
Creditors at Amortised Cost	-	-	(28,698)	(29,906)
Total included in Creditors	-	-	(28,698)	(29,906)
Total Financial Liabilities	(57,420)	(63,329)	(64,371)	(38,245)
Financial Liabilities at amortised cost				
Interest expense			1,853	1,781
Financial Assets: Loans and receivables				
Interest income			(417)	(144)
Net expense in (Surplus) or Deficit on the Provision of Services			1,436	1,637

Section 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 2022.

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.

Following successful claims in the court case *Allard v Devon and Cornwall Police* for unpaid overtime following recalls to duty, the judge has selected a number of test cases to consider all of the issues arising in these claims against forces across the country. Nottinghamshire's claims are therefore stayed by order of the High Court pending the outcome of the test cases. The total cost of the claims will be dependent upon the principles established in the test cases and a number could go back over several years. An estimate has been reserved for (Allard Reserve).

8.4 Related Parties

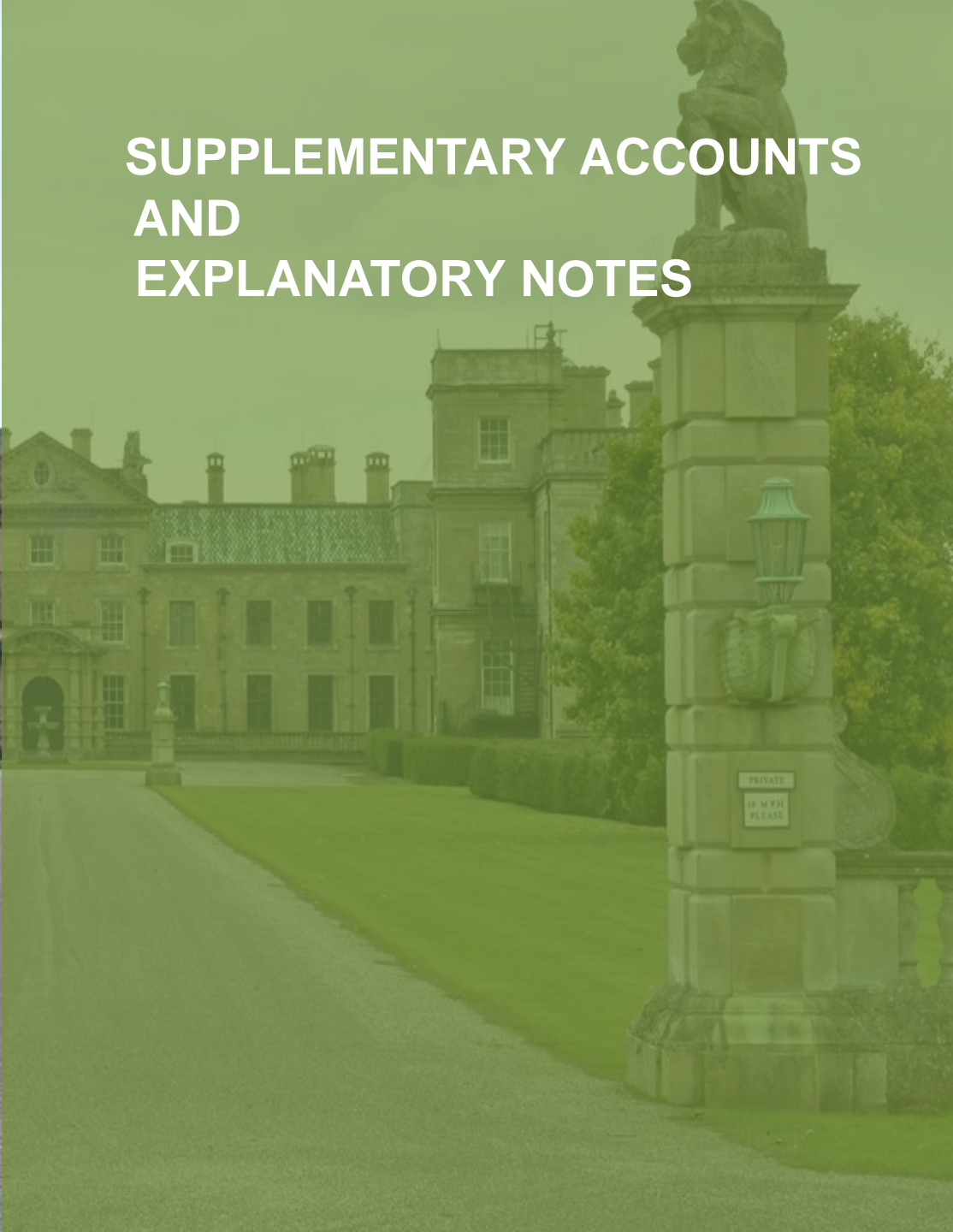
Disclosures are required for material transactions with related parties, bodies or individuals that have the potential to control or influence the Group or vice versa. This allows transparency to the extent that the Group might have been constrained in its ability to operate independently, or might have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

2020-21 £000	Pension Fund	2021-22 £000
	Contributions Receivable	
(2,873)	Employers Contributions 1987 Scheme	(1,634)
(240)	Employers Contributions 2006 Scheme	(203)
(20,668)	Employers Contributions 2015 Scheme	(23,065)
(1,266)	Additional Contributions for early retirements - all schemes	(656)
(1,338)	Members contributions 1987 Scheme	(759)
(93)	Members contributions 2006 Scheme	(78)
(8,798)	Members contributions 2015 Scheme	(9,841)
-	Transfer in 1987 Scheme	-
-	Transfer in 2006 Scheme	-
(663)	Transfer in 2015 Scheme	(649)
	Benefits Payable	
60,860	Pensions 1987 Scheme	61,868
22	Pensions 2006 Scheme	50
417	Pensions 2015 Scheme	578
11,080	Commutations and lump sum retirement benefits 1987 Scheme	12,412
1,684	Annual Allowance Tax charge	1,815
-	GAD v Milne Payments	-
	Payments to / on account of leavers	
-	Refund of contributions 2006 Scheme	-
14	Refund of contributions 2015 Scheme	50
-	Transfers out 1987 Scheme	-
-	Transfers out 2006 Scheme	-
305	Transfers out 2015 Scheme	-
38,442	Sub-total before transfer from the PCC of amount equal to the deficit	39,889
(38,442)	Transfer of Government Grant from the PCC to meet the deficit	(39,889)
-	Balance at 31 March	

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 22 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 2022 and set contributions for the period from 1 April 2021 to 31 March 2022. 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 final salary 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. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. The figures for 2021-22 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 2022. In particular the actuary has allowed for service accrued between 1 April 2021 and 31 March 2022 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 2022 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.

The figures reflect McCloud and any other relevant adjustments.

Accounting Treatment cont'd

When assessing the potential implications of McCloud on the IAS19 liabilities, the actuary has considered those members with benefits in the 2015 scheme who were former members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material.

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

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

2020-21		Pension Fund Comprehensive Income and Expenditure Statement	2021-22	
LGPS £000	Police £000		LGPS £000	Police £000
16,398	52,020	Current Service Cost	22,237	60,430
94	-	Admin Expense	143	-
39	-	Past Service Cost	888	-
-	-	(Gain) / loss from curtailments	575	-
3,595	56,720	Net interest expense / (income)	4,856	54,430
20,126	108,740	Total charged to (Surplus) and Deficit on Provision of Services	28,699	114,860
		Other post-employment benefits charged to the Comprehensive Income and Expenditure Account		
		Re-measurement of the net defined benefit liability comprising:		
(42,915)	-	Return on Assets	(21,272)	-
(4,205)	(133,920)	Actuarial (gains) and losses - experience	(16,094)	24,460
(3,831)	-	Actuarial (gains) and losses arising on changes in demographic assumptions	(22,192)	-
126,661	289,380	Actuarial (gains) and losses arising on changes in financial assumptions	(24,298)	(35,620)
-	-	Other Actuarial Gains/Losses	2,909	-
95,836	264,200	Total charged to the Comprehensive Income and Expenditure Statement	(52,248)	103,700

2020-21		Pension Fund Movement in Reserves Statement	2021-22	
LGPS £000	Police £000		LGPS £000	Police £000
(20,126)	(108,740)	Reversal of net charges made to the deficit on the Provision of Services	(28,699)	(114,860)
7,588	-	Amount charged against the general fund balance for pensions in the year: Employers' contributions payable to scheme	7,467	-
-	67,320	Retirement benefits payable to pensioners	-	67,180

2020-21		Pensions Assets and Liabilities Recognised in the Balance Sheet	2021-22	
LGPS £000	Police £000		LGPS £000	Police £000
(494,240)	(2,725,020)	Present value of the defined obligation	(459,536)	(2,761,540)
265,800	-	Fair value of plan assets	290,811	-
(228,440)	(2,725,020)	Value of Assets / (Liabilities)	(168,725)	(2,761,540)
(228,440)	(2,725,020)	Net (liability) / asset arising from the defined benefit obligation	(168,725)	(2,761,540)

2020-21		Movement in the Fair Value of Scheme Assets	2021-22	
LGPS	Police Officer Pension Scheme		LGPS	Police Officer Pension Scheme
£000	£000		£000	£000
216,046	-	Opening fair value of scheme assets	265,800	-
4,430	-	Interest income	5,448	-
		Re-measurement gain / (loss):		
42,915	-	The return on plan assets, excluding the amount included in the net interest expense	21,272	-
7,588	67,320	Contributions from employer	7,467	67,180
2,616	10,920	Contributions from employees into the scheme	2,733	11,310
(7,701)	(78,240)	Benefits / transfers paid	(9,349)	(78,490)
-	-	Other actuarial gains/(losses) on assets	(2,417)	-
(94)	-	Admin Expense	(143)	-
265,800	-	Closing value of scheme assets	290,811	-

2020-21		Movements in the Present Value of Scheme Liabilities	2021-22	
LGPS	Police Officer Pension Scheme		LGPS	Police Officer Pension Scheme
£000	£000		£000	£000
(356,238)	(2,528,140)	Opening balance at 1 April	(494,240)	(2,725,020)
(16,398)	(52,020)	Current service cost	(22,237)	(60,430)
(8,025)	(56,720)	Interest cost	(10,304)	(54,430)
(2,616)	(10,920)	Contributions from scheme participants	(2,733)	(11,310)
-	-	Unusable Reserves	-	-
		Re-measurement gains and losses:		
4,205	133,920	- Actuarial gains / (losses) – experience	16,094	(24,460)
3,831	-	- Actuarial gains / (losses) from changes in demographic assumptions	22,192	-
(126,661)	(289,380)	- Actuarial gains / (losses) from changes in financial assumptions	24,298	35,620
(39)	-	Past service cost	(888)	-
-	-	Gains / (losses) on curtailments	(1,067)	-
7,701	78,240	Benefits / transfers paid	9,349	78,490
(494,240)	(2,725,020)	Balance as at 31 March	(459,536)	(2,761,540)

The liabilities show the underlying commitments that the Group will eventually have for retirement benefits. The total liability of £2,930.3m 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 contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2023 are £7.7m and £26.9m 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 £26.2m (2020-21, £46.5m). 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 £10.9m and a decrease by the same amount increases the pension liability by £11.3m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £262m with a 0.5% decrease in the rate increasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2020-21	2021-22	2020-21	2021-22
Mortality assumptions				
Longevity at 65 retiring today				
Men	21.6 yrs	20.7 yrs	22.0 yrs	22.1 yrs
Women	24.3 yrs	23.5 yrs	23.7 yrs	23.8 yrs
Longevity at 65 retiring in 20 years				
Men	22.9 yrs	21.9 yrs	23.7 yrs	23.8 yrs
Women	25.7 yrs	24.9 yrs	25.3 yrs	25.4 yrs
Rate of inflation				
CPI increases	2.85%	3.20%	2.40%	3.00%
Rate of increase in salaries	3.85%	4.20%	4.15%	4.75%
Rate of increase in pensions	2.85%	3.20%	2.40%	3.00%
Rate for discounting scheme liabilities	2.05%	2.60%	2.00%	2.65%

Value of LGPS Assets at Bid Value	31 March 2021 £000	31 March 2021 %	31 March 2022 £000	31 March 2022 %
Equity Investments	169,350	64	174,488	60
Gilts	9,407	4	5,816	2
Other Bonds	19,867	7	23,265	8
Property	28,196	11	36,642	13
Cash	14,209	5	5,816	2
Inflation-linked pooled fund	10,362	4	16,285	6
Infrastructure	14,409	5	28,499	10
Unit Trust	-	-	-	-
	265,800	100	290,811	100

JOINT OPERATIONS

Joint operations (JO's) 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 10 collaborative arrangements with other PCC's 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 JO's 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 JO's between Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire, Nottinghamshire's proportion is 27.3% (27.3% 2020-21).

- 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% 2020-21).

There is one collaboration which is a four way shared services with Leicestershire, Lincolnshire and Northamptonshire.

- The East Midlands Criminal Justice Service (EMCJS). Nottinghamshire's proportion is 34.9% (34.9% 2020-21)

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% 2020-21).
- The shared service for transactional HR and Finance - MFSS with Cheshire and Northamptonshire and Civil Nuclear Police. Nottinghamshire this year is 31.04% (31.04% 2020-21).

2020-21			Joint Operations Comprehensive Income and Expenditure Statement	2021-22		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
15,020	-	15,020	Cost of Police Services	14,525	-	14,525
15,020	-	15,020	Cost of Services	14,525	-	14,525
1	(676)	(675)	Other Operating Expenditure / Income	5	(386)	(381)
-	(1,304)	(1,304)	External Grants and Contributions	-	(1,427)	(1,427)
-	(13,049)	(13,049)	Contributions From Partners	-	(12,546)	(12,546)
15,021	(15,029)	(8)	(Surplus) or Deficit on Provision of Services	14,530	(14,359)	171
		-	Other CIES			-
		(8)	Total CIES			171

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 2021	(90)	(1,042)	-	(1,132)	(2,808)	(3,940)
Movements in reserves during 2021-22	(74)	-	-	(74)	74	-
(Surplus) / deficit on the provision of services	171	-	-	171	-	171
Other CIES	-	-	-	-	-	-
Total CIES	97	-	-	97	74	171
Adjustments between accounting basis and funding basis under regulations	-	-	-	-	-	-
Net (Increase) or Decrease before Transfers to Earmarked Reserves	97	-	-	97	74	171
Transfers to / (from) Earmarked Reserves	(97)	97	-	-	-	-
(Increase) or Decrease in 2021-22	-	97	-	97	74	171
Balance at 31 March 2022	(90)	(945)	-	(1,035)	(2,734)	(3,769)

31 March 2021 £000	Joint Operations Balance Sheet	31 March 2022 £000
2,971	Property, Plant and Equipment	2,891
-	Assets Under Construction	7
29	Intangible Assets	15
3,000	Long Term Assets	2,913
-	Assets Held for Sale	-
784	Short Term Debtors	772
2,239	Cash and Cash Equivalents	1,714
3,023	Current Assets	2,486
(2,083)	Short-Term Creditors	(1,631)
(2,083)	Current Liabilities	(1,631)
-	Long Term Liabilities	-
3,940	Net Assets	3,768
(1,132)	Usable Reserves	(1,035)
(2,808)	Unusable Reserves	(2,734)
(3,940)	Total Reserves	(3,768)

Group Accounts

Joint Operations & Associate Entities

The OPCC's share of Joint Operations (JO's) for 2021-22 is as follows:

Ownership %	Arrangement	2021-22		
		Expenditure £000	Income £000	Net £000
27.30%	EM Major Crime	214	(212)	2
27.30%	EM Legal Services	511	(509)	2
34.90%	EM Criminal Justice	167	(167)	-
27.30%	EM Serious Organised Crime	7,741	(7,702)	39
27.30%	EM Occupational Health Unit	515	(521)	(6)
31.42%	EM Learning & Development	435	(432)	3
27.30%	EM Forensics	2,627	(2,592)	35
22.60%	Emergency Services Network (ESN)	97	(1)	96
50.00%	EM Strategic Commercial Unit	-	-	-
31.04%	Multi Force Shared Service (MFSS)	2,223	(2,223)	-
		14,530	(14,359)	171

The OPCC's does not have any Associate Entities in 2021-22.



GLOSSARY

GLOSSARY

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	CAPITAL EXPENDITURE	CAPITAL FINANCING
The forecast of net revenue and capital expenditure over the accounting period.	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.	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	CAPITAL RECEIPT	CIPFA
The capital schemes the PCC intends to carry out over a specific period of time.	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.	The Chartered Institute of Public Finance and Accountancy.
CODE	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	CONSISTENCY
The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.	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.	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.



Statement of Accounts 2021-22

The Chief Constable of Nottinghamshire

(Draft V1 as at 13th July 2023)



NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE

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CHIEF FINANCE OFFICER'S NARRATIVE REPORT



NOTTINGHAMSHIRE

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

There is a population of approximately 1.2 million within the City and County.

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

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

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

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

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

However, during 2020/21 the Government announced investment in policing to recruit 20,000 additional police officers over the next three financial years. Nottinghamshire's element of this increase will be 359 additional police officers. It is expected that the additional funding of this element only will be met by the Government in full.

Brexit and Covid-19 will continue to create uncertainty, as well as the ongoing war in Ukraine. These factors may impact on police funding in the future, the results of which are not currently quantified.

GOVERNANCE

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

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

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

Our Priorities

Engage our
Communities

Create a Service that
Works for Local People

Become an
Employer of Choice

Our Mission Statement

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

PERFORMANCE

The Force has a dedicated workforce of around 4,100 officers and staff, who are supported by a growing army of hundreds of special constables, cadets and volunteers.

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

The graphic on page 10 demonstrates the level of demand on policing in 2021-22 and examines future demand expectations moving forward in 2022-23.

Achievements 2021-22

Responding to the public

We answered 88.7% of calls within 10 seconds, ranking second nationally, and 99.1% of calls within 60 seconds demonstrating the success of our call management model.

2021-22 saw the opening of a new contact management unit at force headquarters. This provides our staff with state-of-the-art facilities from which to answer calls from the public, quickly assess the information and dispatch the most appropriate resource to respond.

Call levels have returned to pre-pandemic levels and, as a result, the capacity and capability of our contact management staff to deal with incoming demand requires monitoring. Additionally, we are three years into a six-year contract with SAAB SAFE, the force's command and control Information Technology (IT) system, which will necessitate a suitability review imminently.

To manage future demand, proposals under consideration include the placement of an additional sergeant to oversee our digital desk performance, Abnormal Loads Team and management of hate crime, a review and potential increase of staffing within the Crime Audit Team in light of increasing demand following the HMIC inspection, and an increase in Police Emergency Call Handlers (PECHs) as a result of the success of our 'live chat' / SOH options, coupled with increasing calls for service via traditional methods.

Within the last year, cognisant of our youthful workforce, we have implemented a number of innovations to encourage best practice and information sharing, including the creation of a bespoke Microsoft Teams channel, and we took the opportunity to recognise the excellent work our response teams undertake on a daily basis by supporting a national 'week of action', which was very well-received.

As demand on our officers has increased post-pandemic, so has the regularity with which officers are being deployed from city to county and vice versa. While the ability of our workforce to be agile in the face of emerging demand is key, we recognise there are challenges in providing officer continuity for victims in these circumstances.

The necessity to occasionally travel across the county to meet demand is also made more difficult by an increasing shortage in response vehicles; a consequence of the car industry experiencing a widespread shortage of parts.

PERFORMANCE (continued)

Prevention and Deterrence

The Operation Reacher arm of the neighbourhood policing model has continued to add value by contributing to public order events and the re-emergence of the night-time economy (NTE) in the last year. Since their inception in October 2020, our Reacher teams are responsible for over 4,000 arrests, nearly 1,700 drug seizures, 850 weapon recoveries, the removal of in excess of 1,300 illegally driven vehicles from the county's roads and seized cash to the value of £1.4m. Their pro-active impact on the disruption of criminal behaviour cannot be overstated.

The police also chair the city's partnership safety working group, improving safety via partnership and community collaboration. This group was instrumental in Nottingham retaining its Purple Flag status for the 14th consecutive year. We also secured funding via 'Safer Streets 4', which will be successfully directed toward preventing Violence Against Women and Girls (VAWG) within the NTE.

We are introducing two new priority crime teams, with a focus on tackling retail crime across the county. Supported by Designing Out Crime Officers from our neighbourhood policing hub, the teams offer businesses advice to help mitigate the threat of theft-related offences, and target high-harm offenders to reduce the risk they pose.

Our knife crime team is now embedded within neighbourhood policing. Their deployments are based on a tasking system that prioritises according to risk and, during 2021 alone, the team patrolled 30,000 miles, seized £555,000 in drugs and cash, and were responsible for more than 35 years' worth of custodial sentences. The team has also taken 131 knives off the streets in the last 12 months.

Neighbourhood policing standard grade demand, managed within our management incident team, continues to expand, and does create an area of risk over the coming year. High staff turnover, largely due to officers progressing into detective constable roles, has impacted on our ability to manage incoming community demand, given the length of training time required to make new recruits independently competent. We are drawing up proposals to succession plan for this in the next 12 months.

We predict the introduction of Power BI, the force's new self-service demand analysis system, will prove invaluable for our neighbourhood policing teams given its enhanced functionality. The system can quickly and accurately break down crime types based on geographical parameters and highlight key trends and modus operandi (MO) to help better understand, and target demand.

Investigations

Our Digital Multimedia Evidence Unit (DMEU) is well staffed to process incoming demand. In Q1 of 2022/23, the department saw a monthly average of 293 jobs submitted and completed 325.

One of the biggest completed projects during the last year was the successful completion of the new Nottingham custody suite, which saw the closure of our previous main site at Bridewell. This new site provides an improved working environment for our custody staff and mitigates risk to people under investigation while they are in the suite. Within the planning for the new custody suite, we worked closely with partner agencies to ensure that we were able to accommodate a wide variety of services to match the projected needs of our detainees.

PERFORMANCE (continued)

This includes the provision of a dedicated wing to accommodate detainees with vulnerabilities. The new, award-winning, suite, and the provisions planned into it, have been positively received by our independent custody visitors and we are continually working with their feedback to improve our services.

We continue to train frontline officers in the submission of appropriate intelligence and have launched the College of Policing-led Intelligence Professionalism Programme (IPP) within the Force Intelligence Bureau (FIB). 86 of our 120 staff are already inducted into the scheme, and we anticipate it will take approximately 18 months for our staff to complete the package.

Protecting Vulnerable People

In 2021-22 we reorganised the department that leads on stalking offences and installed a temporary stalking order post to increase the effectiveness of our work in this emerging area. We have also signed up to the national Screening Assessment for Stalking and Harassment (SASH) tool, which has been rolled out across the force in the last year.

During the Covid-19 pandemic, and in line with the national picture, we saw a slight decrease in the volume of Domestic Abuse (DA) calls we received. We predicted we would return to pre-pandemic levels following lockdown but, over the last year, demand has increased beyond predictions. For example, we have encountered a 17% increase in high-risk DA over the last 12 months. This heightened demand then translates to increased work volume with the Multi-Agency Risk Assessment Conference (MARAC) system, which now considers 231 cases per month, compared to 75 in 2018/2019.

Demand has increased within the safeguarding world over the last 12 months. Child safeguarding cases increased by 38.4% in 2021-22, although we consider this may have been driven by training delivered to frontline officers who are now better placed to understand child vulnerability. Adult safeguarding returned to pre-pandemic levels, having fallen by almost 50% during the Covid lockdown. We predict that safeguarding demand will increase over the coming year with response and neighbourhood officers becoming increasingly aware of, and keen to address, the vulnerability signals of both children and adults.

Managing Offenders

Our proactive efforts remain key to safeguarding the Nottinghamshire public from drug-related offending. Our Operation Guardian initiative, which disrupts the supply, distribution and use of Class A drugs within the city centre night-time economy and is proven to reduce violent crime by 27%, has been so successful it has now been shared as best practice to other forces around the country. Our dedicated drugs expert witnesses have completed 503 reports for crown court in the last year and spent 63 days giving evidence to support the prosecution and conviction of those involved in the drug industry.

While it is estimated only 10-15% of fraud offences are ever reported, we have seen a 33% increase in demand over the last year, which has tested our resilience in this area. However, our fraud team has risen to the challenge and recorded some excellent work over the last year. Over the last six months alone, the fraudulent transfer of more than £500,000 has been prevented, courtesy of the relationships our team has developed with local banks. They have served 17 disruption notices on individuals who have been identified as money mules; an emerging form of exploitation.

PERFORMANCE (continued)

There are currently 18 identified active county lines in Nottinghamshire, which represents a 50% increase from 2020-21. The majority of these lines export to neighbouring counties and see young people carrying drugs, cash and weapons. We have a tracking system that records and monitors children who are vulnerable to county lines activity and, with improved information sharing agreements, we are now able to identify children involved in county lines activity earlier, which enhances our intelligence picture and increases opportunities to divert them away from the exploitation.

Force wide functions

Over the last year, our professional standards directorate (PSD) has seen an increase in demand across all areas, which demonstrates both the increased confidence of the public and staff members to report matters of concern and the ability of the department to record and respond accordingly. Within the CMU area of business, between February 2021 and March 2022, we have managed a workload of 1,168 complaints, of which 661 were of a more serious or complex nature, 98 matters relating to conduct and recorded 508 other reports which did not meet the investigation threshold.

The Mini-Police programme has now spread to 25 primary schools in the county, focused predominantly towards inner city establishments, with 1,070 pupils actively engaged in the scheme. A further 72 schools remain on a waiting list, with work almost complete to produce online material that can be supported by local neighbourhood officers.

As part of Op Uplift the force was initially allocated an uplift of 357 officers between 2020-21 and 2022-23. We recruited 237 new officers in 2020-21, and a further 158 officers in 2021-22. Such was our success that central government provided funding for an additional 50 new recruits during the 2022-23 financial year.

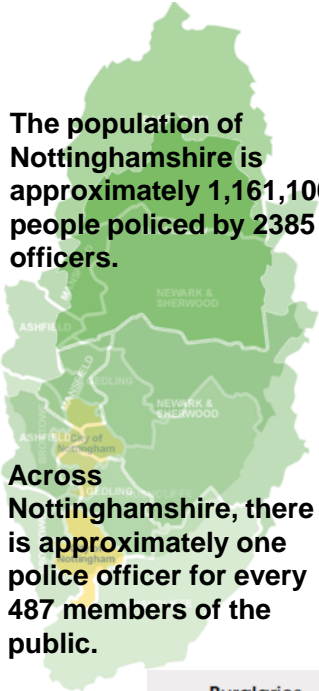
Power BI is being introduced into the force and the performance team is assisting with the development of interactive dashboards. The first product, a self-briefing tool, which has recently been trialled with a selection of neighbourhood policing teams, will be officially launched in October. This will provide immediate, interactive, and up-to-date, information at the touch of a button and will revolutionise the way we analyse and react to data on crime and anti-social behaviour; from a force-wide perspective down to individual streets and communities.

Our Archives and Exhibits (A&E) force armoury has moved from headquarters (HQ) to the old Oxclose Lane custody suite, allowing us to make better use of our estate, and we are working with the CPS to implement an adaptation to the existing cannabis retention policy to minimise the number of plants we physically retain within the organisation. The force currently pays an external agency to test all firearms we recover. Over the coming year, with a view to reducing costs and decreasing waiting times, we will explore opportunities to train our own staff to undertake that testing.

Recently the team has overseen the completion of the joint building project with Nottinghamshire Fire and Rescue Service at Sherwood Lodge HQ, which has extended the collaboration with our emergency service partner. The 50 cell Nottinghamshire Custody Centre based next to our existing Radford Road police station in the city has also been opened, and a brand-new sexual assault referral centre (SARC), specifically designed to put victims at ease by looking less like a traditional police building, has been constructed in Nottingham.

The population of Nottinghamshire is approximately 1,161,100 people policed by 2385 officers.

Across Nottinghamshire, there is approximately one police officer for every 487 members of the public.



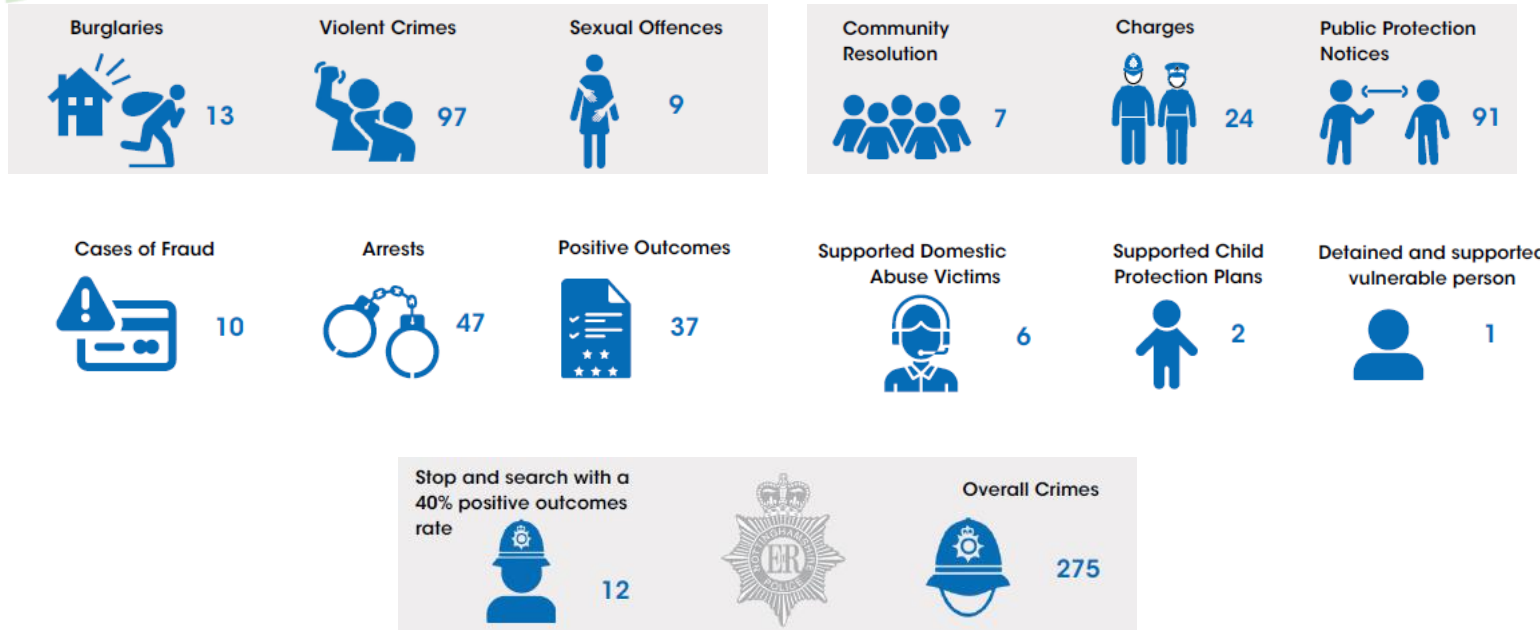
STATEMENTS ABOUT DEMAND ON POLICING 2022



On a typical day last year, Nottinghamshire Police:



Average daily recorded cases



FINANCIAL PERFORMANCE

The outturn for the Force is £226.2m which is an underspend of £1.6m against the original budget.

The budget was set to provide for a £3.8m contribution to fund capital expenditure.

Improvements to monitoring processes continue to develop and the 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.

The actual outturn was in line with monthly monitoring during the year, with the main area of underspend being transport following the cessation of the Forces Public finance Initiative (PFI) contract, as well as receiving significantly more income via Home Office grants than budgeted to support our Safer Streets programme.

Performance over previous years has been:

2016-17 an underspend of £1.0m

2017-18 an underspend of £2.5m

2018-19 an overspend of £0.8m

2019-20 an overspend of £0.3m

2020-21 an overspend of £0.1m

2021-22 an underspend of £1.6m

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

2021-22 Expenditure v Budget Analysis

Nottinghamshire Police Group Outturn Position 2021-22.

Net Expenditure Budget	Budget £m	Efficiencies Allocation £m	Working Budget £m	Outturn £m	Variance £m
Employee	189.8	(0.6)	189.2	189.1	(0.1)
Premises	7.6	(0.3)	7.3	7.5	0.2
Transport	4.7	-	4.7	3.4	(1.3)
Communications & Computing	10.0	(0.9)	9.1	9.5	0.4
Supplies & Services	9.7	(0.2)	9.5	10.7	1.2
Partnership & Collaborations	17.0	-	17.0	16.9	(0.1)
Capital Financing	7.9	-	7.9	9.9	2.0
Income	(16.3)	(0.5)	(16.8)	(20.7)	(3.9)
OPCC	5.4	-	5.4	5.4	-
Total Net Expenditure	235.8	(2.5)	233.3	231.7	(1.6)

Notes:

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

FINANCIAL PERFORMANCE (continued)

Employee Costs

This was £189.1m for the year which was an under-spend of £0.1m against the budget.

This under-spend is supported by the impact of long serving officer retirees and dynamic assessments of cohort start dates. An additional £3.2m was spent on officer overtime owing in the main to elected bank holidays, mutual aid and covid.

The continued success in meeting the uplift targets led to the budget for officer FTE increasing to 140 from 100, with some of these additional costs offset by achieving 100% of the Home Office's performance uplift grant (£1.8m).

Savings in other employee costs due to staff vacancies (£2.1m), training budget savings (£45k) and reduced medical retirements (£695k) as well as core uplift grant, uplift performance grants allocations contributed to this net position.

Premises

This was £7.5m for the year which was an over-spend of £0.2m against the budget.

The over-spend reflects increased costs for utilities, cleaning, rents and rates for Bridewell which was retained longer than budgeted.

Costs relating to buildings that were retained longer than planned were off-set by savings in rent for Phoenix House, EMAS Carlton and Hucknall. There were also savings for reactive maintenance as planned works for Byron House did not go ahead.

Transport

This was £3.4m for the year which was an under-spend of (£1.3m) against the budget.

Net savings of (£767k) were realised in the year as a result of exiting the vehicle PFI scheme, with some additional employee and capital costs showing in other expenditure categories.

Further savings were made due to not replacing speed camera vehicles (£250k), however this was offset by additional fuel £132k and insurance £83k costs.

Communications & Computing

Costs were £9.5m for the year which was an over-spend of £0.4m against the budget.

The over-spend was due to investments in the Digital Evidence Management System (DEMS), as well as MFSS system replacements.

Savings were made following a review of hardware and license requirements, and decommissioning of redundant network lines, off-setting the over-spends on system investments.

Cost has been incurred due to the increase in IT kit in respect of officer numbers, this will be offset by income from Uplift.

FINANCIAL PERFORMANCE (continued)

Supplies & Services

Costs were £10.7m which was an over-spend of £1.2m against the budget, mainly due to increased insurance contributions £709k as claims rose during the year, and increased vehicle recovery costs £246k.

The increases were offset in part by a (£224k) saving on legal fees.

Partnership & Collaboration

This was £16.9m for the year which was an under-spend of (£0.1m) against the budget.

Savings have been realised in a number of areas including (£300k) on funding regional ESN posts, (£240k) regional outturn position revisions, and (£50k) from structural changes to Learning & Development and Prosecutions. These savings are offset by an increase in collaboration costs of £300k due to funding formula cost share arrangements not being reviewed as expected.

Multi Force Shared Service costs have reduced by (£245k) owing to staff numbers decreasing ahead of the exit of multiple forces from the scheme.

Capital Financing

This was £9.9m for the year, which was an over-spend of £2m against the budget.

An additional £1.3m direct revenue financing charge was made, from a culmination of sale of write off vehicles and in year opportunities to reduce future capital expenditure.

The MRP has reduced by (£499k) which offsets a transfer of £500k to the IT reserve to protect against unbudgeted supply chain issues expected in future years.

Other net transfer to reserves (mainly in respect of the camera safety project) £676k were offset with additional interest earned during the year (£255k).

Income

This was £20.7m for the year, which was an increase in income of (£3.9m).

(£1,699k) grant income in respect of knife crime, stalking protection orders, armed response, cybercrime, witness care, Covid and ARIS.

(£813k) mutual aid assistance including COP26 and G7.

(£405k) officer secondment income.

(£270k) additional partnership income.

(£245k) vehicle recovery.

Much of the additional income is offset with costs in other spend areas, particularly officer overtime.

FINANCIAL PERFORMANCE (continued)**2021-22 Efficiencies**

The force delivered efficiencies of £7.3m in the year, well in excess of its target of £2.5m. This performance helped in advancing the recruitment of Uplift PC numbers ahead of Governments target, and will assist in adding sustainability to the forces medium term planning assumptions. Details of the efficiencies achieved are detailed in the following table.

Net Expenditure Budget	Efficiencies Allocation £m	Outturn £m	Variance £m
Staff Pay & Allowances	0.6	2.3	+1.7
Premises	0.3	0.3	-
Communications & Computing	0.9	1.1	+0.2
Supplies & Services	0.2	0.5	+0.3
Transport	-	0.8	+0.8
Partnership & Collaborations	-	1.0	+1.0
Income	0.5	1.3	+0.8
Total	2.5	7.3	+4.8

FINANCIAL PERFORMANCE (continued)

2022-23 Budget Breakdown

The proposed revenue budget for 2022-23 is £247.7m as detailed below:-

Net Expenditure Budget	£m
Employee	199.1
Premises	8.4
Transport	4.4
Communications & Computing	10.8
Supplies & Services	10.7
Partnership & Collaborations	26.5
Capital Financing	9.6
Income	(21.8)
Efficiencies (not allocated in above)	-
Net use of reserves	-
Total Net Expenditure	247.7

OUTLOOK

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

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

Locally the Police & Crime Commissioner has fully supported maintaining policing resources and has used their council tax setting freedoms to the full. The Chief Constable has played his part in maximising the use of resources and has delivered efficiencies such that all additional Council Tax funding has been used to increase police numbers as well as additional funding for Operation Uplift.

The Prime Minister then announced in November 2019 that by 2023-24 there will be 20,000 additional police officers across the country, of which 357 posts would be in Nottinghamshire.

This news was welcomed by both the PCC and Chief Constable and plans were immediately put in place to achieve this uplift as soon as was practical. Such was our success, central government have provided funding for an additional 50 new recruits during 2022-23.

Our current projections show officer numbers will be 2,428 by March 2023, representing a 21% increase on 2019/20 figures. Plans are such that despite the Nov-20 announcement of a years delay in achieving national uplift, Nottinghamshire will remain at least 12 months ahead of schedule.

The settlement announcement for 2021-22 provided additional resources to achieve the uplift target, mainstreamed the pensions funding gap grant and allowed for a £10 increase in precept to cover the cash impact of inflationary pressures, which the Commissioner supported.

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

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

OUTLOOK (continued)

We continue to develop the future strategy for corporate IT services with Op Regain successfully achieving the schedule with go live implementation in April 2022. This project is to ensure future systems are fit for purpose and provide value for money in the area that the External Auditor has previously qualified our VFM judgement.

Efficiency savings will be required each year of the medium term plan but the level of savings required at £7.5m are considered to be well within the normal level of business efficiency that we would expect as part of our business as usual plans. The Force has outline plans for the achievement of these efficiencies.

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

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

Covid-19:

Following successful vaccination rollouts and booster plans, the United Kingdom appears to be in a strong position in the fight against Covid-19, and as such further restrictions on the public are not anticipated. This in turn has led to a sharp increase in demand on the force in dealing with domestic, child and sexual abuses, with levels significantly higher than pre-pandemic levels.

War in Ukraine:

As Russia's invasion of Ukraine which began in February 2022 continues, the stability of Europe and indeed the World are under pressure as economies navigate their way through significant disruption to global food supplies, as well as gas and oil. This has caused substantial inflation to which the force is not immune, particularly with regards utility costs for the estates and vehicle fuel.

Cost of Living Crisis:

The culmination of the effects of Brexit, Covid-19, and the ongoing war in Ukraine have caused a high level of volatility in markets as the government attempts to control rampant inflation whilst mitigating against a prolonged recession. Although schemes are in place to support the public with the rising costs, particularly energy, the vast majority of the public can expect to be in worse financial position.

Pay awards are therefore expected to be at higher levels than seen previously as the force looks to support it's employees, as well as retain staff in the face of continued low unemployment rates across the country.

We recognise that there remains uncertainty over how long these significant difficulties will remain and therefore the total costs which will be incurred as a result. However, we are confident that the impact can be managed going forward without the use of the Major Incident Reserve and that there will be minimal impact on the general reserve balance.

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

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (together with the Office of the Police and Crime Commissioner) employs approximately 2,385 police officers, 151 PCSOs, 143 specials and 1,395 staff in full-time and part-time positions.

Active recruitment plans for 2022-23 include positive action to continue to improve the diversity and reflect more closely that of the County.

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

Overall Equality Characteristics

Gender	Headcount	%
Male	2,237	54.91
Female	1,837	45.09
Total	4,074	100.00

Age Band	Headcount	%
25 and under	567	13.92
26-40	1,628	39.96
41-55	1,527	37.48
56 or over	352	8.64
Total	4,074	100.00

Self-Declared Disability	Headcount	%
No/not specified	3,928	96.42
Yes	146	3.58
Total	4,074	100.00

Ethnicity	Headcount	%
Asian/Asian British	140	3.44
Black/Black British	48	1.18
Mixed	76	1.87
White/White British	3,777	92.71
Other	5	0.12
Not Stated	23	0.56
Not known/provided	5	0.12
Total	4,074	100.00

PRINCIPAL RISKS

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

	RISK	IMPACT	MITIGATION
1	Environmental Efficiency	Government directive to improve environmental efficiency to net zero. The speed of change as well as demand and cost increases make the target difficult to achieve.	<p>Reducing size of estate by sharing work spaces with Fire Service, Ambulance Service, and the Council.</p> <p>Ensuring new building projects are more energy efficient.</p> <p>Increasing use of solar panels on police premises.</p>
2	Accounts Completion	<p>Statutory deadlines for review, audit and completion not being met.</p> <p>Force is unable to demonstrate accountability to stakeholders in line with statutory requirements.</p>	<p>Increased number of resources in the Finance Department associated with the production of the final accounts.</p> <p>Ongoing oversight by the Chief Officer Team.</p> <p>Monthly reporting into Force Executive Board.</p> <p>Quarterly reporting into joint independent audit committee (JIAC).</p>
3	Governance and Information Risk Return (GIRR)	Lack of GIRR accreditation increasing the risk of corporate information becoming compromised, leading to monetary penalties and reputational damage.	<p>6 month secondments into Information Management Lead and Data Protection Officer posts.</p> <p>Assistance from neighbouring forces Derbyshire and Northants.</p> <p>Plans in place to renew accreditation.</p>

PRINCIPAL RISKS (continued)

RISK	IMPACT	MITIGATION
4	<p>Procurement and supply chain</p> <p>Transfer of Procurement services from MINT back into force could result in delays in contracts being issued and re-negotiated.</p> <p>Lack of computer chips and vehicle parts mean the force may be unable to supply laptops to new officers and vehicle access may be restricted.</p>	<p>Prioritising of workload and regular meetings with Chief Officer Team and active recruitment for key procurement vacancies.</p> <p>Re-distribution of laptops according to role and stock piling where available, as well as ordering of vehicles in advance to protect against stretched lead times.</p>
5	<p>Loss of public confidence</p> <p>Breaches of trust and professional standards by serving officers nationally have resulted in a loss of confidence in the police service.</p> <p>Grading of “requires improvement” in the PEEL Inspection 2020/21 report could further lead to loss of trust and confidence.</p>	<p>Training packages rolled out encouraging officers and staff to take action and identify concerning behaviour.</p> <p>Implementation of governments Violence against Women and Girls Strategy and Action Plan and improvements in community engagement.</p> <p>Regular audits to ensure effective governance and outcomes fed into the Data Quality Board.</p>
6	<p>Recruitment</p> <p>High number of new inexperienced officers as a result of Op Uplift which could add extra pressure to existing officers as new officers are trained.</p> <p>Lack of detectives nationally leading to an inadequate level of service as well as loss of staff and recruitment challenges due to the cost of living crisis.</p>	<p>Release of response officers through tactical workforce planning and university candidates sought for graduate investigator scheme with fast track to DC.</p> <p>Proactive staff wellbeing monitoring through career conversations and mental health initiatives.</p> <p>Tracking new officer numbers for Op Uplift.</p>

Explanation of Accounting Statements

The Statement of Accounts sets out the Chief Constable's income and expenditure for the year and its financial position at 31 March 2022. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2021-22; which in turn is underpinned by International Financial Reporting Standards.

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

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

The Core Statements

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

The Supplementary Financial Statements

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













STATEMENT OF RESPONSIBILITIES

The Responsibilities of the Chief Constable

The Chief Constable is required to:

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

The Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts in accordance with proper accounting practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The statement is required to present fairly, the financial position of the Chief Constable as at the accounting date and its Income and Expenditure for the year ended 31 March 2022.

In preparing the accounts the CFO has:

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

Certification

I certify that in my opinion this Statement of Accounts present a true and fair view of the financial position of the Chief Constable as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

M. Kimberley, FCPFA
Chief Finance Officer Nottinghamshire Police

Approval

The Statement of Accounts was approved by the Joint Independent Audit Committee.

K. Meynell
Nottinghamshire Police Chief Constable

Nottinghamshire Police

Annual Governance Statement 2021-22



NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE

1.0 Introduction

1.1 Scope of responsibility

Nottinghamshire Police is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Force has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Nottinghamshire Police (hereafter referred to as the Force) is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

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

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

The Statement also identifies how any changes made to governance as a result of Covid-19 have been put in place and how this has impacted on governance arrangements during the year.

1.2 The purpose of the governance framework

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

2.0 The Governance Framework

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

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

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

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

- All officers, staff and volunteers are committed to the Code of Ethics, which find expression in the Force PROUD values.
- The Force continually reinforces the Code of Ethics and expected standards of professional behaviour; guidance and advice is sent to officers and staff using a combination of intranet articles and the Chief's fortnightly video blog.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced, and considered in any decision-making situation.
- Student officers receive a copy of the Code of Ethics on day one of their training and receive an input from PSD regarding The Standards of Professional Behaviour (SoPB) ethics and values. Throughout training many of the subjects are linked back to the Code of Ethics and the SoPB.
- A PSD led initiative promoting and encouraging interaction with Ethical Dilemmas for staff and officers, which also provides guidance, is linked across to the Ethics Intranet page.
- The Force have embedded the College of Policing's Competency Values Framework (CVF) which sets out nationally recognised behaviours and values into the Leadership Programme.
- The Force refer to the Home Office Guidance in relation to Police Officer Misconduct for procedures relating to misconduct, unsatisfactory performance and attendance of police officers and special constables.
- The Police Staff Misconduct Policy provides a clear framework for all police staff in terms of expected standards of conduct, professional behaviour and the likely consequence of failure in meeting those standards. This was rewritten and published in July 2021 and falls in line with the new Police Misconduct Regulations 2020 providing parity for staff.

- There are clear processes in place around confidential reporting ‘Whistleblowing’ outlined in the Professional Standards Reporting Procedure. A new ‘Whistleblowing’ policy has been written and published. Staff can report breaches confidentially to PSD confidentially. There has been a reinvigoration of Integrity Messenger and Crimestoppers to ensure officer/staff feel able to report confidentially.
- There are robust mechanisms in place with respect to the governance of complaints in Force. Complaints are managed in accordance with statutory guidance provided by the Independent Office for Police Conduct (IOPC).
- The Force has dedicated reasonable and proportionate handlers (Sergeants) Complaints and Learning Sergeants, embedded within local policing. Their purpose is to deliver learning from complaints back to the workforce thus creating a learning culture rather than a punitive one. Guidance around local resolutions is available on the intranet.
- Assurance reporting is submitted to the Joint Audit and Scrutiny Panel (JASP) on a regular basis relating to complaint recording and the nature of complaints.
- Bi-annually, a report on IOPC investigations is presented at the JASP to inform the OPCC of the Force’s application of the IOPC Statutory Guidance.
- Standards are governed by the quarterly Organisation Risk, Learning, Standards and Integrity Board, chaired by the Deputy Chief Constable (DCC). Its remit is to provide a forum to discuss key areas of learning and identify emerging strategic opportunities and risks, whilst monitoring compliance with Force values.
- The outcome of misconduct proceedings are published to reinforce standards and learning. A Meetings and Hearings (M&H) Officer has been appointed. All outcomes are published on the Force Intranet and the M&H Officer provides a quarterly update on the position of the Force regarding Misconduct and this is disseminated to the Chief Officer Team, Police Federation and Staff Associations.
- The Force has a Strategic Threat Assessment identifying the risks from corruption and control strategy plans underpin this. Specifically, the Force has a comprehensive plan in place to tackle Abuse of Position of Trust for a Sexual Purpose. Audited meetings take place to discuss the Counter Corruption Unit approach to Abuse of Position of Trust for a Sexual Purpose. A risk matrix exists with a cohort of individuals monitored within the organisation.
- An Ethics Board is held to consider and discuss ethical issues in an advisory and consultative capacity. It considers issues raised at the Organisation Risk, Learning, Standards, and Integrity Board and any issues which are referred from officers, staff, or external groups. A PSD representative attends this meeting chaired by the Deputy Chief Constable.
- A procedure is in place for the monitoring of business interests and additional employment for police officers and police staff. The Business Interest Policy was rewritten and published in June 2021.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Health check, this forms part of the Career Conversations process.
- The Force have developed a matrix to assess the risk posed by reported notifiable association, this assists the Force in identifying those of greatest risk to the integrity of the Force.
- A Statement of Personal and Pecuniary Interests is completed as part of the Annual Governance Statement process by Chief Officers.
- A register of Refused and Approved Business Interests is published on the Force website.
- A record of gifts gratuities and hospitality is published on the Force website.

- The Chief Constable ensures that financial affairs for their force are properly administered having regard to value for money, probity, legality, and appropriate standards, with reference to the Financial Regulations and contract standing orders agreed by the PCC as set out in Part B of Joint Code of Corporate Governance and Working Together document.
- There are documented processes and controls in place around the Prevention of Fraud and Corruption in the Procurement Process to mitigate risks in relation to procurement fraud.
- The Force is compliant with the CIPFA statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2012), as per the CFO job description.

2.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

- The Office of the Police and Crime Commissioner (OPCC) is accountable to local people and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement.
- The Force's Neighbourhood Policing Priority Survey in 2019/20 was Nottinghamshire Police's biggest public consultation exercise in a decade, giving the public an opportunity to help shape local policing priorities in their area and was branded locally as #NottsMatters. Subsequently, each Neighbourhood Team has a process whereby they review the Community Survey Data and Priorities through their Local Policing Priority Setting (LPPS) meeting and update these on the Force Website on a quarterly basis and this process is continuing.
- Consultation and engagement are undertaken with local residents and business communities and forms part of key decision making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, the OPCC's quarterly crime survey, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement activity/meetings, Key Individual Networks (KINs) and Independent Advisory Groups (IAGs).
- Nottinghamshire Police record and store our problem-solving plans on the Empowering Communities Inclusion and Neighbourhood Management System (ECINS) on purpose-built Scanning Analysis Response and Assessment (SARA) templates for all involved parties to contribute individually and record the work they do on specific problem.
- Sharing good examples of 'what works' enables us to focus on tried and tested interventions and approaches to crime prevention and problem solving. Our Inspectors and Sergeants populate a 'what works' review document with examples of good practice review by a quarterly What Works Board.
- The HMICFRS PEEL 2020/21 report was received in April 2022. The areas for improvement that have been identified in the report are being managed by the Deputy Chief Constable with actions being implemented through existing force structures. Areas of strength will also continue to be shared and developed further.
- Single Online Home (SOH) is designed to offer the public an easy to use, digital platform where they can communicate effectively with their local police force, including the reporting of crimes. Communities are empowered by convenient access to the information, advice, and services they need. Nottinghamshire joined the platform in July 2022 along with a number of other Forces. This means we can offer a range of nationally consistent online services to the public, but with our own local identity. Essentially, SOH is a 'digital front counter' or digital 101 service.

- The Force has a strategic Independent Advisory Group, which represents different community groups across Nottinghamshire. They provide a service to the Force in three core areas: critical incidents, building trust and confidence, and advising on strategies, policies, and procedures. The Force has many systems in place for the collection of local survey information that is used to shape the direction of service delivery.
- The Nottinghamshire Youth Justice Commission enables young people to support, challenge and inform the work of the elected Police and Crime Commissioner for Nottinghamshire and Nottinghamshire Police. It allows young people to get involved and have their say about policing and crime where they live.
- The OPCC has implemented an Independent Community Scrutiny Panel (ICSP). Panel members have been recruited by the OPCC and vetted. The panel has had its first meeting and it will continue to meet quarterly. The purpose of the panel will be to scrutinise and provide challenge to the force from a community perspective and with a particular focus on powers and processes which might threaten community confidence and cohesion.
- In accordance with the Freedom of Information (FoI) Act, the website is updated pro-actively with force information in a FoI Disclosure Log. This ensures transparency and encourages increased confidence from and accountability to the public and stakeholders. We are preparing for Single Online Home so once this is implemented all FoI responses will continue to be published to the website.
- Publication scheme monitoring, review and assurance is reported to the Joint Audit and Scrutiny Panel on an annual basis to provide a current Force position on the Publication Scheme Requirements. This report, along with all other JASP reports, is available to view on the OPCC website.
- The Force contributes to the OPCC's Annual Report to provide assurance on what has been delivered against the Make Notts Safe Plan.

City

- There are strong governance processes in place for the City partnerships. Each of the partnerships under the One Nottingham umbrella, including the Crime Drugs Partnership (CDP), have clear terms of reference including a defined purpose, arrangements for information sharing, community engagement and governance and finance.
- The CDP Plan 2022-25 sets out the overall aims, delivery, and performance framework of the partnership to deliver the 'Safer Nottingham' agenda of the 'Nottingham City Strategic Council Plan 2021-23'. The Partnership Plan has been developed with regards to the priorities of the Police and Crime Commissioner.
- There is a robust governance framework in place to oversee the delivery of the Plan. This is directed by the Partnership Board, which provides strategic governance of the partnership.

County

- The three statutory Community Safety Partnerships (CSPs) are responsible for the delivery of local community safety strategies and action plans. The Safer Nottinghamshire Board (SNB) Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produces performance information on a monthly basis. This includes reporting on current performance against targets, comparison against most similar force peers and performance of Partnership Plus areas. The SNB Performance Group brings together the CSP Chairs to discuss performance risks and highlights.

- Section 22A of the Police Act 1996 provides for a collaboration agreement to be made between Police and Crime Commissioners or between commissioners and chief officers from more than one force area. There are a range of established collaborations in place for a number of specialist front line policing operations that provide services across the Midlands region, including Nottinghamshire. These arrangements are reviewed on a regular basis by respective Chief Constables and Police and Crime Commissioners.

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

- The ‘Make Notts Safe’ Plan sets out the vision, values, strategic priorities, and outcomes together with a performance framework in line with requirements under the Police Reform and Social Responsibility Act 2011.
- At a national level, the Force works to the Strategic Policing Requirement (SPR) which is issued by the Home Office to articulate current national threats and the appropriate national policing capabilities required to counter those threats.
- The ‘Make Notts Safe Plan’ is informed by the Police and Crime Needs Assessment (PCNA) which is used as a planning and priority setting tool. The document highlights key trends, issues, risks and threats in the crime community safety and criminal justice environment.
- The ‘Make Notts Safe’ Plan to March 2025 includes priority commitments to achieve value for money and keep collaboration opportunities for policing under review, support changes in policy and practice that help to reduce our carbon footprint and enable our buildings, fleet, and workforce to become more energy efficient.
- The Force plays an active part in working with the OPCC to refresh the ‘Make Notts Safe’ Plan each year to set out what activities will be undertaken to deliver the PCC’s key strategic priority themes.
- The strategic priorities set out in the ‘Make Notts Safe’ Plan are aligned to the Force’s Annual Departmental Assessment (ADA), business planning process.
- The force provides regular updates to the OPCC at their public Accountability Meetings on the progress made against the force activities. Reports are made available on the Nottinghamshire County Council website.
- The force has a robust governance framework in relation to performance. The monthly Corporate Performance Review (CPR) meeting (chaired by the Chief Superintendent for Corporate Services) and the Operational Performance Review (OPR) meeting (chaired by the ACC Crime) are forums for thematic leads to discuss key areas of corporate organisational performance, identify any emerging opportunities and risks and make decisions about future planning. The Force Performance Board oversees key areas of performance, both organisational and operational, and is a forum in which to identify any emerging strategic opportunities and risks arising from OPR and CPR.
- From a national perspective, the Force is cognisant of the CJ National Scorecard, which brings together data from partners across the justice system (police, CPS and the Courts) and the Digital Crime Performance Pack, which provides data on police performance against the National Crime and Policing Measures referenced in the Beating Crime Plan. The ACC Crime chairs a CJ Strategic Board, which in turn reports into a multi-agency CJ Group, which is chaired by the PCC.
- A Performance and Insight Report is provided to the Strategic Resources and Performance meeting every 2 months to ensure that the Police and Crime Commissioner is aware of current performance in line with the strategic priority themes, as set out in the ‘Make Notts Safe’ Plan.

- Collaboration agreements are in place to outline how business will be undertaken jointly to reduce cost, increase capability, and/or increase resilience to protect local people.
- All activity in response to audit and inspectorate recommendations is monitored via 4Action, an action management system. Progress against activity is reported to the Joint Audit and Scrutiny Panel on a quarterly basis.
- A Medium-Term Financial Strategy builds on the proposed budget for 2022-23 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- Regular Capital and Revenue reports are provided to the Force Executive Board (FEB) and OPCC to provide an update on the Force's budgetary position and to comply with good financial management and Financial Regulations. This is reviewed and updated regularly to remain flexible for future requirements.

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

- There is a robust planning cycle in place which incorporates partnership, Force and OPCC strategic assessments, public consultation, refresh of the 'Make Notts Safe' Plan and the Force Delivery Framework, departmental planning via Annual Departmental Assessments (ADAs) and the annual budget process.
- The Medium-Term Financial Strategy is a live document to facilitate the demands and changes that can occur within the police so that we can remain operationally on the front foot. The budgeting and long-term planning process is intrinsically linked to the business planning cycle to create a joined-up approach identifying opportunities and risks that are present, and, on the horizon.
- In the previous HMICFRS PEEL Report (2018) it was recommended that the Force should improve its approach to planning within Information Services to ensure there is a clear vision and direction which links to operational planning. In response the Force created a Prioritisation Matrix, which reports into the Futures Board. This has ensured that ICT planning is closely aligned to future and wider change programmes, so current and future demand can be effectively managed.
- Nottinghamshire Police have published a new Digital Strategy, aligned with the National Digital, Data and Technology Strategy 2020-2030 for Policing and built on the foundation of the national blueprint. The Nottinghamshire Police Digital Strategy sets out our ambitions for how technology will support the Force to deliver on the Nottinghamshire Police vision. A number of nationally-led programmes and capabilities that support UK Policing, by developing nationally consistent services and capabilities enabled by technology. This includes the Force onboarding with Single Online Home.
- Each Head of Department completes an Annual Departmental Assessment (ADA) as part of the annual planning cycle. The ADA is a planning tool used to assess current structure, processes, and cost, considering the current operating context. Options for change are proposed which are aligned to the Strategic Priority Themes.
- Budget meetings with departmental heads take place to ensure future budgets account for any project savings or spend within the department.
- Business change remains responsive to threats and opportunities which present themselves throughout the year as part of the risk management process.

- Where a change proposal is approved, a comprehensive analysis of approved change proposals is progressed in the form of an options appraisal (business case) which is presented to the Futures Board for decision. The business case will indicate how intended outcomes would be achieved and any risks associated with those options.
- Business change continues to be assessed according to viability and desirability throughout the project lifecycle. Governance is flexible and responsive so that outputs can be adapted to changing circumstances. This is monitored by the Futures Board, chaired by the DCC.
- The Force is continuing to develop the role of the Business Benefits Officer. This role was introduced into Force in 2020 to that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings.
- Decisions for change are, in part, informed by the HMICFRS' Value for Money (VfM) Profile, which is published on an annual basis. The Force benchmarks its functions against others in its Most Similar Group (MSG) to determine whether VfM is being achieved. Generally, over time, the Force has moved from average/upper quartile to below average/lower quartile for many of our enabling services.
- All business change is governed according to the Force Corporate Portfolio Management Office (PMO) Framework and Guidance which sets out in detail the governance framework, roles and responsibilities and project management methodology in order to plan, delegate, monitor and control all aspects of the business change portfolio.
- The business change governance framework provides a robust reporting structure, which includes project boards, Futures Boards, and the FEB. The framework ensures that oversight and scrutiny is carried out by the relevant authority in a proportionate manner providing assurance that decisions are open and accountable, and that public money is spent wisely.
- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from FEB are communicated to the organisation through VLOGs by the DCC. This ensures the Force's decision-making processes are transparent.
- A forward plan for FEB is maintained to outline what information is required for each strategic meeting, the Senior Responsible Officer (SRO) and expected timescales.

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

- The DCC Chairs a Strategic Workforce Planning and Training Priorities Meeting. The purpose is to provide strategic overview and direction regarding workforce planning, including establishment levels, workforce mix, skills, and capabilities.
- HMICFRS recommended, in both the 2018 and 2021/22 PEEL Inspection reports, that the Force needs to understand fully its workforce capabilities, to identify any gaps, and put plans in place to address them. This is being progressed as an area for improvement through a training needs analysis, which is being undertaken on a departmental basis to ensure the workforce is adequately skilled and the appropriate training is scheduled. We have also instigated a skills audit across the organisation to ensure we are able to compare training levels against demand. This work will be a core part of the role of the Force's new Resourcing Advisor when they begin in post in the coming months.
- Career Conversations forms part of the application process for police promotion boards effective on all 2021 and 2022 processes.
- For transferees new to the organisation there is a one-day induction course, which is complemented by additional specialist training where required.

- Our new talent management programme, ‘Career Conversation’ has been embedded, which replaces the PDR process. Conversations clearly captures talent across the force via a career matrix grading system. This is reviewed at a governance meeting chaired by the ACC to ensure consistency across the organisation. Leadership and development training initiatives will become targeted around talent matching.
- For staff single appointments a clear and refreshed induction process has also been developed and is available on the intranet.
- Student officers go through initial training, including induction into the organisation.
- We have also developed a Welcome Pack for all new officers and staff and for our fire partners transferring to our joint HQ.
- The Force has embedded the Competency Value Framework (CVF) which aims to support all policing professionals, setting out nationally recognised behaviours and values. The six competencies and four values of the CVF are embedded into the Force’s leadership development programme, recruitment processes and internal assessment procedures.
- The roles and authorities of the PCC, the Chief Constable and their respective officers are set out in the Joint Code of Corporate Governance and Working Together document. The document outlines how the parties will work together in cooperation to ensure that effective and efficient delivery of policing services. This was reviewed during 2018.
- The governance structure is underpinned by a statutory framework which incorporates the Police Reform and Social Responsibility Act 2011, the Policing Protocol Order 2011, and the Financial Management Code of Practice, amongst other legislation.
- The Scheme of Delegation sets out the delegation of responsibility from the PCC to their staff and delegation to the Chief Constable and their own staff in the exercise of their statutory responsibilities.
- Clear roles and responsibilities are delegated to Chief Officers. The Chief Financial Officer, as Section 151 Officer, has an up-to-date job description and person specification which outlines their responsibilities.
- A new police staff role has been recruited to improve continual professional development programs for Sergeants, Inspectors, Senior Investigating Officers (SIOs) and Detectives. This role has introduced more professional and efficient systems to accredit Detectives (PIP2 and investigations managers/supervisors) as well as providing CPD events for Sergeants, Inspectors, SIOs and Detectives.
- The Force recognise and promotes the benefits of collaborative working and continues to work in a number of regional collaborations as well as collaborations with Nottinghamshire Fire and Rescue.

Area for improvement: The Force should improve its understanding of resource and workforce capability.

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

- The Risk Management approach was redeveloped in 2018 for the Force to adopt a more sophisticated approach linking risks to our governance methods and internal audit processes.
- The Force and OPCC have agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (MoR) approach.
- An update on risk management is provided to FEB bi-annually to inform them of the level of Strategic Risks and to provide assurance as to the effectiveness of risk management arrangement as well as providing an oversight of key themes emerging at departmental level.

- A Strategic Risk Report is provided to the JASP bi-annually to keep the Board informed as to the level of strategic risk within the Force and NOPCC and provide assurance as to the effectiveness of risk management arrangements.
- The quarterly Organisational Risk, Learning, Standards, and Integrity Board provides an organisation wide forum for thematic leads and heads of department to discuss key areas of learning and identify any emerging strategic opportunities and risks. Business Continuity is also managed within this forum.
- JASP receives an annual report on business continuity, which includes progress made against the business continuity testing timetable and a proposed schedule of forthcoming testing.
- A Performance and Insight Report is regularly presented to the Strategic Resources and Performance Meeting to ensure that the Police and Crime Commissioner is aware of current performance in line with the Police and Crime priorities. This report is made available on the OPCC website.
- Since 2019/20 all projects have been closed with a formal end project report from the Project Manager/Lead that includes the content of a post implementation review (PIR). PIRs have been introduced and are scheduled for medium and large projects and all staff restructures including the 2018 Force Restructure and 2018 Analytical Restructure PIRs that were completed during 2020/21.
- The Financial Performance and Insight Report, including revenue and capital budget monitoring are reported to the FEB monthly. This is also presented at the Strategic Resources and Performance quarterly meeting.
- Decision making protocol is illustrated in the Joint Scheme of Delegation which is part of the Joint Code of Governance and Working Together document.
- A forward plan of ‘Decisions of Significant Public Interest’ is provided to the Police and Crime Panel on a regular basis in the interests of accountability and transparency, this is made available on the Nottinghamshire County Council website.
- In accordance with the Financial Management Code of Practice for the police service, issued by the Home Office, the PCC and the Chief Constable established a Joint Audit and Scrutiny Panel (the Panel) in 2013. The role of the Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.
- The Panel complies with best practice as outlined in Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA, 2013).
- The Panel also assists the OPCC and the Chief Constable in fulfilling their responsibility for ensuring value for money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the OPCC.
- The Force’s Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable, and their statutory officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- The Annual Statement of Accounts is published on the OPCC website and includes accounting policies and the report of the auditors.
- The Annual Audit letter is report to the Joint Audit and Scrutiny Panel on an annual basis.
- The Treasury Management Strategy and annual report are reported annually to the Joint Audit and Scrutiny Panel.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the Joint Audit and Scrutiny Panel at every meeting.

- In compliance with CIPFA guidance, the NOPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisation’s internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the internal annual audit opinion.
- An internal audit on Core Financial System Assurance found the Force to have satisfactory assurance in relation to General Ledger, Cash, Bank and Treasury Management, Payments and Creditors, Income and Debtors, Payroll and ‘other (cross cutting themes).’
- Regular reporting is made to JASP on legislative compliance with the Freedom of Information Act and Data Protection Act legislation.
- Following the Force’s exit from the Multi Force Shared Service (MFSS) arrangement, contracts were awarded in March 2021 to ABSS for the finance solution and Midland HR for payroll, human resources, and learning & development. A stage 2 plan from April 2022 to September 2022 for the Regain project is in place and is overseen by the DCC. Mazars conducted an internal audit of Project Regain for Q1 and Q2 in 2021. The findings of the audit were that there are well established governance arrangements in place along with good controls for the sign-off of key milestones within the programme.
- The Force’s Operational Performance Review Meeting (OPR) provides an organisation-wide forum for thematic leads to discuss key areas of operational performance, identify any emerging opportunities and risks, and make decisions about future planning and activity.
- Mazars undertook an internal audit on the Force’s approach to risk management in February 2021 and the following recommendations were included in their report:

Recommendation 1: The Force should ensure that a thorough review is undertaken of the Force’s departmental risk registers, so that risks that are inherent to the respective departments are identified and scored, as stated in the Risk Management Strategy.

Recommendation 2: The Force should ensure that all risk registers are complete and that appropriate controls are recorded for each risk. Where risk controls are being reviewed, the Force should ensure that interim controls are in place to effectively monitor risks.

Recommendation 3: The Force should ensure that further training is provided to users of the JCAD system to ensure that appropriate controls are recorded to mitigate the risks identified.

Recommendation 4: Furthermore, the Force should ensure that where controls and other risk mitigation activities are inserted that these are reviewed to ensure their appropriateness.

Recommendation 5: The Force could consider introducing guidance for users of the JCAD system, which outlines a criterion for controls and risk mitigation activities.

Recommendation 6: The Force should ensure the meeting minutes for the Organisational Risk, Learning, Standards and Integrity Board are well documented, which demonstrate at the very least:

- The registers presented;
- The risks discussed; and
- The decisions reached / action plans devised.

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

- The PCC and Chief Constable’s functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 to achieve the outcomes of the Police and Crime Plan.
- Both the PCC and the Chief Constable have appointed Chief Financial Officers. The responsibilities of the CFOs for both the PCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2013).
- The JASP operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.
- A programme of internal audit is commissioned and undertaken which reflects published guidance and standards. This is available on the OPCC website.
- Progress reports against the Internal Audit Plan are submitted on a timely basis to the JASP along with the findings from audits completed to date.
- Police officers, police staff operate within force policies and procedures; the corporate governance framework; disciplinary regulations; codes of conduct and the Code of Ethics. Assurance is provided via the Force and OPCC governance framework.
- The Police and Crime Panel scrutinise the actions and decisions of the Police and Crime Commissioner and makes sure information is available for the public. The Force provides reports in accordance with the Police and Crime Panel work programme including specific focus on each of the seven Strategic Priority Themes included in the Police and Crime Plan.
- The Annual Governance Statement assesses the extent to which the organisation is applying the principles contained within the CIPFA framework. This is published for public scrutiny alongside the Statement of Accounts.
- The Force has a robust process to capture HMICFRS recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is prepared and presented to the JASP on a quarterly basis. This process includes reporting on Super Complaints, which is determined by HMICFRS and the National Police Chiefs Council (NPCC).
- The Force has an established reporting procedure for our response to HMICFRS recommendations to be received by the NOPCC in line with the timescales dictated in the Police and Crime Bill.
- A policy and procedure framework are required to ensure that corporate documentation is reviewed on a timely basis; this is an area for improvement.
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.
- The OPCC has introduced Accountability Meetings, with the purpose of providing the public, and other external stakeholders, with confidence that the PCC is effectively supporting, challenging and holding the Chief Constable to account for delivering efficient and effective and policing services. It also monitors progress in delivering the objective of the Commissioners Police and Crime Plan and setting the strategic direction of local policing services.

2.8 Update on the recommendations from the Inspection Visit to Police Custody Suites

- All the recommendations, and the areas for improvement, continue to be implemented by the ACC Local Policing and through the Custody HMICFRS Action Plan Review meeting, which is chaired by the DCC.
- HMICFRS conducted an unannounced custody inspection re-visit in September 2019 and found that the Force had made significant progress in relation to the above recommendations. HMICFRS have confirmed they will undertake a further inspection when the new custody suite is embedded.

2.9 Update on the recommendations from the Crime Data Integrity Inspection 2018

- The Force has continued to address the recommendations outlined in the 2018 HMICFRS inspection. It was re-inspected in 2021 under the new Integrated PEEL approach, which incorporated Crime Data Integrity together with Crime Investigations. Further areas for improvement, regarding crime data integrity, were included in the 2021/22 PEEL Inspection report. Progression of the work for each of the AFIs is being overseen by the DCC.

2.10 Covid-19

Since the first lockdown various new measures have been introduced to support different ways of working. These are demonstrated in the following areas:

Use of technology: The force has continued rolling out Microsoft Teams to enable conference facilities and meetings to continue to take place. We also introduced Cisco Jabba, an internal interactive piece of software to allow greater communication across the organisation, reducing internal meetings and the requirement for attendees to travel. The greater use of technology has allowed home working for employees who have had to self-isolate. We continued issuing laptops to staff enabling greater flexibility during lockdown. There is potential for the force to consider further agile working across the organisation to increase efficiency and reduce costs. This is of particular benefit to the Police travel plan outlined in the new joint Police and fire service headquarters plans.

Working with partners: We have continued our partnership working using technology. Microsoft Teams and other forums have enabled these meetings to continue, and the Force is looking to use this means of communication as a permanent arrangement.

Policies/procedures: To manage the challenges of the pandemic the Force reviewed a number of policies and procedures related to workforce wellbeing and amended these where appropriate.

Domestic Abuse Safe and Support: Introduced in May 2020 to ensure that victims who declined to engage with partner agencies were still safe and well with access to any support they need during lockdown restrictions. This process ensured a consistent, transparent, and auditable process of engaging with medium risk domestic abuse victims. Due to the success of this programme, it will continue post lockdown alongside the usual domestic abuse victim satisfaction surveys.

HMICFRS Policing in the Pandemic report: The Force was inspected during 2020 on its response to Covid-19 and the thematic report was published in April 2021. Nottinghamshire Police is praised in the report for the use of VLOGs and the content about vulnerability to update staff and officers about how to identify concerns. The report also highlights the Force’s redeployment of staff from other safeguarding teams to add to our online paedophile investigation capabilities.

Operation Bion Gold Group: A Gold group was chaired by the ACC Local Policing on a weekly basis to monitor the Force response to the pandemic during the critical months. This has now been superseded by Gold Groups taking place when deemed necessary by the ACC. Departmental Heads provided updates on their areas of business in this context and business continuity testing and planning are discussed. Updates are also reported from the Strategic Coordinating Group (SCG) and the Tactical Coordination Group (TCG). Emerging issues are also raised through this forum.

2.11 Brexit

There are no significant risks or issues relating to Brexit for the organisation.

3.0 Chief Finance Officer Role

- As a key member of the leadership team, the Chief Financial Officer (CFO) helps to develop and implement strategy, resource, and deliver the PCC's strategic objectives sustainably and in the public interest.
- On 22nd December 2021 the Force's Chief Finance Officer also undertook the role of Interim Chief Finance Officer. There is a joint protocol in place to manage any conflicts relating to this joint role and the link to the Force and OPCC.
- The CFO is actively involved and able to bring influence to bear, on all business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the financial strategy.
- The CFO leads and encourages the promotion and delivery of good financial management so that public money is always safeguarded and is used appropriately, economically, efficiently, and effectively.
- The CFO and Chief Constable agree the Force's risk based Internal Annual Audit Plan for delivery each year and this is presented to the Joint Audit and Scrutiny Panel for comment. Delivery of the plan is via external engagement of an appropriately trained and experienced organisation, currently this is provided by Mazar's. Award of the work was via a competitive tendering exercise.
- In respect of external audit, progress reports are provided to the Panel by Ernst Young to provide a summary of the work they plan to undertake for the audit year, together with a high-level assessment of the risks that have been considered as part of the initial planning process.
- The CFO is required to maintain continuous professional development to ensure they maintain knowledge, skills, and experience to enable them to fulfil the duties and statutory obligations of the post.
- With effect from 1st January 2021 a role of Head of Finance was created to assist the CFO in the delivery of their duties. This role also acts as deputy to the CFO.

4.0 Review of Effectiveness/Internal Audit Opinion

- Nottinghamshire Police has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Chief Officer Team, the Heads of Departments and other senior managers within the Force who have responsibility for the development and maintenance of the systems of internal control. It is also informed by the reports of the Force's internal auditors and external inspectorates, such as HMICFRS.
- Where weaknesses in internal controls have been identified, improvement actions have been established, which will be addressed during the forthcoming financial year. Outcomes will be monitored by the FEB and the Joint Audit and Scrutiny Panel, on a quarterly basis.
- From the Internal Audit work undertaken in compliance with the Public Sector Internal Audit Standards (PSIAS) for the year ending 31st March 2022, our overall opinion is that generally effective processes are in place for Wellbeing, Business Continuity, Core Financials, Health and Safety, Firearms Licensing and Performance Management. We have, however, identified weaknesses in respect of Archive & Exhibits, Payroll, GDPR, Information Assurance, Risk Management and Business Change that require addressing.
- The draft Ernst and Young ISA260 for 2019-20 was presented to the Joint Audit and Scrutiny Panel in November 2021. In relation to value for money risks identified in their audit planning report, they reported that they were yet to complete their procedures in relation to the Force's arrangements to secure economy, efficiency and effectiveness in our use of resources. Subsequently it is now expected that the Value for Money judgment will have an exception in respect of financial reporting.
- The draft ISA260 also reported that they did not identify any new significant deficiencies in the design or operation of an internal control that might result in material misstatement in our financial statements of which we are not aware.

Area for improvement: The Force should consider improvements to ensure financial reporting deadlines are met and that standards of working papers are improved. To address this, the Force has recently recruited additional support to assist with the process of the closure of the accounts.

5.0 Improvement actions

The review process to support the production of the Annual Governance Statement identified several improvement actions, which are summarised below. These have been agreed with the respective Divisional and Departmental Heads to address weaknesses identified in the Force's systems of internal control. These issues are significant in that they cover a large proportion of the organisation's activities and/ or are key risk controls and therefore require a corporate solution rather than an individual approach. These are monitored by the Corporate Development Department and reported to the Chief Officer Team to ensure there is senior management oversight of the progress against each of these.

Areas for improvement 2020-21

URN	Identified improvement action(s):	Update	Lead Officer
1.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Constabulary and Fire and Rescue Services Integrated Peel Inspection 2021/22.	Cause of Concerns and Areas for Improvement continue to be addressed. The force was subject to a full PEEL inspection during 2021 and the final report was published in April 2022.	Various
2.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services (Section 2.8).	All actions have been addressed and the force was revisited by HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services in November 2019. The Force was found to have made significant progress.	Chief Inspector Emma Spencer
3.0	Develop a plan to ensure there is improved understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty (Section 2.9).	All actions have been addressed and additional training given by the Force Crime Registrar. The force has taken a view it complies with its equality duty and, to collect further diversity information, would not follow GDPR.	Paul Cook, Force Crime Registrar

Internal Audit Annual Assurance 2020-21 Report - Areas of Limited Assurance and No Assurance

Limited Assurance		Lead Officer
1	Information Assurance	Chief Superintendent Donna Lawton
2	Risk Management	Chief Superintendent Donna Lawton

No Assurance		Lead Officer
1	Archives & Exhibits	Chief Superintendent Donna Lawton

Nottinghamshire Police was inspected by HMICFRS during 2020/21 in the following areas:

Inspection Area	Type of Inspection	Outcome
Response to Covid-19	Thematic Inspection	All actions have been addressed and evidence submitted to HMICFRS. Force is awaiting formal sign off by HMICFRS.
Fraud	Thematic Inspection	All actions have been addressed and evidence submitted to HMICFRS. Force is awaiting formal sign off by HMICFRS.
Neurodiversity	CJS Prison, Probation, and Police	Recommendations currently being addressed.

Chief Constable and Chief Finance Officer Declaration

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

Signed:

Signed:

Kate Meynell
Chief Constable

Mark Kimberley FCPFA
Chief Financial Officer

FINANCIAL STATEMENTS



Comprehensive Income and Expenditure Statement (CIES)

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

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

2020-21			2021-22			
Expenditure	Income (Note 13)	Net		Expenditure	Income (Note 14)	Net
£'000	£'000	£'000		£'000	£'000	£'000
267,972	(29,235)	238,737	Cost of Police Services	294,097	(20,834)	273,263
-	(244,545)	(244,545)	Funding from the Commissioner	-	(264,218)	(263,218)
267,972	(273,780)	(5,808)	Cost of Services	294,097	(284,052)	10,045
60,250	-	60,250	Financing and Investment (Income) and Expenditure	58,634	-	58,634
328,222	(273,780)	54,442	(Surplus) or Deficit on Provision of Services	352,731	(284,052)	68,679
		229,802	Other Comprehensive (Income) and Expenditure			(90,659)
		284,244	Total Comprehensive (Income) and Expenditure			(21,980)

Movement in Reserves Statement

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

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

2021-22	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2021	-	2,954,701	2,954,701
Movement in reserves during year			
(Surplus) or deficit on the provision of services	68,679	-	68,679
Other Comprehensive (Income) / Expenditure	-	(90,659)	(90,659)
Total Comprehensive Income and Expenditure	68,679	(90,659)	(21,980)
Adjustments between accounting basis and funding basis under regulations	(68,679)	68,679	-
Decrease in year	-	(21,980)	(21,980)
Balance at 31 March 2022	-	2,932,721	2,932,721

2020-21	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2020	-	2,670,457	2,670,457
Movement in reserves during year			
(Surplus) or deficit on the provision of services	54,442	-	54,442
Other Comprehensive (Income) / Expenditure	-	229,802	229,802
Total Comprehensive Income and Expenditure	54,442	229,802	284,244
Adjustments between accounting basis and funding basis under regulations	(54,442)	54,442	-
Increase in year	-	284,244	284,244
Balance at 31 March 2021	-	2,954,701	2,954,701

Balance Sheet

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

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

31 March 2021 £000		31 March 2022 £000
(4,260)	Short-Term Creditors - Accumulated Absences	(4,408)
(4,260)	Current Liabilities	(4,408)
(2,950,441)	Other Long-Term Liabilities - Pension Liabilities	(2,928,313)
(2,950,441)	Long Term Liabilities	(2,928,313)
(2,954,701)	Net Assets	(2,932,721)
2,954,701	Unusable Reserves	2,932,721
2,954,701	Total Reserves	2,932,721

Cash Flow Statement

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

2020-21 £000		2021-22 £000
54,442	Net (surplus) or deficit on the provision of services	68,679
(54,442)	Adjustment to (surplus) or deficit on the provision of services for noncash movements	(68,679)
-	Net cash flows from activities	-



NOTES TO THE ACCOUNTS

Note 1 – General Principles

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

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

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

These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22 (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. Under The Act, The Chief Constable and the Commissioner are separate 'Corporation Sole' bodies. Both are required to prepare separate Statement of Accounts.

Note 2 – Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (Code Of Practice On Local Authority Accounting In The United Kingdom 2021-22) in respect of going concern reporting requirements reflect the economic and statutory environment in which Police and Crime Commissioners and police forces operate.

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

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

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

Note 2 – Going Concern (continued)

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

Restrictions surrounding Covid-19 within the United Kingdom have now ceased with policing functions more aligned with pre-pandemic activity. It is now anticipated that expenditure as a result of Covid-19 for 2022-23 and beyond will be low and managed within existing budgets.

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

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

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

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

Increased Expenditure

The outturn report for 2021/22 shows a net underspend for the force of (£1,610k) and at the end of 2021/22 the force had incurred additional overtime costs of £257k relating to Covid-19, however this was offset in full by additional income.

Reductions in income

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

Cashflow and Liquidity Risk Exposure:

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

The Chief Constable does not hold cash or equivalent balances. Those are held by the PCC and are positive at the balance sheet date, have remained positive during 2021-22 and are estimated to be positive throughout 2022-23.

General Fund Balances and Reserves

The General Fund balance at 31st March 2022 has increased from 2020-21 levels and there are plans to keep this within 2% - 5% of the net budget going forward. The Outturn shows that covid hasn't presented the financial challenge expected due to grants and lower costs and therefore it is unlikely this will directly have an impact on the Medium Term Financial Plan.

It is considered that there is sufficient headroom within these measures and the general balances. For these reasons, the PCC and CC CFOS do not consider that there is material uncertainty in respect of their ability to continue as a going concern for the foreseeable future.

Note 3 – Accruals of Income and Expenditure

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

In particular:

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

Note 4 – Exceptional Items

There are no exceptional items applicable in the year.

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

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

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

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

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

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

Note 7 – Government Grants and Contributions

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

Note 8 – Allocation of Costs

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

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

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

The Chief Constable is therefore a single service entity.

Note 9 – Joint Operations & Associate Entities

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

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

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

Ownership %	Arrangement	2021-22		
		Expenditure £000	Income £000	Net £000
27.30%	EM Major Crime	214	(212)	2
27.30%	EM Legal Services	511	(509)	2
34.90%	EM Criminal Justice	167	(167)	-
27.30%	EM Serious Organised Crime	7,741	(7,702)	39
27.30%	EM Occupational Health Unit	515	(521)	(6)
31.42%	EM Learning & Development	435	(432)	3
27.30%	EM Forensics	2,627	(2,592)	35
22.60%	Emergency Services Network (ESN)	97	(1)	96
50.00%	EM Strategic Commercial Unit/MINT	-	-	-
31.04%	Multi Force Shared Service (MFSS)	2,223	(2,223)	-
		14,530	(14,359)	171

The OPCC does not have any Associate Entities in 2021-22.

Note 10 – Provisions

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

Note 11 – VAT

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

Note 12 – Resources used in Provision of Police Services

Although all transactions during the year are solely within the Accounts of the Commissioner and all assets are owned and controlled by the Commissioner, the Chief Constable uses resources to provide policing.

It includes the cost of depreciation on assets owned as a proxy for the rental value. It includes all adjustments required under IFRS for accrued employee benefits and pension costs.

Note 13 – Expenditure Funding Analysis

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

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

2020-21				2021-22		
Net Expenditure Chargeable to the General Fund £000	Adjustments £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund £000	Adjustments £000	Net Expenditure in the CIES £000
244,545	(5,808)	238,737	Cost of Police Services	263,218	10,045	273,263
(244,545)	-	(244,545)	Funding from the PCC	(263,218)	-	(263,218)
-	(5,808)	(5,808)	Net Cost of Services	-	10,045	10,045
-	60,250	60,250	Other (Income) and Expenditure	-	58,634	58,634
-	54,442	54,442	(Surplus) or Deficit on Provision of Service	-	68,679	68,679

Note 13 – Expenditure Funding Analysis (continued)

2021-22	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	8,768	1,276	10,045
Net Cost of Services	8,768	1,276	10,045
Other Income and Expenditure	58,634	-	58,634
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	67,403	1,276	68,679

2020-21	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	(6,519)	711	(5,808)
Net Cost of Police Services	(6,519)	711	(5,808)
Other Income and Expenditure	60,250	-	60,250
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	53,731	711	54,442

The Net Change for the Pensions Adjustments in 2021-22 is the replacement of pension contributions with IAS 19 pension related expenditure and income.

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

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

Note 14 – Income

2020-21 £000	Credited to Services	2021-22 £000
(1,045)	Partnership and Joint Controlled Operations	(1,362)
(1,540)	PFI Grant	(588)
(1,645)	Recharge of Officers	(3,208)
(25,005)	Other Income	(15,676)
(29,235)	Total	(20,834)

Note 15 – Income and Expenditure Analysed by Nature

2020-21 £000	Nature of Expenditure or Income	2021-22 £000
(29,235)	Service Income	(20,834)
223,407	Employee Expenditure	248,600
44,565	Running Expenses	45,497
(244,545)	Income from Commissioner	(263,218)
-	Pension Interest Income	-
60,250	Pensions Interest Payment	58,634
54,442	(Surplus) or Deficit for Year	68,680

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

2020-21 £000	Adjustment between Accounting and Funding Basis under the regulations	2021-22 £000
53,731	Pension Cost (transferred to/(from) the Pension Reserve	68,533
-	Pension Reserve Adjustment of PCC / CC b/f split	-
710	Holiday pay (adjustments to the Accumulated Absences Reserve)	147
54,442	Total	68,680

Note 17 – Unusable Reserves

31 March 2021	Type of Reserve	31 March 2022
£000		£000
2,950,441	Pensions	2,928,313
4,261	Accumulated Absences	4,408
2,954,702	Total	2,932,721

31 March 2021	Pensions Reserve	31 March 2022
£000		£000
2,666,907	Balance 1 April	2,950,440
-	Analysis adjustment between PCC and CC	-
229,802	Remeasurements of the net defined benefit liability/(asset)	(90,659)
128,502	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	143,046
(74,771)	Employer's contributions to pensions schemes	(74,513)
2,950,440	Balance 31 March	2,928,314

31 March 2021		Accumulated Absence Reserve	31 March 2022	
£000	£000		£000	£000
	3,550	Balance 1 April		4,260
(3,550)		Settlement or cancellation of accrual made at the end of the preceding year	(4,260)	
4,260		Amounts accrued at 31 March 2022	4,408	
	710	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		147
	4,260	Balance at 31 March		4,408

Note 18 – External Audit Costs

Ernst and Young LLP are the appointed external auditors.

The accrued cost is £0.069m (£0.069m accrued in 2020-21), 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.

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.

Note 19 – Defined Benefit Pension Scheme

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

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

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

The Local Government Pensions Scheme:

The Local Government Pensions Scheme (LGPS) for staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis at fair value. The figures are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2022 for members receiving funded benefits and for any members receiving unfunded benefits.

The Police Pension Scheme:

The Police Pension Scheme for police officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, the Group must transfer amounts to reduce the balance on the Pension Fund to zero. This is via the Pension Top-up grant from the Home Office. Conversely a surplus would be paid over. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. The figures are based on a detailed valuation using information as at 31 March 2020.

Note 19 – Defined Benefit Pension Scheme (continued)

When assessing the potential implications of McCloud on the IAS19 liabilities, the actuary has considered those members with benefits in the 2015 scheme who were former members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material.

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

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

Note 19 – Defined Benefit Pension Scheme (continued)

2020-21		Pension Fund Comprehensive Income and Expenditure Statement	2021-22	
LGPS £000	Police £000		LGPS £000	Police £000
16,102	52,020	Current Service Cost	21,839	60,430
92	-	Admin Expense	140	-
38	-	Past Service Cost	872	-
-	-	(Gain) / loss from curtailments	-	-
3,530	56,720	Net interest expense / (income)	4,769	54,430
19,762	108,740	Total charged to (Surplus) and Deficit on Provision of Services	27,621	114,860
		Other Costs - Remeasurement of the defined benefit liability		
(42,140)	-	Return on Assets	(20,892)	-
(4,129)	(133,920)	Actuarial (gains) & losses – experience	(15,806)	24,460
(3,762)	-	Actuarial (gains) & losses arising on changes in demographic assumptions	(21,795)	-
124,372	289,380	Actuarial (gains) & losses arising on changes in financial assumptions	(23,863)	(35,620)
-	-	Other Actuarial (gains) and losses	2,857	-
-	-	Return on plan assets (exc amount included in the net interest expense)	-	-
94,104	264,200	Total charged to the Comprehensive Income and Expenditure Statement	(51,879)	103,700

Note 19 – Defined Benefit Pension Scheme (continued)

2020-21		Pension Fund Movement in Reserves Statement	2021-22	
LGPS £000	Police £000		LGPS £000	Police £000
19,762	108,740	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	28,186	114,860
(7,451)	-	Amount charged against the general fund balance for pensions in the year: Employers' contributions payable to the scheme	(7,333)	-
-	(67,320)	Retirement benefits payable to pensioners	-	(67,180)

2020-21		Pensions Assets and Liabilities Recognised in the Balance Sheet	2021-22	
LGPS £000	Police £000		LGPS £000	Police £000
(487,108)	(2,725,020)	Present value of the defined obligation	(452,542)	(2,761,540)
261,688	-	Fair value of plan assets	285,768	-
(225,421)	(2,725,020)	Value of Assets / (Liabilities)	(166,774)	(2,761,540)
(225,421)	(2,725,020)	Net (liability) / assets arising from the defined benefit obligation	(166,774)	(2,761,540)

Note 19 – Defined Benefit Pension Scheme (continued)

2020-21		Pension Fund	2021-22	
LGPS £000	Police Officer Pension Scheme £000		Movement in the Value of Scheme Assets	LGPS £000
212,833	-	Opening fair value of scheme assets	261,688	-
4,350	-	Interest income	5,351	-
		Re-measurement gain / (loss):		
42,140	-	The return on plan assets, excluding the amount included in the net interest expense	20,892	-
7,451	67,320	Contributions from employer	7,333	67,180
2,569	10,920	Contributions from employees into the scheme	2,684	11,310
(7,562)	(78,240)	Benefits / transfers paid	(9,182)	(78,490)
-	-	Other actuarial gains(losses) on assets	(2,857)	-
92	-	Admin Expense	(140)	-
261,688	-	Closing value of scheme assets	285,769	-

2020-21		Pension Fund	2021-22	
LGPS £000	Police Officer Pension Scheme £000		Movements in the Fair Value of Scheme Liabilities	LGPS £000
(351,600)	(2,528,140)	Opening balance at 1 April	(487,108)	(2,725,020)
-	-	Analysis adjustment between PCC and CC	-	-
(16,102)	(52,020)	Current service cost	(21,839)	(60,430)
(7,880)	(56,720)	Interest cost	(10,120)	(54,430)
(2,569)	(10,920)	Contributions from scheme participants	(2,684)	(11,310)
		Re-measurement gains and losses:		
4,129	133,920	- Actuarial gains / (losses) - experience	15,806	(24,460)
3,762	-	- Actuarial gains / (losses) from changes in demographic assumptions	21,795	-
(124,372)	(289,380)	- Actuarial gains / (losses) from changes in financial assumptions	23,298	35,620
(38)	-	Past service cost	(872)	-
7,562	78,240	Benefits / transfers paid	9,182	78,490
(487,108)	(2,725,020)	Balance as at 31 March	(452,542)	(2,761,540)

Note 19 – Defined Benefit Pension Scheme (continued)

The liabilities show the underlying commitments that the Force will eventually have for retirement benefits. The total liability of £2,928m has a substantial impact on the net worth of the Balance Sheet. Statutory accounting arrangements to fund the deficit neutralise the effect on taxpayers. Finance is only required when the pensions are actually paid.

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

The total contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2023 are £7.7m and £26.9m 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 £26.2m (2020-21, £46.5m). 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 £10.9m and a decrease by the same amount increases the pension liability by £11.3m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £262m with a 0.5% decrease in the rate increasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2020-21	2021-22	2020-21	2021-22
Mortality assumptions				
Longevity at 65 retiring today				
Men	21.6 yrs	20.7 yrs	22.0 yrs	22.1 yrs
Women	24.3 yrs	23.5 yrs	23.7 yrs	23.8 yrs
Longevity at 65 retiring in 20 years				
Men	22.9 yrs	21.9 yrs	23.7 yrs	23.8 yrs
Women	25.7 yrs	24.9 yrs	25.3 yrs	25.4 yrs
Rate of inflation				
CPI increases	2.85%	3.20%	2.40%	3.00%
Rate of increase in salaries	3.85%	4.20%	4.15%	4.75%
Rate of increase in pensions	2.85%	3.20%	2.40%	3.00%
Rate for discounting scheme liabilities	2.05%	2.60%	2.00%	2.65%

Note 19 – Defined Benefit Pension Scheme (continued)

Value of LGPS Assets at Bid Value	31 March 2021 £000	31 March 2021 %	31 March 2022 £000	31 March 2022 %
Equity Investments	166,730	64	171,463	60
Gilts	9,261	4	5,715	2
Other Bonds	19,560	7	22,862	8
Property	27,760	11	36,007	13
Cash	13,989	5	5,715	2
Inflation-linked pooled fund	10,202	4	16,003	6
Infrastructure	14,186	5	28,005	10
Unit Trust	-	-	-	-
	261,688	100	286,252	100

Note 20 – Officers’ Remuneration

2021-22							
Officers Remuneration 2021-22	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Comp for Loss of Office £	Pension Contribution £	Total £
Chief Constable		180,215	-	10,036	-	54,593	244,844
Deputy Chief Constable		132,081	-	8,081	-	-	140,162
Assistant Chief Constable		119,220	-	6,864	-	36,958	163,042
Assistant Chief Constable	3	102,052	400	4,764	-	28,442	135,658
Temporary Assistant Chief Constable	4	47,303	1,154	2,963	-	13,036	64,456
Chief Finance Officer	5	83,333	-	402	-	13,750	97,485
TOTAL CHIEF CONSTABLE		664,204	1,554	33,110	-	146,780	845,648

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 and medical expenses.

Note 3: Temp ACC wef 27/07/21

Note 4: Temp ACC left 15/09/21

Note 5: The CC CFO acted as joint CFO for the PCC and CC wef 21/12/21, total costs are shown here.

Note 20 – Officers’ Remuneration (continued)

2020-21							
Officers Remuneration 2020-21	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable		178,425	-	9,639	-	54,038	242,102
Deputy Chief Constable		135,792	-	7,513	-	-	143,304
Assistant Chief Constable		118,009	-	6,725	-	36,583	161,316
Assistant Chief Constable	3	93,133	-	5,032	-	28,015	126,180
Temporary Assistant Chief Constable	4	94,316	300	1,851	-	29,111	125,578
Chief Finance Officer		65,772	-	386	-	10,852	77,011
TOTAL CHIEF CONSTABLE		685,446	300	31,145	-	158,600	875,491

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: ACC left 10/01/21.

Note 4: Temp ACC wef 11/01/21.

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

Employees Remuneration over £50,000		
	2020-21	2021-22
£50,001 to £55,000	11	18
£55,001 to £60,000	4	4
£60,001 to £65,000	3	3
£65,001 to £70,000	-	1
£70,001 to £75,000	1	-
£75,001 to £80,000	2	4
£80,001 to £85,000	-	1
£85,001 to £90,000	1	-
£90,001 to £95,000	1	1
£95,001 to £100,000	-	-
£100,001 to £105,000	-	-
£105,001 to £110,000	-	0
£110,001 to £150,000	-	-
£150,001 to £200,000	-	-
Total	23	32

Benefits Payable during Employment

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

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

The accrual is made at the payment rates applicable in the following accounting year, being the period in which the employee takes the benefit. The amount included on the balance sheet is £4.4m (£4.3m 2020-21).

Termination Benefits

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

2 contracts were terminated during the year (7 in 2020-21), incurring costs of £12.3k (£85k in 2020-21).

Other departures agreed cover voluntary redundancies and compromise agreements. There were no material payments in relation to injury awards during the year ended 31 March 2022.

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)	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
£0 - £20,000	-	-	6	2	6	2	55	12
£20,001 - £40,000	-	-	1	-	1	-	30	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	-	-	-	-	-	-
Total cost included in bandings all included within the CIES	-	-	7	2	7	2	85	12

Note 21 – Related Parties

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

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

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

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

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

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

Note 22 – Contingent Liabilities

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

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

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

Note 23 – Reserves

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

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

Note 24 – Accounting Standards Issued, Not Adopted

For 2021/22 new standards that have been issued but not adopted relate to;

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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

Note 25 – Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date on which the Statement of Accounts are authorised for issue. Two types of events can be identified:

Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

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

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

GLOSSARY



GLOSSARY

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

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

EXPECTED RETURN ON PENSION ASSETS	GOING CONCERN	GOVERNMENT GRANTS
<p>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.</p>	<p>The concept that the statement of Accounts is prepared on the assumption that the Force will continue in operational existence for the foreseeable future.</p>	<p>Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Force. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.</p>
GROUP	IFRS	INTEREST COSTS (PENSION)
<p>Nottinghamshire Office of the Police and Crime Commissioner and its Group.</p>	<p>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.</p>	<p>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.</p>
MATERIALITY	MINIMUM REVENUE PROVISION (MRP)	PAST COSTS (PENSIONS)
<p>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.</p>	<p>The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Force.</p>	<p>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.</p>

PRIOR YEAR ADJUSTMENT	REMUNERATION	REVENUE EXPENDITURE
<p>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.</p>	<p>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.</p>	<p>The day-to-day expenses of providing services.</p>