



JOINT AUDIT AND SCRUTINY PANEL

FRIDAY 27 NOVEMBER 2020 at 2.00 PM
Virtual Meeting by Microsoft Teams

(separate virtual pre-meeting for Panel Members at 1:30 pm)

Membership

Stephen Charnock (Chair)
Leslie Ayoola
Peter McKay
Philip Hodgson
Alan Franks

A G E N D A

1. Apologies for absence
2. Declarations of interest by Panel Members and Officers (see notes below)
3. To agree the minutes of the meeting held on 30 September 2020
4. To agree the minute of the meeting held on 27 October 2020
5. Progress against Action Tracker
6. External Audit of the Accounts 2018-2019 (ISA 260)
7. Final Statement of Accounts and Annual Governance Statements 2018-2019
8. Internal Audit Progress Report
9. Strategic Risk Management Report for Force and Nottinghamshire Police and Crime Commissioner Quarter 3 – 2020-2021

10. Audit and Inspection Update
11. Police and Crime Commissioner's Update report to October 2020
12. Force Complaint and Misconduct Investigations
13. IOPC Investigations Recommendations and Actions
14. Professional Standards Confidential Reporting Procedure (Whistle-blowing)
15. Custody Record Review Quarterly Report
16. Joint Audit and Scrutiny Work Plan 2020-2021 (verbal update)
17. Summary of Actions (verbal update)

MINUTES OF THE MEETING OF THE NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER JOINT AUDIT AND SCRUTINY PANEL HELD ON WEDNESDAY 30th SEPTEMBER 2020 COMMENCING AT 10.00AM VIA MICROSOFT TEAMS

MEMBERSHIP

(A – denotes absent)

Mr Stephen Charnock (Chair)

Mr Leslie Ayoola

Dr Phil Hodgson

Mr Peter McKay

Alan Franks **A**

ALSO PRESENT

Rachel Barber	Deputy Chief Constable, Nottinghamshire Police
Steve Cooper	Nottinghamshire Police
Helen Henshaw	EY
Mark Lunn	Mazars
Mark Kimberley	Head of Finance, Nottinghamshire Police
Noel McMenamin	Democratic Services, Nottinghamshire County Council
Garry Morris	EY
Charlie Radford	Chief Finance Officer, NOPCC
Paddy Tipping	Nottinghamshire Police and Crime Commissioner

Note: The minutes reflect the order in which the agenda items were considered at the meeting

1) APOLOGIES FOR ABSENCE

Alan Franks (Panel), Kevin Dennis (OPCC), Craig Guildford (Nottinghamshire Police), Neil Harris (EY).

2) DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Dr Phil Hodgson declared an interest in item 9 'Audit and Inspection Update' as he was the Head of Law and Social Services, University of Derby who had the contract for apprenticeship training.

3) MINUTES OF THE PREVIOUS MEETING

The minutes of the last meeting held on 23 June 2020, having been circulated to all members, were taken as read and were confirmed and signed by the Chair.

4) **PROGRESS AGAINST ACTION TRACKER**

Action 024: Use of Force Graphs and Raw data to be brought to meeting – being considered at this meeting, then marked as completed.

Action 25: Update on New Force Model Deferred from February 2020 – briefing at Force HQ not taken place because of Covid 19 pandemic. Being considered at this meeting, then marked as completed.

Action 031: GDPR Audit report – to be considered at additional Audit and Scrutiny Panel Meeting at end October 2020.

Action 034: It was confirmed that the delegation to the Chair and Chief Finance Officer for approval of 2018-2019 Final Statement/ISA260 still stood.

Action 035: Update on how transfer of MFSS back in-house had gone was rescheduled for November 2020.

5) **PRESENTATION – NOTTINGHAMSHIRE POLICE FORCE RE-STRUCTURE**

The Panel received a presentation by Assistant Chief Constable Steve Cooper on the Force Restructure, which had commenced in 2017. The presentation, which was published with the agenda, explained the principles behind the restructure, the anticipated benefits arising, the impact on local policing, contact management, support services and crime and intelligence, the outcomes of the Post Implementation Review and next steps.

The following points were made during discussion:

- The Panel welcomed the positive outcomes arising from the restructure as, and expressed the view that this 'good news story' should be advertised more widely;
- The Panel requested an update, quantifying the outcomes highlighted in the presentation, specifically on:
 - Improved burglary investigations and reduced crime;
 - Increase in MS&HT referrals;
 - Reduction in knife crime and increase in seizures;
 - Increase in Protect and prepare for vulnerable fraud and cyber victims;
 - Improved crime recording;
 - Reduction in victim-based and all crime;
 - Increase in satisfaction;
 - Increase in Confidence;
- It was confirmed that was good buy-in with early intervention, and that schools intervention worked particularly well;

- While larger metropolitan forces tended to opt for a more centralised structure, the restructure had struck the right balance in terms of flexibility to address both City and county issues, and relations with the City Council in particular were much improved ;
- In response to a Panel member's question, it was confirmed that all officers received trained in identifying honour-related crime.

RESOLVED 2020/029

To note the presentation, and to receive the data requested in due course.

6) NOTTINGHAMSHIRE POLICE USE OF FORCE 2019-2020

The Panel considered a report of the Deputy Chief Constable, providing an update on Nottinghamshire Police's Use of Force The report focussed on performance, proportionality and outcome rates. In her introduction, DCC Barber highlighted the change in issue of irritant spray from CS to PAVA, which could be used safely in conjunction with tazers. She also acknowledged that ensuring proportionality in the use of force remained a significant challenge.

The following issues were raised and points made during discussion:

- The Panel echoed concerns over proportionality and ethnicity. The Panel also acknowledged that reliable use of force data was not previously available, and so the current data provided the evidence base upon which to gauge future progress. Proportionality was national issue and steps were in hand to address the issue;
- it was confirmed that many more officers had been trained in the use of tazers, and their prevalence among officers 'on the ground' had given rise to increased incidence of use of force. However, drawing a tazer and 'red dotting' a subject, which was counted as a use of force incident, had proved a major deterrent;
- in view of recent tragic events, it was likely that a review of custody procedures, including use of force, would be actioned;
- the use of batons was becoming far less frequent, and numbers of injuries to officers and to the public had declined sharply;
- the use of bodyworn cameras had made an impact on how force was used, and provided useful evidence in assessing complaints;
- it was acknowledged that individual officer perception on what constituted use of force could potentially have the capacity to skew the data, but as the data set matured and officers gained a better understanding, a truer reflection of the issue would emerge.

RESOLVED 2020/030

To note the report.

7) EXTERNAL AUDIT PLAN

The Panel considered a report of the Chief Finance Officer, which provided the proposed External Audit Plan covering the audit of the accounts for 2019-2020, as well as detailing the proposed audit fee and method statement for delivery of the audit.

Helen Henshaw of EY introduced the report, highlighting several areas:

- Of the areas of risk/focus identified, there was an elevated risk in respect of the Valuation of Property, Plant and Equipment, while the risk in respect of the PCC's 2 PFI Schemes had been downgraded. While there was no change in respect of the risk on valuation of pensions liabilities, the implications of the MacLeod Judgement brought an additional level of complexity to the process;
- Performance materiality had been set at 50%, and audit differences will be reported back. On timetabling, the publication date had been pushed back to end November 2020; and 2018-19 and 2019-2020 external audit work would be 'twin-tracked' to progress both as quickly as possible;
- The financial statements would need to reflect the impact of Covid-19, and the pandemic would have a practical impact on the delivery of the external audit;
- The Value for Money risks identified at page 20 of the report, including MFSS, Joint Headquarters, contract management, and financial reporting and resilience, remained significant.

Charlotte Radford, Chief Finance Officer OPCC expressed the view that the risk identified could be mitigated, and that she was happy with the Plan as it stood.

Discussion turned to the scale of fees to be set. There was consensus that the audit scale fee as set by Public Sector Audit Appointments Ltd (PSAA) had been pushed so low that auditors could not sufficiently resource a quality service within the current financial envelope. EY would undertake to track closely costs arising, and through negotiation would determine what costs reasonably fell within and outside the scale fee.

RESOLVED 2020/031

- 1) that the External Audit Plan at Appendix 1 to the report be approved;**

- 2) that the proposed audit fees for the Police and Crime Commissioner and Chief Constable be approved, it being noted that the intention was to increase those fees above that awarded in the contract by the PSAA

8) **INTERNAL AUDIT PROGRESS REPORT**

Mark Lunn of Mazars LLP introduced the internal audit progress report, providing an update on work carried out against the Annual Plan for 2020-2021.

Mr Lunn explained that, unfortunately, no draft reports had been generated for consideration at this meeting, primarily as a result of difficulties in delivering effective internal audit during the Covid-19 pandemic. The Panel and Chief Finance Officer would be kept informed of progress against the Plan, and a priority-based approach would be considered if necessary.

For 2019-2020 collaboration reports, the final report on Health and Safety had been issued, but that report on business continuity remained outstanding.

The Panel noted the update without substantive discussion.

RESOLVED 2020/032

To note the update.

9) **AUDIT AND INSPECTION UPDATE**

Dr Phil Hodgson declared an interest in this item as he was the Head of Law and Social Services, University of Derby, the organisation with the contract for apprenticeship training.

The Panel considered a report of the Deputy Chief Constable, providing an update on progress against recommendations arising from audits and inspections which had taken place in the first quarter of 2020-2021. DCC Barber advised that an HMICFRS inspection on the Force's response to the Covid-19 pandemic was taking place shortly.

RESOLVED 2020/033

To note the report.

10) **POLICE AND CRIME COMMISSIONER'S UPDATE REPORT TO JUNE 2020 – FOR INFORMATION**

The Panel considered a report of the Police and Crime Commissioner, providing the update given to the Police and Crime Panel earlier in September 2020 on progress against the delivery of the Police and Crime Plan 2018-2021, along with a summary of performance headlines for Quarter 1 of 2020-2021.

The following points were made during discussion:

- The Covid-19 pandemic, while extremely challenging, had led to greater agile working in the Force, and there had been higher Police visibility in neighbourhoods, helping drive down general crime;
- Police Forces had not yet received compensation from central government for Covid-related expenditure, but Home Office and Treasury ministers were meeting shortly to resolve this issue;
- Paragraphs 4.3 and 4.4 of the report referred to recruitment, retention and progression of BAME officers and staff. A Panel member requested further information in respect of Police officers and staff of Afro-Caribbean ethnicity

RESOLVED 2020/034

To note the report.

11) PUBLICATION SCHEME MONITORING, REVIEW AND ASSURANCE

The Panel noted the report on the OPCC Publication Scheme monitoring, review and assurance without substantive comment.

RESOLVED 2020/035

To note the report.

12) FORCE REPORT ON THE FORCE PUBLICATION SCHEME JANUARY TO JUNE 2020

The Panel noted the Force's update report on its Publication Scheme, noting that efforts were ongoing to publish more data in order to avoid the need to respond to Freedom of Information requests.

RESOLVED 2020/036

To note the report.

13) NOTTINGHAMSHIRE POLICE INFORMATION MANAGEMENT – FREEDOM OF INFORMATION AND DATA PROTECTION INFORMATION REQUESTS UPDATE JANUARY TO JUNE 2020

The Panel considered the report, which provided an update on legislative compliance for information requests under the Freedom of Information Act and Data Protection Act in the first half of 2020.

In the brief discussion which followed, it was confirmed that performance was improving slowly, with a balance needed between addressing new and historic requests. Vacancies were being filled however, and it was hoped that this would accelerate progress in the months to come.

RESOLVED 2020/037

To note the report.

14) JOINT AUDIT AND SCRUTINY WORK PLAN 2020-2021

RESOLVED 2020/038

To note the report, noting further that an additional meeting had been scheduled the 27 October 2020 to consider outstanding presentations.

15) SUMMARY OF ACTIONS

Item5 – Force Restructure – To provide quantitative data on the benefits the Force restructure had helped deliver.

Item 10 – Police and Crime Commissioner’s Report – To provide further statistical information in respect of Police officers and staff of Afro-Caribbean ethnicity.

The meeting concluded at 12.20pm

**MINUTES OF THE MEETING OF THE NOTTINGHAMSHIRE POLICE AND CRIME
COMMISSIONER JOINT AUDIT AND SCRUTINY PANEL HELD ON TUESDAY
27th OCTOBER 2020 COMMENCING AT 11.00AM VIA MICROSOFT TEAMS**

MEMBERSHIP

(A – denotes absent)

Mr Stephen Charnock (Chair)

Mr Leslie Ayoola **A**

Dr Phil Hodgson **A**

Mr Peter McKay

Alan Franks

ALSO PRESENT

Michael Allen	Nottinghamshire Police
Rachel Barber	Deputy Chief Constable, Nottinghamshire Police
Steve Cooper	Nottinghamshire Police
Emma Foody	Deputy Police and Crime Commissioner
Rob Griffin	Nottinghamshire Police
Noel McMenamin	Democratic Services, Nottinghamshire County Council
Gerard Milano	Nottinghamshire Police
Charlie Radford	Chief Finance Officer, NOPCC
Pat Stocker	Nottinghamshire Police

1) APOLOGIES FOR ABSENCE

Leslie Ayoola (Panel), Phil Hodgson (Panel), Kevin Dennis (OPCC), Mark Kimberley (Nottinghamshire Police), Paddy Tipping (OPCC).

2) DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

3) PRESENTATION – GDPR AUDIT UPDATE

Pat Stocker, Information Management Lead, Nottinghamshire Police, gave a presentation updating the Panel on the steps being taken to deliver on compliance with the requirements of General Data Protection legislation.

The presentation, published with the agenda, highlighted a number of risks identified by the internal auditors as requiring improvement in order to move from the 'Limited Assurance' level. Steps taken to mitigate those risks included

increasing the Information Management staffing complement, the updating of Information Asset Registers and linking them with the retention schedule, provision of appropriate training and re-engaging with regional data protection meetings.

During discussion, the following issues were raised and points made:

- It was confirmed that Court-related material had taken priority during the period when mitigating action was being taken, and the view was expressed that good retention practice was embedded within the organisation;
- A further internal audit was scheduled for December 2020, where further training was expected to be identified as an ongoing issue. The biggest risks remained data breaches resulting from human error;
- The Information Management function had come through a difficult period and overall direction of travel was positive – the Team and wider organisation was committed to building on the significant progress made in 2020.

RESOLVED 2020/039

To note the presentation

4) PRESENTATION – IT AND STRATEGY: UNDERSTANDING DEMAND

The Panel received a presentation from Detective Chief Superintendent Gerard Milano, providing an update on the steps taken by Nottinghamshire Police to improve its future demand analysis capacity, in the wake of an HMICFRS Inspection recommendation from 2018-19.

The detailed presentation, published with the agenda, highlighted the development of the Crest Demand/Workload Modelling tool, the enhanced capabilities this has provided, and the opportunities and challenges in becoming self-sufficient in the use and continued development of the tool.

The Panel raised several points during discussion:

- It was confirmed that the Crest Modelling Tool was used by several forces but that there was no single market leader in the field;
- It was acknowledged that there would always be challenges in redeploying staff to address identified future need, but the Tool gave the Force the means to anticipate future demand and act accordingly;
- The view was expressed that the Crest Modelling Tool had informed rather than replaced experienced professional judgement, and had not produced outcomes that had run counter to that judgement;

- Enhanced future demand modelling allied to the uplift in officers meant that the Force was in a good position to address future policing challenges.

RESOLVED 2020/040

To note the presentation

5) PRESENTATION – NEIGHBOURHOOD POLICING

The Panel received a presentation from Chief Superintendent Rob Griffin, on the work that had taken place to address areas for improvement identified in the HMICFRS Inspection in 2018-19 around understanding local people's needs and concerns, and on evaluating and sharing effective practice.

The detailed presentation, published with the agenda, set out the stages in reviewing, redesigning and implementing Neighbourhood Policing in Nottinghamshire, including the creation of the Neighbourhood Policing portal. It also detailed the evaluation measures taken in response to the 2018-19 Inspection findings, and how that evaluation was used to inform future developments.

The following points were made during discussion:

- It was acknowledged that retaining visibility in neighbourhoods was vital to provide reassurance, and that this was reflected in current priorities. The uplift in officer numbers helped deliver that reassurance;
- The point was made that some communities had considerable demographic movement, making engagement and trust-building more of a challenge. The consistency of approach and the enhanced physical and social media 'reach' into communities, helped embed the Force's presence into the communities it served;
- Engagement was channelled through stakeholders such as locally elected representatives, local area meetings and surveys. Social media engagement was now key in engaging with younger residents;
- The Panel commended the neighbourhood policing transformation that had been delivered, and suggested that the wider population, not just those currently active in local engagement, would welcome and benefit from this work being more visible.

RESOLVED 2020/041

To note the presentation.

6) **PRESENTATION – CODE OF ETHICS**

The Panel received a presentation from Detective Superintendent Michael Allen, Ethics Lead in Nottinghamshire Police, on the Code of Ethics and embedding ethics within policing in Nottinghamshire.

The detailed presentation, published in the agenda, explained that embedding ethics through establishing policing principles, was leadership-driven and went beyond established policing Standards of Professional Behaviour. An internal campaign - 'Let's Talk Ethics' - was to be launched with a view to educate and empower the workforce to identify and address ethical dilemmas in an open and safe environment. Central to this was the establishment of an Ethics Forum.

The Panel welcomed the opportunity to become better informed about the topic, and commended the work undertaken to date. Several points were made during discussion:

- There was consensus that the workforce needed to feel confidence in the steps being taken to ensure a full, fair and – where appropriate – confidential consideration of ethical issues and dilemmas;
- It was not the intention to circumvent or undermine established line management lines of communication;
- The importance of the measures being adopted lay in helping ensure consistency of approach across the Force, reducing the impact of personal subjectivity in dealing with ethical dilemmas and in building a knowledge and precedent base upon which to consider future ethical issues.

RESOLVED 2020/042

To note the presentation.

7) **SUMMARY OF ACTIONS**

No direct actions arose from the presentations.

8) **DATE OF NEXT MEETING**

At the OPCC's request, it was agreed to next meet on Friday 27 November 2020 at 2pm, and not at 10am as originally scheduled.

AUDIT & SCRUTINY PANEL MEETING

Actions arising from previous meetings and progress against action tracker

	ACTION	ALLOCATED TO	TIMESCALES FOR UPDATES	UPDATE
032	Assurance mapping to include multi-year information on areas with limited assurance	Force		Information circulated to Panel members with November 2020 agenda – Confirm and close
034	External Audit – Delegation of approval of 2018-2019 final statement/ISA260 to Chair and CFO, with update to next meeting	Chair/CFO	November 2020	Delegation still ongoing
035	Update on how transfer of MFSS back in-house has gone	Force	February 2021	Deferred from November 2020 at Force's request
036	Force Restructure Presentation September 2020 – Quantify the Findings information provided and circulate to panel members.	Force	November 2020	Feedback at November 2020 meeting
037	PCC Updates - PCC to share BAME refined statistical analysis	OPCC	November 2020	Information circulated to Panel members with November 2020 agenda – Confirm and close.

For Decision	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	November 2020
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Helen Henshaw
Agenda Item:	6

External Audit of the Accounts 2018-19 (ISA260)

1. Purpose of the Report

- 1.1 To provide members with the results of the review of the Statement of Accounts and supporting documentation for the Financial Year 2018-19.

2. Recommendations

- 2.1 Members are requested to:
- Consider the report of the External Auditor and recommend its findings to the Police & Crime Commissioner and Chief Constable

3. Reasons for Recommendations

- 3.1 This complies with good governance arrangements and relevant statutory and regulatory requirements.

4. Summary of Key Points

- 4.1 The attached report details the findings of the external auditors during the audit of the accounts for 2018-19.
- 4.2 The Auditor highlights in his report that he intends to issue an unqualified opinion in relation to the accounts.
- 4.3 The Auditor does make a modified opinion in relation to MFSS within the value for money conclusion of the report.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

7.1 None as a direct result of this report.

8. Risk Management

8.1 Risks identified are being managed.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 None as a direct result of this report.

10. Changes in Legislation or other Legal Considerations

10.1 The report explains the requirements with legislation.

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

Appendix A – Report to those charges with governance (ISA 260)

**Police and Crime Commissioner
and Chief Constable of
Nottinghamshire Police**

Audit results Report

Year ended 31 March 2019
November 2020

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

Building a better
working world



Private and Confidential

November 2020

Dear Paddy and Craig

We are pleased to attach our audit results report for the forthcoming meeting of the Joint Audit and Scrutiny Panel. This report summarises our audit conclusion in relation to the audit of the Police and Crime Commissioner and Chief Constable for Nottinghamshire for 2018/19.

We have completed our audit of the Police and Crime Commissioner and Chief Constable for Nottinghamshire (the PCC and CC) for the year ended 31 March 2019.

Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at section 3. We anticipate issuing a modified opinion on your arrangements to secure economy, efficiency and effectiveness in your use of resources, specifically in respect of the significant overspend on Project Fusion in 2018/19 of £2 million against a £2.2 million budget.

This report is intended solely for the use of the Joint Audit and Scrutiny Panel, members of the PCC and CC, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

We welcome the opportunity to discuss the contents of this report with you at the meeting of the Joint Audit and Scrutiny Panel on 27 November 2020.

Yours faithfully

Neil Harris

Associate Partner

For and on behalf of Ernst & Young LLP

Encl

Contents



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Result Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary

Executive Summary

Scope update

In our updated audit planning report tabled at the 29 May 2019 Joint Audit and Scrutiny Panel meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- ▶ Prior period adjustments has been posted in the PCC and CC financial statements to correct various issues in the accounting for:
 - ▶ Property, plant and equipment valuation and classification errors
 - ▶ Recognition of assets held under PFI contracts
 - ▶ Misclassification of various expenditure items and debtor/creditor balances in the prior year.

- ▶ Identification of 2 additional risks to our value for money conclusion, being:
 - ▶ Taking informed decisions and working with partners and third parties: the PCC's and CC's arrangements for the governance and decision making processes concerning Joint Police and Fire Headquarters with the Nottinghamshire Fire and Rescue Authority; and
 - ▶ Sustainable resource deployment: the PCC's and CC's budgeting arrangements for achieving a sustainable financial position given an overall net overspend of £0.854 million and the use of £1.4m use of reserves to support the overrun on the MFSS budget in 2018/19 and anticipated use of earmarked reserves of £7.257 million by 31 March 2022.

- ▶ Additional consideration and procedures required in respect of the impact of the Global Covid-19 pandemic in the post balance sheet period.

Timing of the audit

In the spring of 2019 it became clear that EY, as a firm, were experiencing severe resource constraints which meant we felt unable to commit to delivering the high quality audits which we and all stakeholders expect, by the 31 July 2019. We had an open discussion with management at that time and an agreement was reached to reschedule the audit until later in the year. Subsequent to that decision being taken, the resourcing and related issues only increased. The volume of new audits to be undertaken, the variety and extent of issues to be dealt with, and pressure on staff recruitment and retention all playing a part in the audit becoming significantly more delayed than was the original intention.

We acknowledge our inability to provide a continuous audit team through the planning, interim and execution phases of the audit, together with a level of project management and communication which did not best support your team and the transition to EY as auditor and only exacerbated the length of the delay in concluding the audit.

In our view there were significant quality issues in the production of the draft financial statements and supporting workpapers presented to EY for audit. This has resulted in difficulties in obtaining sufficient appropriate audit evidence to form our audit conclusions in respect of various areas of the accounts, and has led to the many adjustments made to the accounts between the draft and final versions.

It is important that management and EY work together through the 19-20 audit cycle to address these issues, and communicate with the Panel in an open and timely manner should similar issues arise in 19-20.

Executive Summary

Update to materiality levels

We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. We have updated our overall materiality assessment as follows:

	PCC Group	PCC single entity	CC single entity	Police pension fund
Materiality basis	2% of gross expenditure	2% of assets	2% of gross expenditure	2% of benefits payable
Planning materiality	£6.3 million	£1.8 million	£6.1 million	£1.4 million
Performance materiality	£3.2 million	£0.9 million	£3.1 million	£0.7 million
Audit differences	£315k	£88k	£306kk	£71k

Impact of Covid-19

The financial statements are prepared under the going concern basis of accounting. This presumes that the organisation will continue to operate for a period of at least 12 months from the date on which the financial statements are authorised for issue. The Covid-19 global pandemic occurred within this period.

We considered that the unpredictability of the current environment caused by Covid-19 gave rise to a risk that the PCC/CC would not appropriately disclose the key factors relating to going concern, underpinned by management's assessment with particular reference to Covid-19 and the impact that was expected to have on liquidity, and use of reserves, and relating to the impact of C-19 as a post balance sheet event.

We have reviewed management's updated going concern analysis. We have reviewed the costs incurred to date resulting from C-19 and management's estimations of the costs to come. We have performed scenario planning to assess 'worst case impact' on both cash and reserves of the Group.

We have undertaken the required internal consultations in respect of the sufficiency and appropriateness of the disclosures made in the financial statements, and the resultant impact on our audit opinion. As a result, we were able to conclude that no emphasis of matter in relation to Covid-19 as a post balance sheet event is required in our audit opinion.

This increase in the scope of our work is reflected in our estimation of the final fee on page 49.

Executive Summary

Status of the audit

We have substantially completed our audit of the PCC and CC's financial statements for the year ended 31 March 2019 and have performed the procedures outlined in our Audit planning report.

Subject to satisfactory completion of the outstanding matters set out in appendix C we expect to issue an unqualified opinion on the Group financial statements in the form which appears at Section 3. However until work is complete, further amendments may arise.

We expect to issue the audit certificate at the same time as the audit opinion.

Audit differences

Management identified a number of errors in the 31 May 2019 draft accounts which were amended prior to commencement of the audit.

In addition, we have identified a large number of audit errors and disclosure issues in the draft financial statements of the PCC, CC and Group which management has chosen to adjust. These are detailed in section 4 of this report. We ask that they be corrected or a rationale as to why they are not corrected be approved by the PCC and CC and included in the Letters of Representation.

The volume of adjustments made between the initial draft financial statements and the final financial statements approved for issue is substantial and has led to significant additional audit effort being required in the delivery of the audit, and will also impact our risk assessment for the 2019/20 external audit and the lowering the level at which our performance materiality for that audit will need to be set.

Objections

We have received no objections to the 2018/19 accounts from members of the public.

Executive Summary

Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of the Police and Crime Commissioner and Chief Constable for Nottinghamshire's financial statements. This report sets out our observations to date. We summarise our consideration of these matters, and any others identified, in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- ▶ There are no other considerations or matters that could have an impact on these issues
- ▶ You agree with the resolution of the issue
- ▶ There are no other significant issues to be considered.

At the time of writing, there are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Police and Crime Commissioner (PCC) and Chief Constable (CC).

Control observations

We have adopted a fully substantive approach, so have not tested the operation of controls.

During the audit we identified a number of observations and improvement recommendations in relation to management's financial processes and controls:

- ▶ Working papers to support the financial statements (particularly in respect debtors/creditors, income and expenditure) were not readily available to show a breakdown of the items included in the year end reported positions. The valuation report used to inform the 31 March 2019 balances was dated 4 months prior to year-end and management performs no assessment to ensure no material movements in that period of time.
- ▶ Multiple versions of accounts and confused version control. This has meant that working papers provided for audit do not always agree to the final version of accounts, and there is a lack of clarity over who is responsible for certain disclosure notes,
- ▶ There is a lack of segregation of duties in respect of the creation of invoices/credit notes. The same individual at MFSS raises and approves.
- ▶ There is a lack of evidence of review of work performed by MFSS by Nottinghamshire police. MFSS performs reconciliations and there is no evidence that NPCC checks the reconciliations.
- ▶ Manual journals are not subject to review and do not require authorization before being posted.
- ▶ We noted that the valuation report used to inform the 31 March 2019 balances was dated 4 months prior to year-end and management performs no assessment to ensure no material movements in that period of time. It is management's responsibility to perform this assessment in drawing up the financial statements.

Executive Summary

Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. In our Audit Planning Report we identified the following significant risk:

- ▶ Take informed decisions and sustainable resource deployment in respect of Multi-Force Shared Services (MFSS): the adequacy of arrangements for governance and risk management for the implementation of new financial systems at the CC (Project Fusion).

In addition, after we had begun the audit of the financial statements, we increased the scope of our VFM Conclusion work to include a significant risk around:

- ▶ Taking informed decisions and working with partners and third parties: the PCC's and CC's arrangements for the governance and decision making processes concerning Joint Police and Fire Headquarters with the Nottinghamshire Fire and Rescue Authority.

We have also reviewed the financial standing of the PCC and CC:

- ▶ Sustainable resource deployment: the PCC's and CC's budgeting arrangements for achieving a sustainable financial position given an overall net overspend of £0.854 million and the use of £1.4m use of reserves to support the overrun on the MFSS budget in 2018/19 and anticipated and planned for use of earmarked reserves of £7.257 million by 31 March 2022.

We have undertaken appropriate procedures and anticipate we will have no matters to include in the auditor's report about your arrangements to secure economy efficiency and effectiveness in your use of resources as regards the Joint Police and Fire Headquarters with the Nottinghamshire Fire and Rescue Authority and financial resilience. We are, however, awaiting further information in respect of the joint Headquarters on the financial and legal advice received. We will update our findings within the final report.

However, we anticipate issuing a modified opinion in respect of the significant overspend on Project Fusion in 2018/19 of £2 million against a £2.2 million budget . Our key considerations are outlined in section 6.

Executive Summary

Other reporting issues

We requested several amendments to the PCC and CC Annual Governance Statement as a result of our work (See Section 6). The PCC and CC have responded to the majority of these requests, and we are satisfied that the AGS is now compliant with the regulations and representative of the governance arrangements at the PCC/CC. We have no other matters to report as a result of this work.

We have also reviewed the PCC's and CC's Narrative Report for consistency with the financial statements and our knowledge. We have made several observations for enhancing the context within the Report. The PCC and CC have responded to these suggestions and we are now satisfied that the information presented to the reader of the Narrative Statement is not inconsistent with our knowledge of the organisations. We have no other matters to report as a result of this work.

We do not anticipate reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission as the PCC group falls below the £500 million threshold for review as per the NAO's group instructions.

Independence

Please refer to Section 10 for our update on Independence.



02

Areas of Audit Focus



Areas of Audit Focus

Significant risk

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

Under ISA240 there is also a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We consider this risk is not material in relation to our audit.

What judgements are we focused on?

For the Group and PCC Single Entity, we have identified the potential for the incorrect classification of revenue spend as capital as a particular area where there is a risk of fraud or error.

What did we do?

- We identified fraud risks during the planning stages;
- We inquired of management about risks of fraud and the controls put in place to address those risks;
- We gained an understanding the oversight given by those charged with governance of management's processes over fraud;
- We considered the effectiveness of management's controls designed to address the risk of fraud;
- We determined an appropriate strategy to address those identified risks of fraud;
- We performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements;
- We are testing PPE additions to ensure that expenditure has been capitalised appropriately with a sample size reflective of the risk; and
- We are specifically considering how the PCC and CC have made judgements on whether to accrue or provide against known litigations, claims and costs. An example which we are discussing with management is the PCCs share of any costs associated with delays or changes to the MFSS project.

What are our conclusions?

In our work to date, we have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied.

Our testing of PPE additions found no instances of expenditure being inappropriately capitalised.

We have challenged management on the treatment of potential liabilities for MFSS costs arising from Avon & Somerset leaving the partnership. Currently there is no provision recognised or contingent liability disclosed in the Nottinghamshire financial statements. We are conscious of the need for consistency and are benchmarking this against the Northamptonshire police position (where a contingent liability is disclosed in relation to this matter). It was our understanding that management intended to disclose a contingent liability in the final financial statements but this has not been done. This has therefore been included on our summary of audit differences.



Areas of Audit Focus

Significant risk

Inappropriate capitalisation of revenue expenditure

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

This could materialize as a result of capitalizing expenditure on revenue items.

What judgements are we focused on?

For the Group and PCC Single Entity, we have identified the potential for the incorrect classification of revenue spend as capital as a particular area where there is a risk of fraud or error.

What did we do?

Capital expenditure is material to the financial statements in 2018/19. We have undertaken additional procedures to address the specific risk we have identified, which consisted of:

- Sample testing additions to property, plant and equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.

What are our conclusions?

Our testing of PPE additions found no instances of expenditure being inappropriately capitalised.



Areas of Audit Focus

Significant risk

Private Finance Initiatives

What is the risk?

The PCC has two PFI Schemes, being the provision and maintenance of the Riverside building and of the vehicle fleet. Correctly accounting for PFI schemes involves transactions which are derived from operating models for which assumptions and changes need to be updated accurately and reflected in the financial statements. There is a risk that disclosures in the financial statements are not consistent with the assumptions within the PFI operating model.

What did we do?

We:

- ▶ Engaged an EY Specialist to test the completeness and accuracy of the inputs to the financial model and the subsequent correct application of the outputs to the financial statements; and
- ▶ Reviewed the consistency of the accounting transactions and disclosures with the PFI model.

What are our conclusions?

Our PFI specialist has reviewed the agreements covering the Riverside building and the vehicles fleet and garage and the accounting models which underpin the financial statements.

- Riverside:
 - We are satisfied that the arrangement is accounted for in accordance with the Code and the amounts included in the financial statements are free from material misstatement.
- Vensons:
 - We disagreed with managements approach to accounting for this scheme in the draft 2018-19 financial statements and prior year accounts. In our view the garage and vehicles should be recorded on balance sheet.
 - Management has subsequently brought the garage onto the PCC balance sheet (at a value of £1.2m) as a prior period adjustment. We are satisfied that this is free from material misstatement, but note that the depreciation has been understated and an uncorrected misstatement has been recorded in section 4 of this report.
 - Management has determined that the vehicles, being used in operational policing matters, would be more appropriately considered assets of the Chief Constable and therefore should be considered as assets in the Chief Constable (and Group) accounts. This has resulted in the vehicles (individually valued at over £10k) being removed from the PCC (and Group) balance sheet as a prior period adjustment. Management has assessed the value of the vehicles as £3.6m and consider this immaterial to the Chief Constable and to the Group and therefore have not recorded this asset/liability in the financial statements. An uncorrected misstatement has been recorded in section 4 of this report to reflect this.

Overall we noted a lack of ownership and **familiarity with the complex accounting technical requirements and judgements associated with these schemes.**



Areas of Audit Focus

Significant risk

Private Finance Initiatives - Riverside

What judgements have we considered?

The 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.

We sought the assistance of our PFI specialist to audit the scheme however the operator model was unavailable. The audit team and the PFI specialist discussed this with management on several occasions. Absent the operator model, management was able to provide an extract from the project's financial model showing how that project's operator would pay down its senior debt. From this we are able to form an assessment of whether the accounting model's opening liability is free from material misstatement, and compare the accounting model's lease interest rate (including inflation) with the senior debt interest rate. Management were able to explain to us the history of the Riverside accounting model (and the various now obsolete tabs within it) and we are comfortable now that this follows a methodology in alignment with the CIPFA Code.

There were various amendments that we believe needed to be made to the accounts in order that the code is complied with, and the accounts reflect the accounting model. These are listed below together with a note as to whether addressed in the final draft accounts:

- The value supported by the PFI schedule is £1.943m. The PFI liability included in the accounts was based on the ledger value of £1.891m (note 7.3) and the difference, £51,922, was due to the ledger not being updated to reflect the changes in year and to balance back to the schedule. Since the difference is modest no amendment is to be made for 2018-19. The ledger and accounts will be aligned to the supporting schedule in 2019-20. As the difference is clearly trivial, no further action taken.
- Note 7.3 shows £2,415k other long term liabilities. This comprises the PFI (Riverside site) and lease liabilities (Chilwell building now treated as a finance lease). In error it omits the current value of PFI and lease liabilities of £297k. These values are shown correctly on the PCC balance sheet. The £297k error in the Group is less than Group triviality level and therefore no further action has been taken. This should be corrected in the coming year.



Areas of Audit Focus

Significant risk

Private Finance Initiatives - Vensons

What judgements have we considered?

Vensons, is responsible for the provision and maintenance of vehicles on a 25 year contract until 2026-27, from a building at Chilwell. In the draft accounts (and PY financial statements) the contract was held 'off balance sheet' for the most part, with certain vehicles (valued at over £10k) carried on the PCC balance sheet.

The EY PFI specialist reviewed the details of the contact and concluded that the control tests were passed and therefore the contract should be brought on balance sheet. A summary of this consideration is as follows:

Our starting point is to consider whether Nottinghamshire Police should account for the Project as a service concession under Code Section 4.3. This section requires authorities to determine whether the control tests in Code Paragraph 4.3.2.5 ('Control Tests') apply to an arrangement.

In our view, Control Test 1 applies when an authority or other public body determines a service concession's underlying asset's purpose, who receives the services arising from that purpose, and the price for those services. In the Project, the requirements for the Operator to make vehicles available for police use and only to Nottinghamshire Police, and for Nottinghamshire Police to approve any non-availability due to repairs and maintenance scheduling, suggests that Nottinghamshire Police through the contract controls the underlying assets' purpose and the recipients of the services arising from that purpose. The requirement to pay the Operator determinable amounts depending on the extent to which the Operator makes suitable vehicles available also suggests that Nottinghamshire Police also controls the price for those services.

Control Test 2 applies when an authority has a right to take ownership of the underlying assets for either a fixed or variable amount. This control of the residual interest applies unless and until the authority decides to relinquish that control either by reassigning its right to the underlying asset on expiry or by not exercising an option to purchase these assets. Hence, the provision allowing Nottinghamshire Police an option to purchase the vehicles suggests that Control Test 2 applies to the Project. This is because Nottinghamshire Police determines who holds the assets' residual interest on expiry, and only ceases to control that residual interest when it determined not to exercise its option to purchase. The same analysis applies to the option to purchase the premises, suggesting in turn that Control Test 2 applies to the premises.

Our analysis therefore suggests that Nottinghamshire Police should account for the Project as an on-balance sheet service concession, which would require it to restate its accounts to hold a liability and asset value reflecting the current fleet fair value less any residual interest that it currently does not expect to obtain.

Management decided to bring the Garage onto the PCC balance sheet (at a value of £1.2m), but consider the Vehicles as 'novated' to the Chief Constable since they are used in operational policing activities. We have seen precedent for this approach in other forces. Management then valued the outstanding vehicle lease liability and considered it to be immaterial to the Chief Constable and to the Group at £3.6m. We have included this on our summary of uncorrected misstatements.

In bringing the Garage on balance sheet, the depreciation was calculated, in our view, over an inappropriately long useful economic life which has resulted in depreciation being understated in 2018/19 by £126k in the PCC and Group accounts. This has been taken to our summary of uncorrected misstatements and is considered immaterial.



Areas of Audit Focus

Inherent risk

Valuation of Land and Buildings

What is the risk?

The fair value of property, plant and equipment (PPE) and investment properties (IP) represent significant balances in the Group's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

What did we do?

We:

- ▶ Considered the work performed by the Group and PCC valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code of Practice. We will also consider if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ Reviewed assets not subject to valuation in 2018/19 to confirm that the remaining asset base is not materially misstated;
- ▶ Considered changes to useful economic lives as a result of the most recent valuation; and
- ▶ Tested accounting entries have been correctly processed in the financial statements.

What are our conclusions?

The quality of management's maintenance of the fixed asset register, including the posting of revaluation adjustments has been poor.

This has resulted in a number of adjustments being required to the current year and prior year balances as follows:

- Incorrect valuation figures used
- Incorrect figures used when categorising assets as 'assets held for sale'
- Assets being incorrectly classified between tangible and intangible
- Revisions to accounting for assets held under lease arrangements and PFI schemes (refer page 12).

Several of these differences were noted by management themselves subsequent to the publication of the draft accounts.

The financial impact of these adjustments on the CIES is a reduction of £747k in the prior year. See further details in section 4.

We also noted that the valuation report used to inform the 31 March 2019 balances was dated 4 months prior to year-end and management performs no assessment to ensure no material movements in that period of time. We performed our own audit procedures to review likely movements over this period and concluded that there was no material misstatement, but it is management's responsibility to also perform this assessment in drawing up the financial statements. We note that for the 2019/20 year end, such a review has been performed in response to our observations.

Other issues noted with accounting for long term assets



Depreciation of property, plant and equipment, valuation of Assets held for sale, intangible assets

Depreciation of property, plant and equipment

When testing depreciation charged on property, plant and equipment, we noted that depreciation was not being charged on a small number of assets. This led to an understatement of depreciation. The adjustment of £820k for the 18-19 financial year has been corrected as a prior period adjustment.

Assets held for sale

We identified an issue where the entity had not correctly valued their assets held for sale. The total net book value that was in the draft financial statements was £2,202k however having assessed each individual asset held for sale as the lower of fair value less costs to sell and the carrying amount at the time it was classified as held for sale (as is the requirement of the Code), the total value of Assets Held For Sale should be £2,586k. This error has been corrected by management.

Intangible assets

In our testing of the existence of property, plant and equipment (PPE) we identified a large number of assets which had been inappropriately classified as PPE which were in actual fact intangible assets (software licences primarily). Management has corrected this £2m net book value error as a prior period adjustment



Areas of Audit Focus

Inherent risk

Pension Liability Valuation

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the PCC and CC to make extensive disclosures within their financial statements regarding its membership of the Local Government Pension Scheme and the Police Pension Fund. The PCC and CC's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the respective balance sheets of the PCC and CC.

The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuary to the administering body and also the Police Pension Fund. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

We:

- ▶ Liaised with the auditors of Nottinghamshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Nottinghamshire Police Force;
- ▶ Assessing the work of the LGPS Pension Fund and the Police Pension actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by Public Sector Auditor Appointments for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- ▶ Reviewing and testing the accounting entries and disclosures made within the PCC and CC's financial statements in relation to IAS19.

In addition, with respect to the Police Pension scheme, we have engaged the support of our EY Actuarial team to review the assumptions and calculations of the actuary with respect to the McCloud adjustment.

What are our conclusions?

We have no concerns to raise with respect to the accounting entries and disclosures made in respect of the local government pension scheme.

In respect of the Police Pension Scheme, our pension specialist has reviewed the McCloud impact and we consider that the impact lies within an acceptable range.



Areas of Audit Focus

Inherent risk

Collaboration disclosures

What is the risk?

Joint arrangements operate with partners across the East Midlands. There is a risk that the allocation of activity in the financial statements is not correctly recorded in their financial statements.

What did we do?

- We have:
- ▶ Reviewed the underlying allocation of expenditure in the Authority's own accounts against agreements in place; and
 - ▶ Sought further assurance from external auditors at the other Police Authorities over any significant stream of expenditure not controlled by Nottinghamshire.

What are our conclusions?

We have noted no issues as a result of our work.



Areas of Audit Focus

Inherent risk

Multi-Force Shared Service (MFSS)

What is the risk?

The Chief Constable of Cheshire Constabulary hosts a collaborative shared service covering Human Resources, Accounts, Purchasing and Payroll for the PCC and CC. Our interim audit work highlighted few PCC and CC controls surrounding the transactions to and from the MFSS. The PCC and CC do not commission an ISAE3402 assurance report covering controls and risk management from the CC of Cheshire Constabulary. Without an ISAE3402 report basis, there is a risk that we do not have a basis for identifying and assessing the risks of material misstatement

What did we do?

- We have carried out a range of procedures to update our knowledge of the MFSS, including:
- ▶ Discussing with PCC and CC finance staff to understand the oversight by the participating bodies of the MFSS (governance and controls);
 - ▶ Reviewing reports by the PCC's and CC's Internal Auditors to review references to procedures at the MFSS; and
 - ▶ Visit the MFSS to view specific records or carry out testing such as reconciliations of GL data to system data.

We adopt a substantive approach to our audit of the PCC and CC. This involves the direct testing of income, expenditure and balance sheet transactions within the financial statements.

In assessing the control environment at the PCC and CC and MFSS, we assessed the initiation, recording, processing and reporting of a single transaction within each significant financial system, identifying the controls that exist and testing relevant controls.

Having tested transactions at the PCC and CC, a clear boundary existed where we were unable to test processing and recording. Without an independent ISAE3402 assurance report to assess controls at MFSS, we therefore visited MFSS to complete our work.

What are our conclusions?

From the work that we undertook at both the PCC, CC and MFSS, for each significant financial system we were able to:

- Identify the initiation of a transaction,
- Determine how the transaction had been recorded in the relevant account;
- Follow how transaction had been processed; and
- Check MFSS staff had reconciled the general ledger and subledger data.

During 2018/19, Internal Audit assessed as satisfactory the adequacy and effectiveness of internal controls for core financial systems for General Ledger, Treasury Management, Income and Debtors but assessed as limited for Payroll and Payments for Creditors with priority 2 recommendations for updating procedures, payroll processing times and payment authorisation limits.

As such we have no matters to report from our work



Other Areas of Audit Focus



IFRS 9 and IFRS 15

What is the risk/area of focus?

What did we do?

Results

IFRS 9 financial instruments

This new accounting standard is applicable for local authority and police accounts from the 2018/19 financial year and will change:

- ▶ How financial assets are classified and measured;
- ▶ How the impairment of financial assets are calculated; and
- ▶ The disclosure requirements for financial assets.

There are transitional arrangements within the standard; and the 2018/19 Cipfa Code of practice on local authority accounting provides guidance on the application of IFRS 9.

We:

- ▶ Assessed the Group and PCC's implementation arrangements that should include an impact assessment paper setting out the application of the new standard, transitional adjustments and planned accounting for 2018/19;
- ▶ Considered the classification and valuation of financial instrument assets;
- ▶ Reviewed new expected credit loss model impairment calculations for assets; and
- ▶ Checked additional disclosure requirements.

No issues were noted as a result of our work.

IFRS 15 Revenue from contracts with customers

This new accounting standard is applicable for local authority and police accounts from the 2018/19 financial year.

The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.

The 2018/19 Cipfa Code of practice on local authority accounting provides guidance on the application of IFRS 15 and includes a useful flow diagram and commentary on the main sources of LG revenue and how they should be recognised.

We:

- ▶ Assessed the Group, PCC and CC implementation arrangements that should include an impact assessment paper setting out the application of the new standard, transitional adjustments and planned accounting for 2018/19;
- ▶ Considered application to the Group, PCC and CC revenue streams, and where the standard is relevant test to ensure revenue is recognised when (or as) it satisfies a performance obligation; and
- ▶ Checked additional disclosure requirements.

No issues were noted as a result of our work.

The impact on Police accounting is likely to be limited as large revenue streams like council tax and government grants will be outside the scope of IFRS 15. However where that standard is relevant, the recognition of revenue will change and new disclosure requirements introduced.



Other Areas of Audit Focus



Inhouse preparation of accounts

What was the area of focus?

The closedown and preparation of the financial statements have been undertaken by the finance team. This brings back in-house the preparation of accounts when in the prior year the PCC and CC used the CIPFA Big Red Button and encountered difficulties. We understand that a manual process will be completed to ensure the accounts comply with the CIPFA Code of Practice. We identified risks that:

- There is not sufficient capacity and resilience to meet the closedown timetable;
- There is not adequate arrangements in place for management quality assurance and review of the financial statements and supporting working papers prior to audit; and
- There are delays or slippage in delivering data for analytics work or in providing good quality working papers and responses to our audit queries, which is exacerbated by the poor service performance being received from MFSS.

What have we done?

- ▶ Assess the robustness of the PCC and CC accounts closedown timetable. We noted that PCC and CC were operating and monitoring a timetable covering the expected areas. The Finance Team met the 31 May deadline for publication of the draft accounts.
- ▶ We have continually assessed the capacity and resilience of the PCC and CC teams to respond to our requests for data, information and address audit queries. The Finance Team responded promptly to our requests including our analytics data and supporting evidence for our income and expenditure testing for the start of our interim audit. At the end of the interim audit visit, the Finance Team were left working through a number of queries raised on income and expenditures testing for return once the final accounts have been prepared.
- ▶ Subsequent review of 31 May draft accounts by management identified various significant quality issues. Work then commenced to correct these issues, and a revised set of accounts was presented for audit.
- ▶ In total we have received 4 versions of the accounts (we understand there are 15 versions in existence). This has led to some degree of confusion as to which is the 'latest set' and has impacted the quality of supporting workpapers and information presented for audit.
- ▶ We have worked with management to progress the audit as quickly as possible against this backdrop, balancing the resourcing constraints within the PCC (and particularly CC) finance teams with our own constraints.

We acknowledge that the addition of a contractor into the Senior Accountant role is a positive step forward and has certainly helped to move forward the 2018-19. However, the absence of a permanent member of staff with responsibility and oversight for the accounts production and audit process places a continuing risk on the ability of the PCC and CC to deliver good quality financial reporting within acceptable timeframes.



03 Audit Report



Audit Report

Draft audit report (Group and PCC)

Our draft opinion on the group financial statements

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

Opinion

We have audited the financial statements of the Police and Crime Commissioner for Nottinghamshire for the year ended 31 March 2019 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Police and Crime Commissioner for Nottinghamshire and Group Movement in Reserves Statement;
- Police and Crime Commissioner for Nottinghamshire and Group Comprehensive Income and Expenditure Statement;
- Police and Crime Commissioner for Nottinghamshire and Group Balance Sheet;
- Police and Crime Commissioner for Nottinghamshire and Group Cash Flow Statement;
- related notes 1 to 8; and
- Police and Crime Commissioner for Nottinghamshire Pension Fund Account and explanatory notes; and
- Joint Operations.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Nottinghamshire and Group as at 31 March 2019 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the Commissioner's forward and the Chief Finance Officer's Narrative Report included in the Annual Accounts 2018-19 set out on pages 5 to 17 and the Annual Governance Statement on pages 20 to 27, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



Audit Report

Draft audit report (Group and PCC), continued

Our draft opinion on the group financial statements

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

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

Basis for Qualified Conclusion

Informed decision making, sustainable resource deployment and working with partners and other third parties.

On 22 March 2017, the Police and Crime Commissioner and the Chief Constable approved the Business Case for the upgrade of the Police's back office system by the Multi Force Shared Service (MFSS) to "Oracle Cloud Computing" (project Fusion). On review of the progress of the project in 2018-19, we noted that:

- The project was not delivered until 1 April 2019 a year after its expected implementation date of 1 April 2018;
- As a result of the delayed implementation and the addition of a new partner, in 2018/19 the share of Police and Crime Commissioner and Chief Constable's MFSS budget increased from £2.2 million to £4.2 million with an extra £1.9 million costs attributable to Project Fusion, funded from the Police and Crime Commissioner's earmarked reserves; and
- The expected functionality of the newly implemented system was not in line with the original scope, which has reduced the recurring revenue savings expected from implementing the project.

In investigating these issues, Police and Crime Commissioner and Chief Constable identified that MFSS did not have adequate governance and monitoring arrangements in place to enable them to exercise significant influence on the progress of the project and cost implications. As such we have concluded that these issues are evidence of weaknesses in the Police and Crime Commissioner for Nottinghamshire's arrangements for commissioning services effectively to support the delivery of strategic priorities.

Qualified conclusion

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 19, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Police and Crime Commissioner either intends to cease operations, or have no realistic alternative but to do so.

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



Audit Report

Draft audit report (Group and PCC), continued

Our draft opinion on the group financial statements

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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

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

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

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

Certificate

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

Use of our report

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

Neil Harris (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Luton
Date



04 Audit Differences





Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Adjusted audit differences

Due to the quality issues arising in the preparation of the financial statements discussed on page 6, there have been many adjustments made between the draft financial statements, the final versions, impacting the financial statements themselves as well as the disclosure notes. The most significant of these are detailed below.

- No Net Assets Statement for the Police Pension Fund had been included, which is necessary as per the CIPFA code;
- Note 3.3 Movements in Unusable Reserves did not agree to Note 3.4 Unusable Reserves due to the incorrect figures for CIES/Adjustments Line being used;
- Presentation of bad debt provision of £123k under Note 4.11 had to be moved to the Debtors Note and be presented as net of the total debtors in accordance with CIPFA Guidance in page 527;
- Adjustments were made to the insurance provision in net cost claims (should be £937K, not the £1,168k originally disclosed) and additional provision (should be £966k, not the original £1,139k disclosed). There was no impact on the beginning and ending balance of provision;
- The Debtors & Creditors figures from their relevant notes in the financial statements were input incorrectly within the Financial Instruments Outstanding table;
- £3.5m of payroll creditors had been misclassified within debtors.
- The garage at Chilwell, held under PFI contract has been brought on balance sheet at a value of £1.2m (prior period adjustment)
- Removal of leased vehicles previously held on the PCC balance sheet pertaining to the Vensons PFI contract £302k capital value (prior period adjustment)
- Correction of undercharged depreciation £820k (correction of a prior period error)
- *Misclassification of intangible assets as property, plant and equipment £2m (correction of a prior period error)
- *Correction of inappropriate valuation of assets held for sale £384k (correction of a prior period error)

*noted by management on review of financial statement subsequent to publication of draft accounts.

Uncorrected disclosure misstatements

The following items were raised with management as disclosure misstatements. Management have chosen not to correct in the final version of the financial statements. We feel that these matters are of a level of significance which require communication to the Audit Committee:

- **Contingent liabilities**

We were provided with a working paper prepared and jointly signed by the CFO of both Nottinghamshire and Northamptonshire PCCs setting out the conclusion that a contingent liability should be disclosed in respect of the Avon & Somerset MFSS position. This disclosure has not been made.

- **Police Pension Fund**

The Chief Constable financial statements should fully disclose the Police Pension Fund and related notes. This is omitted and only disclosed in the PCC/Group accounts.

Audit Differences

Summary of unadjusted differences - Chief Constable and Group

We highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We request that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the PCC and CC and provided within the Letters of Representation:

Uncorrected misstatements 31 March 2019 (£000)	Effect on the current period:	Balance Sheet (Decrease)/Increase			
		Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)
Judgemental difference					
Failure to record assets/liabilities in relation to vehicles held under the Vensons PFI scheme on balance sheet			3,600		3,600

Summary of unadjusted differences - Police and Crime Commissioner

We highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We request that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the PCC and CC and provided within the Letters of Representation:

Uncorrected misstatements 31 March 2019 (£000)	Effect on the current period:	Balance Sheet (Decrease)/Increase			
		Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)
Error					
Insufficient depreciation charged in respect of PFI Garage due to inappropriate useful economic life being assigned	126		(126)		



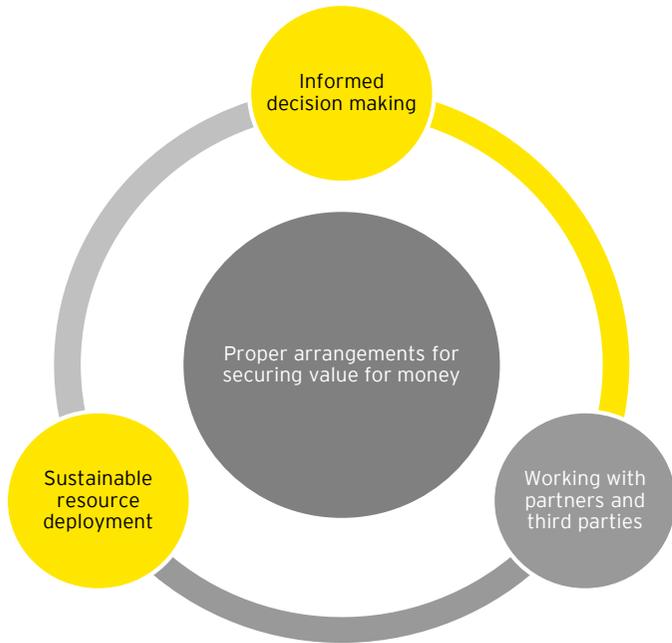
05

Value for Money Risks





Value for Money



Background

We are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources. This is known as our value for money conclusion.

For 2018/19 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

Overall conclusion

At the planning stage of the audit we identified one significant risk for taking informed decisions and sustainable resource deployment as regards the Multi-Force Shared Services (MFSS): the adequacy of arrangements for governance and risk management for the implementation of new financial systems at the CC (Project Fusion) We have noted the significant overspend on MFSS Project Fusion in 2018/19 of £2 million against a £2.2 million budget.

Since our planning procedures we increased the scope of our VFM Conclusion work to include a significant risk around the PCC's and CC's arrangements for the governance and decision making processes concerning the Joint Police and Fire Headquarters with the Nottinghamshire Fire and Rescue Authority. Pending the receipt of further information, we have no matters to include in the auditor's report to the PCC and CC.

From our work, we have determined that whilst financial resilience is not a significant risk to our VFM Conclusion, we have identified weaknesses as regards controlling expenditure and have reported our key considerations to you.

We have undertaken appropriate procedures and concluded that we expect to issue an "except for" conclusion in relation to the significant overspend on Project Fusion in 2018/19.

Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>The Multi-Force Shared Services (MFSS) provides transactional back office services to Cheshire, Nottinghamshire and Northamptonshire Police and the Civil Nuclear Authority.</p> <p>The PCC migrated to Oracle Cloud Applications (FUSION) in April 2019. is to offer expanded application functionality, real-time Business Intelligence and related modules all via Oracle Cloud Applications.</p> <p>However, the project was not implemented by the due date of April 2018 and has incurred significant budget overruns.</p>	<p>Sustainable resource deployment</p> <p>Take informed decisions</p> <p>Working with partners and other third parties</p>	<p>In respect of the governance arrangements with the MFSS, the PCC and CC are not the lead partner to the Shared Service or Project Fusion. All procurement and invoicing for services goes through Cheshire Police. This indirect method of contracting and communication reduces the control and oversight that the PCC and CC can exercise.</p> <p>In 2017/18, the former external auditors to the PCC and CC, issued an except for qualification on the PCC’s and CC’s VFM Conclusion. This was based on the lack of governance arrangements raised by Nottinghamshire Police regarding this project and the escalating costs against the diminishing return on savings in respect of the VFM criteria of working with partners and third parties, recognising that elements were somewhat out of Nottinghamshire Polices control.</p> <p>During 2018/19, the PCC and CC initiated actions to improve both the governance of the MFSS and Project Fusion. These actions aimed to ensure that the PCC’s and CC’s specific requirements were delivered as part of the overall programme. Measures included:</p> <ul style="list-style-type: none"> • The PCC for Nottinghamshire’s Chief Finance Officer appointment as the chair of the MFSS Management Board; • Establishing an internal project team in August 2018; • Contracting a project manager through TowersHolt Consultancy; • Changing the internal meeting structure to comprise weekly subject matter expert update meetings and monthly Project Boards, chaired and led by the Senior Responsible Officers and Deputy Chief Constable; and • Initiating a review jointly with the PCC and CC for Northamptonshire through TowersHolt Consultancy to review options for MFSS and Project Fusion. <p>In respect of Project Fusion, the PCC and CC initiated the separate and internal Project Quantum. This project aimed to increase the preparedness for use of the new system. This included activities such as functional testing, data migration and reconciliations, Go-Live activities and remedial work for post Go-Live support. From October 2019, the PCC and CC took over Project Quantum from the previous consultants. This has been beneficial in two ways, being that the reduced costs of external consulting fees and secondly the anticipated improvement in effectiveness by having a team on site.</p>



Value for Money Risks

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We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>The Multi-Force Shared Services (MFSS) provides transactional back office services to Cheshire, Nottinghamshire and Northamptonshire Police and the Civil Nuclear Authority.</p> <p>The PCC migrated to Oracle Cloud Applications (FUSION) in April 2019. is to offer expanded application functionality, real-time Business Intelligence and related modules all via Oracle Cloud Applications.</p> <p>However, the project was not implemented by the due date of April 2018 and has incurred significant budget overruns.</p>	<p>Sustainable resource deployment</p> <p>Take informed decisions</p> <p>Working with partners and other third parties</p>	<p>The monitoring and documenting of Board meetings is detailed and consistent, However, we have been unable to gauge the impact of the changes as minutes are insufficiently detailed. In addition, without actions clearly linked to improving the shortcomings highlighted by the meetings, this does not benefit the overall project as the lack of process limits their usefulness and ability to drive change.</p> <p>The PCC and CC have two main mechanisms in place to monitor the MFSS, being attendance at the fortnightly MFSS meetings and review of the MFSS Highlight Reports in its weekly internal meetings. However, there is no strong correlation between the MFSS Highlight Reports and subsequent Project Quantum action logs, indicating that the areas of concern for the project as a whole are not influencing the actions of Project Quantum This would provide an early warning system to Project Quantum team to have a more significant impact on progress and to have more control over the project as a whole.</p> <p>The PCC and CC maintain a risk and issues register for the MFSS. This maintenance of an ongoing risk register is important in helping the Authority to ensure it has a good overall view of the potential risks and problems that they may encounter throughout the project. However, financial overruns were not noted in this risk register which lessened their profile and ability of decision-makers to take decisive action on a timely basis.</p> <p>The PCC and CC have not set out a collaboration strategy. The PCC reported to the April 2018 Police and Crime Panel on collaboration initiatives and is included within the Financial Regulations and Governance between the PCC and CC. However, without a strategy, it is unclear the aim of the PCC and CC in joining MFSS and indeed withdrawing from regional collaboration schemes in recent years. Therefore, a strategy would provide legitimacy, clear structure, governance and a clear direction of travel to the work of both PCC, Management, Audit Committee Members, the wider public and stakeholders.</p>



Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

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Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>The Multi-Force Shared Services (MFSS) provides transactional back office services to Cheshire, Nottinghamshire and Northamptonshire Police and the Civil Nuclear Authority.</p> <p>The PCC migrated to Oracle Cloud Applications (FUSION) in April 2019. is to offer expanded application functionality, real-time Business Intelligence and related modules all via Oracle Cloud Applications.</p> <p>However, the project was not implemented by the due date of April 2018 and has incurred significant budget overruns.</p>	<p>Sustainable resource deployment</p> <p>Take informed decisions</p> <p>Working with partners and other third parties</p>	<p>Review of the Contract and of meeting minutes indicates there are no penalty clauses in place relating to cost or time overruns in delivery. This had been raised as a risk in May 2018 in the MFSS Sub-Committee meeting, but there is no evidence of further discussions around rectification. Guidelines are in place setting out the process to be followed when cost or time overruns are anticipated, although these do not include a procedure for dealing with unapproved overruns, which further reduces the contractual control that can be exercised. While overruns have always been unanimously approved, the Contract still leaves the Partners open to risk.</p> <p>The Towersholt report as well as commenting on options for the PCC’s and CC’s MFSS reported the following significant issues with Project Fusion:</p> <ul style="list-style-type: none"> • Poor foresight of future and incremental costs with no reliable forward budget or forecast of expense for each force; • Significant delays in the implementation of new technology (Oracle Cloud Applications) and poor management of the programme; • The plan to implement new partner, new technology and transfer payrolls at the same time was ill conceived and poorly governed. • Significant process and technology issues occurring resulting in the majority of the April 2019 payroll being incorrect, difficulties and delays in purchasing and an unmanageable backlog of open Service Requests. • Poor protocols of communication between MFSS and the forces; and • Limited training with retained force teams being unaware of the capabilities of Oracle Cloud Applications. <p>As a result of the delayed implementation and the addition of a new partner, in 2018/19 the share of Police and Crime Commissioner and Chief Constable’s MFSS budget increased from £2.2 million to £4.2 million with an extra £1.9 million costs attributable to Project Fusion, funded from the Police and Crime Commissioner’s earmarked reserves. This has resulted in the payback period for the MFSS project doubling to eight years, according to the TowersHolt review paper.</p>



Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>The Multi-Force Shared Services (MFSS) provides transactional back office services to Cheshire, Nottinghamshire and Northamptonshire Police and the Civil Nuclear Authority.</p> <p>The PCC migrated to Oracle Cloud Applications (FUSION) in April 2019. is to offer expanded application functionality, real-time Business Intelligence and related modules all via Oracle Cloud Applications.</p> <p>However, the project was not implemented by the due date of April 2018 and has incurred significant budget overruns.</p>	<p>Sustainable resource deployment</p> <p>Take informed decisions</p> <p>Working with partners and other third parties</p>	<p>Although concerns about cost and time overruns are raised during MFSS and Project Quantum meetings, there is little evidence of effective action being taken to mitigate these or prevent them from escalating further. It is not clear from either the meeting minutes or the action logs what decisive action has been taken when overruns have been incurred</p> <p>The lack of effective governance arrangements regarding this project and the escalating costs against the diminishing return on savings has led us to conclude that we are not satisfied with the VFM criteria of taking informed decisions, deploying resources in a sustainable manner and working with partners and third parties although we appreciate this is somewhat out of the PCC’s and CC’s control.</p> <p>As a result, we are to issue an “except for” conclusion in relation to our VFM opinion.</p> <p>Management have made us aware that Force/OPCC have agreed with other partners not to renew the s22 agreement with MFSS and are now actively moving forward with the delivery of alternative arrangements.</p>



Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>In September 2018 and February 2019 , The PCC and CC approved the development of a business case for a joint Police and Fire Headquarters at Sherwood Lodge, Arnold through a Limited Liability Partnership (LLP).</p> <p>The total estimated costs for the redevelopment of Sherwood Lodge is about £18.5m, of which the Authority is to contribute £4 million to be offset by the sale of the current Fire Headquarters.</p> <p>In progressing significant projects there are risks around arrangement for governance and coming to an informed decision</p>	<p>Take informed decisions</p> <p>Working with partners and other third parties</p>	<p>Our audit work has focussed on the decision-making arrangements to redevelop the site at Sherwood Lodge and progress to the delivery model through an LLP. Our review of the arrangements found that management has together with Nottinghamshire Fire Authority:</p> <ul style="list-style-type: none"> • Sought specialist financial and legal advice to consider: <ul style="list-style-type: none"> • The governance structures which may be appropriate for the delivery of the joint Headquarters covering a contractual joint venture, a special purpose vehicles either for a company limited by shares and/or guarantee or through an LLP; and • Taxation and legal consequences of the preferred option for an LLP. • Considered reasons for not proceeding with the new build as advised but to progress a re-development of the site; and • Managed the process through the Strategic Collaboration Board supported by the Collaborative Delivery Board and working group comprising Members, Chief Officers and officers of both organisations. <p>We concluded therefore that there was evidence of reasonable arrangements to inform the decision-making process. However, we recommend that for the future the PCC and CC address the following:</p> <ul style="list-style-type: none"> • There was no senior representation from the Chief Finance Officers for both organisations at the Police and Fire Strategic Collaboration Board at its key decision-making meetings in September 2018 and January 2019 to provide financial commentary on the proposals; and • Reports to the January 2019 meeting of the Police and Fire Strategic Collaboration Board asked the PCC and CC to approve the move to the LLP. However, an LLP involves complex legal, accounting and taxation considerations of which the PCC and CC need to be aware before final decisions as to governance delivery models are taken (we note that in June 2020 an update indicated that an LLP is no longer the planned mechanism.



Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public”

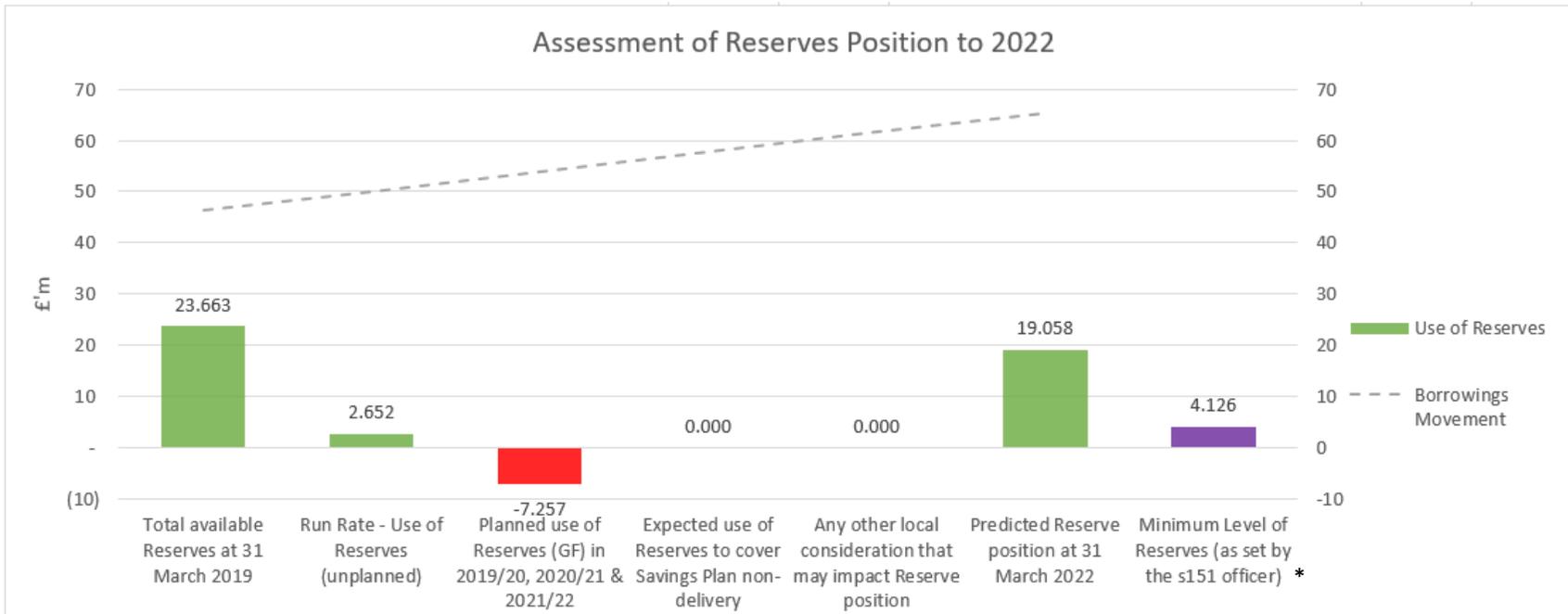
Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

The table below presents the findings of our work in response to the risks areas in our Audit Planning Report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<p>Achievement of Savings Needed over the Medium Term</p> <p>In common with other Police bodies the PCC and CC is facing significant financial pressures in the medium term.</p> <p>In January 2019, the PCC and CC reported within the Medium Term Financial Plan (MTFP) that to balance the budget, efficiencies would be required of £3m and £3.2m by 31 March 2021 and 31 March 2022 respectively,</p> <p>In balancing the budget the PCC is planning to reduce earmarked reserves by £7.257m to fund capital projects.</p> <p>Achieving efficiencies and the ability to use reserves depends on strong budgetary control.</p>	<p>Sustainable resource deployment</p>	<p>The current levels of reserves at 31 March 2019 means that financial resilience is not a significant risk to our VFM conclusion for 2018/19. However, we report following from our initial review of financial resilience:</p> <p>The key assumptions made within the 2019/20 annual budget and Medium Term Financial Plan</p> <p>The process for setting the PCC’s and CC’s budget is sound. We concluded that the MTFP identifies the key assumptions expected to underpin the 2019/20 budget. This includes recognising that there is a possibility that public sector expenditure will be impacted negatively by Brexit and considering a worst case scenario for police funding beyond 2019-20 and a potential requirement for future savings. We noted, however, that the MTFP could usefully scenario plan to provide guidance on how the PCC made decisions on the level of precept to set.</p> <p>An assessment of the sensitivity of those assumptions underlying the 2019/20 MTFP</p> <p>Using sensitivity analysis, taking into account the PCC’s and CC’s history of under and overspends over the past two years and planned use of reserves in 2019/20 to 2021/22, we have determined that the PCC and CC should have sufficient reserves above its minimum level of £4.126 million, being 2% of 2019/20 budgeted expenditure.</p> <p>Review of Outturn Against Budget</p> <p>The balanced budgets for 2019/20 to 2020/21 assume that the delivery of budgeted efficiencies would enable a reduction in earmarked reserves by £7.257m to £10.3m to fund capital projects. However, this would only be achieved if the PCC and CC achieve forecast income and expenditure budgets.</p> <p>Previously, the PCC and CC have reported significant outturn under or overspends from estimates. In 2015/16, the PCC had to take £9m from reserves as the CC did not deliver efficiency programmes and in-year budget omissions. In 2016/17 a revised policing model and efficiency monitoring led to the delivery of £12m efficiencies and £1m taken to reserves. In 2017/18, the net underspend of £2.4m was the net of expenditure overspends of £6.5m and unplanned income of £9m. In 2018/19, the net overspend of £0.854m resulted from overspends of £4m and unforeseen income of £3.1m. The PCC also supported the MFSS overspend of £1.4m by the use of reserves.</p> <p>Such significant variances from expenditure budget may not be sustainable in future, especially if not matched by unforeseen income. We also note that the MTFP identified that in its worst case scenario of government funding reductions, the PCC and CC would need to make savings of £2.8m and £5.7m. As well as identifying and addressing the causes of gross budget overspends, the PCC and CC could also plan savings programmes now to avoid the impact of adverse expenditure outturns and the use of reserves to support the budget in the future.</p>



Value for Money



* Minimum level of reserves relates to general fund only.

Our Assessment

In our assessment we considered:

- The PCC's and CC's level of efficiencies to balance the General Fund budget is £3 million and £3.2 million in 2020/21 and 2021/22 respectively;
- The PCC's and CC's history of over or under spending on the General Fund budget over the past two years and the impact this trajectory would have on the use of General Fund reserves;
- The PCC's and CC's planned use of reserves in each of the next 3 years; and
- Reliance upon any income other than grant income which has not been confirmed post 2018/19, upon which the Authority is reliant.

The graph shows borrowing increasing by £19.086 million over the next three years based on the 2019/20 Treasury Management Strategy.

As a result of our assessment, we note that the PCC's calculated General Fund reserve balance at the 31 March 2022 of £7.075 million would remain just above the PCC's and CC's approved minimum level of £4.126 million (based upon 2% of budgeted expenditure), should the Authority not be able to deliver the savings to bridge the worst case budget gap scenario of £2.8 million and £5.7 million identified in the MTFP for 2020/21 and 2021/22.



06 Other reporting issues



Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Annual Accounts with the audited financial statements

We requested several amendments to the PCC and CC Annual Governance Statement as a result of our work (See Section 6). The PCC and CC have responded to the majority of these requests, and we are satisfied that the AGS is now compliant with the regulations and representative of the governance arrangements at the PCC/CC. We have no other matters to report as a result of this work.

We have also reviewed the PCC's and CC's Narrative Report for consistency with the financial statements and our knowledge. We have made several observations for enhancing the context within the Report. The PCC and CC have responded to these suggestions and we are now satisfied that the information presented to the reader of the Narrative Statement is not inconsistent with our knowledge of the organisations. We have no other matters to report as a result of this work.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We do not anticipate reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission as the PCC group falls below the £500 million threshold for review as per the NAO's group instructions.

Other reporting issues

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the [Authority]’s financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits;
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits



07

Assessment of Control Environment



Assessment of Control Environment

Financial controls

It is the responsibility of the PCC and CC to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the PCC and CC have put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

Below we set out our control observations and management's response:

Observation	Risk	Management response
<p>Working papers to support the financial statements (particularly in respect debtors/creditors, income and expenditure) were not readily available to show a breakdown of the items included in the year end reported positions.</p> <p>We also note (as reported on page 16) that the valuation report used to inform the 31 March 2019 balances was dated 4 months prior to year-end and management performs no assessment to ensure no material movements in that period of time.</p>	<p>This increases the risk that in management's own review of the financial statements prior to them being published and presented for audit, inaccuracies and significant areas of code non-compliance are not detected.</p>	<p>We accept that were differences in expectations in respect of working papers; some of this as a result of using a new system; some as a result of the change of external auditor and also the need to improve more generally.</p> <p>Improvements have been made for the 2019-20 closedown process.</p>
<p>Multiple versions of accounts and confused version control. This has meant that working papers provided for audit do not always agree to the final version of accounts, and there is a lack of clarity over who is responsible for certain disclosure notes.</p>	<p>This increases the risk that errors are introduced to the financial statements.</p>	<p>Delays to the audit resulted in changes to the staff member dealing with the Statement of Accounts production, this change happened several times during the process. However version control has been an issue for several years now and changes have been made for 2019-20.</p>



Assessment of Control Environment

Financial controls (continued)

Observation	Risk	Management response
There is a lack of evidence of review of work performed by MFSS by Nottinghamshire police. MFSS performs reconciliations and there is no evidence that NPCC checks the reconciliations.	There is an increased risk that errors and/or omissions in reconciliations are not spotted by Nottinghamshire police on a timely basis and corrected.	This is accepted and changes to Force processes will be implemented.
Manual journals are not subject to review and do not require authorization before being posted.	Lack of review increases the risk that inappropriate / incorrect journals are posted.	<p>This System approach is common and the risk is accepted is by the Force.</p> <p>Reconciliation and monitoring processes reduce the risk of material error.</p>
There is a lack of segregation of duties in respect of the creation of invoices/credit notes. The same individual at MFSS raises and approves.	Lack of segregation of incompatible duties leads to increased risk of fraudulent activity occurring.	<p>We recognise that this a system issue, but feel that segregation earlier in the process, i.e. as MFSS only undertake action as a result of being supplied a Service Request by an employees of the force reduces potential risk.</p> <p>Other monitoring processes would help detect any risks of error of fraud.</p> <p>The organisation accepts the current system risks.</p>
We noted that the valuation report used to inform the 31 March 2019 balances was dated 4 months prior to year-end and management performs no assessment to ensure no material movements in that period of time. It is management's responsibility to perform this assessment in drawing up the financial statements.	Material movements in value between the last valuation date and the balance sheet date are not reflected in the balance sheet resulting in material misstatement.	All assets are on a rolling 5year rolling basis and we do seek advice from the valuers and our estates manager if the property market has been volatile in the last quarter of the year. This was not the case in 18-19 so the risk was deemed immaterial. It should be noted that the assets valued in 18-19 were subject to the table top exercise implemented by us following audit questioning for the 19-20 accounts. There was no material difference applying the table top exercise and the total value of assets within the balance sheet. So whilst this is a new exercise it shows that there was no materiality issue with a valuation as at 31 December compared with 31 March.



08

Independence

Confirmation



We confirm that there are no changes in our assessment of independence since our confirmation in our audit planning board report dated 15 May 2019.

We complied with the FRC Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Joint Audit and Scrutiny Panel consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the next meeting of the Joint Audit and Scrutiny Panel.

Independence

Relationships, services and related threats and safeguards



The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY), the PCC and CC, their directors and senior management and affiliates, including all services provided by us and our network to the PCC and CC, their directors and senior management and affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2018 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Below includes a summary of the fees that you have paid to us in the year ended 31 March 2019 in line with the disclosures set out in FRC Ethical Standard and in statute.

We confirm that none of our services have been provided on a contingent fee basis.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Independence

Fee analysis

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2019.

We confirm that we have not undertaken non-audit work outside the NAO Code requirements.

	Final Fee 2018/19*	Scale Fee 2018/19	Final Fee 2017/18
	£	£	£
Total Audit Fee - PCC Code work	59,759	27,119	35,220
Total Audit Fee - CC Code work	25,451	11,550	15,000
Total Audit Services	85,210	38,669	50,220
Non-audit work	-	-	-
Total	85,210	38,669	50,220

* The final fee for 2018/109 is subject to additional fees for the work carried out in response to significant risks and change of scope, specifically the work identified in this report covering:

- Additional pensions procedures as a result of the McCloud and GMP judgements, and the engagement of EY Pensions;
- The engagement of PFI specialists;
- The VFM significant risks identified;
- Quality and version control of the financial statements presented for audit;
- Delays in audit readiness.
- Additional procedures required in respect of C-19 post balance sheet event

We have discussed these fees with management who recognise the causes of additional fee noted above, but do not agree the quantum. In accordance with the terms of the PSAA contract, these amounts have therefore been referred to Public Sector Audit Appointments (PSAA) for a decision to be made.

A close-up photograph of a person's hand reaching into a filing cabinet to touch a folder. The cabinet is filled with numerous folders of various colors (yellow, blue, white) and sizes, each containing stacks of papers. The background is a textured, light-colored wall.

10 Appendices

Appendix A

Required communications with the PCC and CC

There are certain communications that we must provide to the PCC and CC. We have detailed these here together with a reference of when and where they were covered:

 Our Reporting to you		
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the PCC and CC of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Plan
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit Plan
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process ▶ Findings and issues regarding the opening balance on initial audits 	Audit results report

Appendix A

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	No conditions or events were identified, either individually or together to raise any doubt about [insert client name]'s ability to continue for the 12 months from the date of our report
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	Audit results report
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiry of the Joint Audit and Scrutiny Panel where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit results report
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the PCC, CC and Joint Audit and Scrutiny Panel to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the PCC and CC ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the PCC and CC, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Any other matters related to fraud, relevant to PCC, CC & Joint Audit and Scrutiny Panel responsibility. 	Audit results report

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the PCC's and CC's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the PCC or CC 	Audit results report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	Audit Plan and Audit results report

Appendix A

		 Our Reporting to you
Required communications	 What is reported?	 When and where
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures. 	We have received all requested confirmations
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the PCC, CC and Joint Audit and Scrutiny Panel into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Joint Audit and Scrutiny Panel may be aware of 	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit. 	Audit results report

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	Audit Plan/audit results report
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> ▶ Written representations we are requesting from management and/or those charged with governance 	Audit results report
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> ▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit results report
Auditors report	<ul style="list-style-type: none"> ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit results report
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit planning report is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Audit Results Report

Management representation letter

Draft Management representation letter for the Chief Constable (a separate, similar, representation letter will be required for the PCC/Group)

Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Mr Neil Harris
Ernst & Young LLP
400 Capability Green
Luton LU1 3LU

Dear Neil,

This letter of representations is provided in connection with your audit of the financial statements of the Chief Constable for Nottinghamshire Police ("the CC") for the year ended 31 March 2019. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Chief Constable for Nottinghamshire Police as of 31 March 2019 and of its income and expenditure for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

We understand that the purpose of your audit of the CC's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

2. We acknowledge, as those charged with governance and members of management of the CC, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the CC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As those charged with governance and members of management of the CC, we believe that the CC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because [specify reasons for not correcting misstatement].

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the CC's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the CC (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the CC's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the CC's activities, its ability to continue to operate, or to avoid material penalties;

Management representation letter (continued)

Management Rep Letter

- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the CC and committees, including the Joint Audit Committee, (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 27 January 2020.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the CC's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the CC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and confirm there are no guarantees that we have given to third parties.

E. Subsequent Events

1. Other than the Global Covid-19 pandemic described in Note 23 to the financial statements, there have been no events, including events related to the COVID-19 pandemic subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Going Concern

1. We are not aware of any matters that are relevant to the CC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

H. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

I. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

J. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the measurement and valuation of the Pension Fund and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.



Appendix B

Management representation letter (continued)

Management Rep Letter

K. Estimates (pensions valuation)

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate has been consistently applied and are appropriate in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
2. We confirm that the significant assumptions used in making the estimate of the pension liability appropriately reflects our intent and ability to carry out providing services on behalf of the entity.
3. We confirm that the disclosures made in financial statements with respect to the accounting estimate are complete and made in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the CC financial statements due to subsequent events.

L. Retirement Benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

Chief Finance Officer

Chief Constable

Appendix C

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Management representation letter	Receipt of signed management representation letter	Management and Joint Audit and Scrutiny Panel

EY | Assurance | Tax | Transactions | Advisory

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ED None

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For Decision	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	November 2020
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Mark Kimberley
Agenda Item:	7

FINAL STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENTS FOR 2018-19

1. Purpose of the Report

- 1.1 To provide members with a copy of the audited statement of accounts and annual governance statements for 2018-19.
- 1.2 The External Audit report will be inserted once it is agreed on today's agenda.

2. Recommendations

- 2.1 Members are requested to:
 - Having examined the statements provided to recommend the accounts and governance statements to the Police & Crime Commissioner for approval.
 - Also recommend the accounts and governance statements to the Police & Crime Commissioner and Chief Constable for signing.

3. Reasons for Recommendations

- 3.1 This complies with the Accounts and Audit regulations and good financial governance.

4. Summary of Key Points

- 4.1 The attached statements provide a fair view of the financial position of the Chief Constable, Police & Crime Commissioner and group as a whole.
- 4.2 The statements of the Chief Constable show the cost of policing and provision of services to deliver the Police & Crime Plan.
- 4.3 The Group accounts also include the financial statement relating to the Office of the Police & Crime Commissioner.
- 4.4 These accounts represent fairly the financial position of the Group and its individual entities.

5. Financial Implications and Budget Provision

5.1 None as a direct result of this report.

6. Human Resources Implications

6.1 None as a direct result of this report.

7. Equality Implications

7.1 None as a direct result of this report.

8. Risk Management

8.1 These accounts have not been published within the timescale required by legislation. Reasons for this have been documented at previous meetings and the potential impact on the 2019-20 statements being produced on time remains a risk.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This complies with the Financial Regulations which underpin the achievement of all Police & Crime Plan priorities.

10. Changes in Legislation or other Legal Considerations

10.1 This complies with the current Accounts and Audit Regulations in that the accounts and their audit are finally complete.

11. Details of outcome of consultation

11.1 The draft accounts were made available for public inspection and published on the websites for comment.

12. Appendices

A – The Chief Constables Statement of Accounts 2018-19
B – The OPCC and Group Statement of Accounts 2018-19

Statement of Accounts 2018-19

The Chief Constable of Nottinghamshire



NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE





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CHIEF FINANCE OFFICER'S NARRATIVE REPORT



NOTTINGHAMSHIRE

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

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

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

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

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

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

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

Brexit will continue to create uncertainty and therefore this may impact on police funding in the future. The results could be positive or negative, but 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 3,600 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 the next page demonstrates a 'typical' day in the life of Nottinghamshire Police Force.

Achievements 2018-19

Over the last year we have made significant changes to improve the way in which we work.

We are an early adopter of an Apprenticeship entry scheme for police officers. This has enabled us to recruit to a wider audience of candidates which has resulted in apprentice cohorts being far more representative of the local community.

Deployment of a specialist digital forensic examiner & equipment enabling early identification and proportionate seizure of exhibits.

The Knife Crime Team (KCT) was created in 2016, the first and only one outside of the Metropolitan Police. Whilst nationally knife crime has seen an increase of 14%, the Nottinghamshire increase of 11% is below the national average.

We have also processed more hate crime offences for finalisation through to the CPS than any other East Midlands Police Force.

The Digital Investigations Unit has established four Force networked kiosks at strategic locations around the Force. This places an operational capability to review digital data held on devices in the hands of frontline operators and significantly increases the volume and speed of such investigations.

Work on Operation Equinox, the review and investigation of historic sexual abuse cases, saw the local review by the Independent Inquiry into Child Sexual Abuse (IICSA) take place. This work however continues and has been further developed to meet current and future needs.

The control room has increased staffing levels, moved to predictive workload shift patterns, added Interactive Voice Response, and widened the pool of 101 call handlers to include front counter staff. This investment has seen answering times halve to 30 seconds and call abandonment rate dropping from over 12% to less than 2% (January 2019).

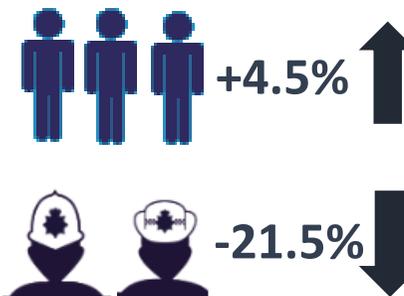
A typical day in Nottinghamshire Police



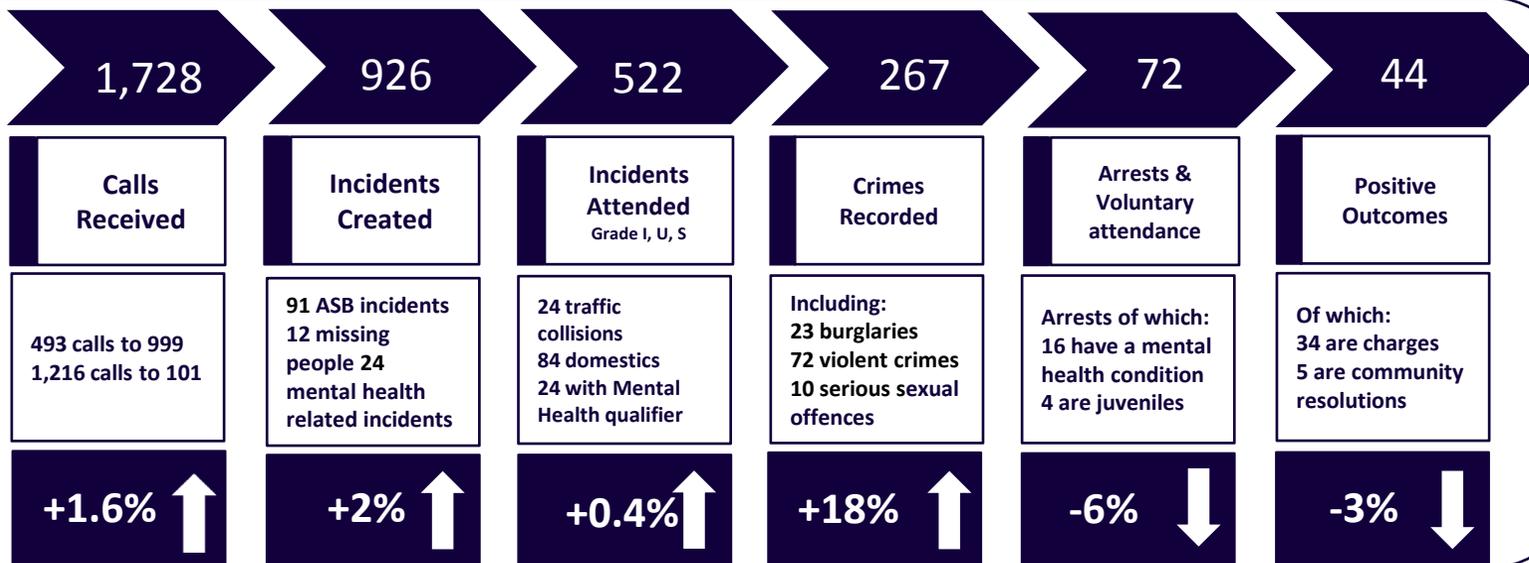
NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE



- The population of Nottinghamshire is 1,135,992 people
- Nottinghamshire Police has 1,941 FTE officers
- Across Nottinghamshire there is approximately one police officer for every 585 members of the public at any one time
- Since 2010, officer numbers have fallen while the population of Nottinghamshire has risen



Incoming daily demand



On-going demand

- As well as responding to the public, proactive work is taking place to safeguard the public, including:
- Supporting 1,522 domestic abuse survivors at the Multi-Agency Risk Assessment Centres
 - Managing 1,642 sexual and violent offenders under Multi Agency Public Protection Arrangement
 - Supporting 2,975 children and young people subject to a Child Protection Plan
 - Supporting 2,968 priority families in the City of Nottingham, 29% of which have ASB or Domestic problems
 - Carrying out 5 stop and searches, with a 34.2% positive outcome rate

FINANCIAL PERFORMANCE

The provisional outturn for the Force is £189,043k which is an overspend of £834k against the original budget. Year on year the Force expenditure has increased by £6,123k or 3.3% from £182,920k.

A transfer from reserves of £1.4m was made by the Police & Crime Commissioner to support the additional cost incurred as a result of the delay in implementing the system upgrade to Oracle Cloud Applications. The total cost to the Force of the delay was over £2m. Without this the overspend would have been higher.

Overall this has resulted in the Forces repayment to reserves being less than expected. This will require adjustment in future budgets.

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

Overtime spend continues to be an issue and with effect from April 2019 new approval processes will be implemented in order to ensure greater control in future years.

Performance over previous years has been:
2015-16 an overspend of £7.7m
2016-17 an underspend of £1.0m
2017-18 an underspend of £2.5m

The medium term financial plan assumptions have been adjusted accordingly to reflect this performance.

2018-19 Expenditure v Budget Analysis

Employee Costs

Police officer pay

This was £101,245k for the year which was an overspend of £380k against the budget and a year on year increase of £2,640k or 2.7%, partially reflecting the increased number of Police Officers employed in year.

This position results from a decision to bring cohorts in earlier than the original budget phasing.

However in-year attrition rates reduced significantly which prompted a decision to delay recruitment in the remaining part of the year.

Although this action ensured final numbers were in line with the budgeted number, the fewer number of new recruits and

corresponding higher number of experienced officers has a higher pay cost.

The actual closing position of officers was 1,941 FTE's which was 1 FTE above the original budget.

Police staff pay

This was £40,615k for the year, which was an overspend of only £54k against the budget; but a reduction year on year of £593k or 1.4%. The overspend was due to reduced turnover.

PCSO pay

This was £6,042k for the year, which was an under spend of £593k against the budget; but an increase year on year of £57k or 1.0%. During the year 10 new PCSO's were recruited, and at the end of March 2018 there was 177 FTE's which was 30 FTE's less than budgeted.

Total Police staff (including PCSO's) at the end of March 2019 was 1,336 FTE's which was 59 FTE's below budget.

Overtime

This was £5,610k for the year, which was an overspend of £1,499k against the budget; but only an increase of £82k or 1.5% on last year.

FINANCIAL PERFORMANCE (continued)

The main drivers of the overspend were:

- Op Palmitate at £250k
- Increased number of firearms discharged resulting in Officers being called in at short notice
- OS at £338k which is mainly offset within income from the ARV uplift fund
- Seconded and externally funded officers/staff of £109k which has been offset by income
- City, County & SOC at £604k driven by costs within CID due to more and complex local investigations
- Higher summer demand within response
- Higher levels of Custody overtime at £136k. However there are now firm plans in place fill sergeant vacancies in the establishment which will prevent this excess overtime from continuing into 2019-20

Other employee costs

This was £2,390k for the year, which was an overspend of £341k against the budget. The overspend is due to additional training needs and redundancy/pension strain payments.

Premises Costs

Premises costs was £6,462k for the year, which was an overspend of £589k against the budget.

The over spend is largely due to a backlog of historic utility invoices being processed and actual costs being greater than reserves. In addition inflation in year was higher than expected, reflecting a volatile market subject to national and international influences.

Maintenance costs have also shown an increase as buildings are reconfigured/age.

Transport Costs

Transport costs was £5,650k for the year, which was an overspend of £341k against the budget. This was largely due to vehicle repairs £124k, increase in fuel costs £143k, and an increase in vehicle insurance £48k. Some increases in repair costs were off-set by increased income from insurance claims.

Comms & Computing

Comms & computing costs were £7,536k for the year, which was an underspend of £729k against the budget.

This reflects savings as a result of rationalising systems that are no longer required.

The Home Office have also revised their charges during 2018-19 resulting in a saving.

Capital funded refreshes and replacements have reduced the need for ad-hoc replacement expenditure.

Supplies & Services

Other supplies & services

This was £5,404k for the year, which was an overspend of £776k against the budget.

Costs shared with Northamptonshire Police in respect of MFSS Oracle Cloud Application developments were £198k higher than expected due to a delayed implementation date. Costs of vehicle recovery have also increased, but this will be off-set with £199k of additional income.

FINANCIAL PERFORMANCE (continued)

Custody costs and police doctor costs

This was £1,513k for the year, which was an overspend of £76k against the budget. Main reasons are higher than budgeted clothing and consumable costs and the re-alignment of police surgeon costs between the Sexual Assault Referral Centre (SARC) and Custody.

Forensics & investigative costs

This was £1,931k for the year, which was an underspend of £154k against the budget. This was largely due to savings on translators.

Partnerships & Collaborations

Collaboration contribution costs was £11,386k for the year, which was an overspend of £1,764k against the budget.

This is largely due to increased costs of implementing Oracle Cloud Applications of £1.7m this been partially funded from a reserve contribution in year of £1.4m, shown as income from the OPCC.

Capital Financing

Capital financing was £3,801k for the year, which was an underspend of £339k against the budget. This saving is due to lower interest charges of £153k as a result of reduced borrowing; and a reduction in the Minimum Revenue Provision (MRP) of £186k as a result of the actual 2017-18 capital spend being lower than the budgeted assumption.

Income

Income for the year was £17,495k, which was £3,141k above budget. This is broken down as follows approximately:

The £3,141k of additional earned income was largely due to:

- £1,400k contribution from reserves to off-set Oracle Cloud Applications costs
- £199k Vehicle recovery
- £149k Apprentice officer training
- £94k Insurance monies received
- £185k Investment interest

- £228k Mutual Aid
- £450k ARV income (off-set by costs within overtime and training)
- £108k Border agency training
- £132k Body Worn Video grant Income

Efficiencies

An ongoing efficiency target of £300k from non-pay costs were set as a target to achieve within the 2018-19 financial year.

A specific target of £50k was set in respect of forensic costs and £35k was actually achieved.

£250k was the target for other procurement activities and £295k was achieved.

Overall £330k efficiencies were achieved, £30k above target. These efficiencies are included in the above spending analysis.

FINANCIAL PERFORMANCE (continued)

2019-20 Budget Breakdown

The proposed revenue budget for 2019-20 is £201.4m as detailed below:-

Net Expenditure Budget	2019-20 £m
Employee	170.6
Premises	5.8
Transport	5.7
Communications & Computing	9.0
Supplies & Services	10.6
Partnership & Collaborations	11.5
Capital Financing	4.6
Income	(13.1)
Efficiencies (not allocated in above)	(3.3)
Net use of reserves	0.0
Total Net Expenditure	201.4



Craig Guildford
Nottinghamshire Chief Constable

OUTLOOK

Due to austerity measures the Government has made significant reductions in public sector finances over recent years; however it has now signalled that the end to austerity is in sight and further reductions in spending powers are not expected.

The annual real term reduction of over £50m since 2010 will remain, placing the need for efficiencies central to our plans to invest in front line policing.

In 2018-19 improved medium term budgeting and continued efficiency drives coupled with additional Council Tax Funding allowed for investment in front line policing, with a plan to repay reserves used in previous periods.

In 2019-20 more additional funding, created as a result of Council Tax increases agreed by the PCC, will ensure that Officer and Staff numbers are further increased.

All additional precept funding is being invested in 80 additional Police Officers in 2018-19, and a further 40 additional Officers in 2019-20 with efficiency measures being used to fund inflationary pressures like pay awards.

This, along with plans being developed to reduce the number of supervisory roles, will deliver over 140 additional front line Police Officers by the end of 2019-20.

A review of the Reserves Strategy has been undertaken by the PCC and, based upon current plans which include the continued delivery of operational efficiencies and improved budget management, it is expected that reserves will be able to be utilised in the future to support capital expenditure plans.

This investment will deliver new efficient buildings that will be fit for the future, are more energy efficient and will also deliver on-going revenue savings.

Annual Departmental Assessments and Reviews will be the mechanism to deliver further efficiencies. The aim is to ensure our support costs are amongst the most cost effective when compared to other police forces. Latest VFM profiles show that this ambition is being realised.

Sufficient on-going review and risk management is in place such that if

funding levels anticipated are not forthcoming then delivery of the minimum policing model is achievable in a time frame that does not jeopardise the minimum sustainable policing level.

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

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

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 1,981 Police Officers, 185 PCSOs, 199 Specials and 1,271 Staff in full-time and part-time positions.

Active recruitment plans for 2019-20 include positive action to improve the diversity and reflect more closely that of the County.

Nottinghamshire pay an apprenticeship levy equating to 0.5% of the total pay bill.

This can be utilised to pay for apprenticeship training and to accredit specific specialist roles to a professional standard, including degree level. During 2018-19 Nottinghamshire Police introduced one of the first apprentice entry Police Officer routes into the Force, in association with Derby University.

This will allow us to focus on areas of skills shortage and future skills growth areas.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,027	55.75
Female	1,609	44.25

Age Band	Headcount	%
25 and under	386	10.62
26-40	1,456	40.04
41-55	1,499	41.23
56 or over	295	8.11

Self-Declared Disability	Headcount	%
No	3,415	93.92
Yes	152	4.18
Unspecified	69	1.90

Ethnicity	Headcount	%
Asian/Asian British	103	2.83
Black/Black British	41	1.13
Mixed	54	1.49
White/White British	3,326	91.47
Other	8	0.22
Not known/provided	104	2.86

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
Changes to crime types	The need for Officers to be trained in new areas of growing crime such as on-line crime. Whilst continuing to manage traditional crime such as burglary	Recruitment and training of officers with these skills
Brexit	Detrimental impact of Brexit on public sector funding Management of any transition/public order issues	Monitoring of national activity by Government Force planning led by ACC
Funding formula /Comprehensive Spending Review	Could result in a positive or negative impact on the amount of Force funding	Development of a scalable Medium Term operational plan Identification of a minimum policing model
Multi Force Shared Services (MFSS)	Could result in increased costs to Force Next steps after current contracts expire in 2022	Project to review and formulate future options and challenge current activity
Collaborative activity	Value for money	Continued review/challenge to ensure the Force continues to engage in collaboration where it adds value to the Force and communities

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 2019. 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 2018-19; which in turn is underpinned by International Financial Reporting Standards.

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

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

The Core Statements

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

The Supplementary Financial Statements

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

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE FOR NOTTINGHAMSHIRE

To be provided by EY



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 2019. 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 2019 and its income and expenditure for the year ended 31 March 2019.

M. Kimberley, CPFA
Chief Finance Officer Nottinghamshire Police
27 November 2020

Approval

The Statement of Accounts was approved by the Joint Audit and Scrutiny Panel on
27 November 2020

C. Guildford
Nottinghamshire Police Chief Constable
27 November 2020

Nottinghamshire Police

Annual Governance Statement 2018-19



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.

1.2 The purpose of the governance framework

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

2.0 The governance framework

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

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

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

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

- All Officers, Staff and Volunteers are committed to the Code of Ethics, which sets out the principles and standards of behaviour expected from policing professionals. They are built on the Nolan Principles for Public Life with the addition of 'Fairness' and 'Respect'.
- The Force has established its own PROUD values which are explicitly linked to the Code of Ethics.
- The Force continually reinforce the Code of Ethics and expected standards of professional behaviour; guidance and advice is sent to Officers and Staff using a combination of intranet articles and the Chief's fortnightly video blog.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced and considered in any decision making situation.

- Student Officers receive a copy of the Code of Ethics on day one of their training and receive an input from PSD regarding ethics and values. Throughout training many of the subjects are linked back to the Code and integrity.
- The Force have embedded the College of Policing’s Competency Values Framework (CVF) which sets out nationally recognised behaviours and values into the Leadership Programme.
- The Force refer to the Home Office Guidance in relation to Police Officer Misconduct for procedures relating to misconduct, unsatisfactory performance and attendance of Police Officers and Special Constables.
- The Police Staff Misconduct Policy provides a clear framework for all Police Staff in terms of expected standards of conduct and professional behaviour and the likely consequence of failure in meeting those standards.
- There are clear processes in place around confidential reporting ‘whistleblowing’ outlined in the Professional Standards Reporting Procedure. Staff are also able to report breaches confidentially to PSD.
- 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 local resolution sergeants, embedded within local policing. Their purpose is to deliver learning from complaints back to the workforce thus creating a learning culture rather than a punitive one. Guidance around local resolutions is available on the intranet.
- Assurance reporting is submitted to the Joint Audit and Scrutiny Panel (JASP) on a regular basis relating to complaint recording and the nature of complaints.
- Bi-annually, a report on IOPC investigations is presented at the JASP to inform the OPCC of the Force’s application of the IOPC Statutory Guidance.
- Standards are governed by the quarterly Organisation Risk, Learning, Standards and Integrity Board, chaired by the Deputy Chief Constable (DCC). Its remit is to provide a forum to discuss key areas of learning and identify emerging strategic opportunities and risks, whilst monitoring compliance with Force values.
- In the 2019 Her Majesty’s Inspectorate of Constabulary and Fire and Rescue (HMICFRS) PEEL Inspection the Force were deemed to be ‘good’ in respect of ‘How legitimately the Force treats the public and its workforce’.

- In an effort to ensure consistency and fair practice, the Professional Standards Department (PSD) are now responsible for monitoring Staff conduct. This allows parity on how cases are assessed; ensuring Staff and Officers are treated fairly and respectfully.
- All gross misconduct hearings are now held in public and the outcomes are published on the Force website.
- An Ethics Board has been established to consider and discuss ethical issues in an advisory and consultative capacity. It consider issues raised at the Organisational Risk and Learning Board and any issues which are referred from Officers, Staff or external groups.
- A procedure is in place for the monitoring of business interests and additional employment for Police Officers and Police Staff.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Health check, this forms part of the PDR process.
- The Force have developed a matrix to assess the risk posed by reported notifiable association, this assists the Force in identifying those of greatest risk to the integrity of the Force.
- A Statement of Personal and Pecuniary Interests is completed as part of the Annual Governance Statement process by Chief Officers.
- A Register of Refused and Approved Business Interests is published on the Force website biannually; any changes are reported on a monthly basis to the Organisational Risk and Learning Board.
- A record of gifts gratuities and hospitality is published biannually on the Force website.
- The Chief Constable will ensure that financial affairs for their Force are properly administered having regard to value for money, probity, legality, and appropriate standards, with particular 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 have made a commitment to listening and engaging with communities and our partners to inform areas of focus and activity as part of the Neighbourhood Policing Strategy 2018.
- Consultation and engagement undertaken with local residents and business communities forms part of key decision making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement meetings, Key Individual Networks and Independent Advisory Groups.
- The Force Engagement Strategy is being revisited as part of the modernising Neighbourhood Policing Agenda.
- New Community Profiles are being developed to ensure a better understanding of local communities and from this Neighbourhood Police Inspectors (NPIs) have developed bespoke community engagement plans to ensure more effective and targeted community engagement.
- The Force has a strategic Independent Advisory Group (IAG) 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 a many systems in place for the collection of local survey information that is used to shape the direction of service delivery.
- In accordance with the Freedom of Information (FOI) Act, the website is updated pro-actively with Force information in a FOI Disclosure Log. This ensures transparency and encourages increased confidence from and accountability to the public and stakeholders.
- Publication scheme monitoring, review and assurance is reported to the Joint Audit and Scrutiny Panel on an annual basis to provide a current Force position on the Publication Scheme Requirements. This report along with all other JASP reports are available to view on the OPCC website.
- The Force contributes to the OPCC's Annual Report to provide assurance on what has been delivered against the Police and Crime Plan.
- There are strong governance processes in place for the City partnerships. Each of the partnerships under the One Nottingham umbrella, including the Crime Drugs Partnership (CDP), have clear terms of reference including a defined purpose, arrangements for information sharing, community engagement, governance and finance.
- The CDP Plan 2015-20 sets out the overall aims and delivery and performance framework of the partnership to deliver the 'safer' agenda of the 'Nottingham Plan to 2020'. The Partnership Plan has been developed with regard to the priorities of the Police and Crime Commissioner.

- There is a robust governance framework in place to oversee the delivery of the Plan. This is directed by the Partnership Board, which provides strategic governance of the partnership.
- The three statutory Community Safety Partnerships (CSPs) are responsible for the delivery of local community safety strategies and action plans. The Safer Nottinghamshire Board (SNB) Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produces performance information on a monthly basis. This includes reporting on current performance against targets, comparison against most similar force peers and performance of Partnership Plus areas. The SNB Performance Group brings together the CSP Chairs to discuss performance risks and highlights.
- Section 22A of the Police Act 1996 provides for a collaboration agreement to be made between Police and Crime Commissioners or between Commissioners and Chief Officers from more than one Force area. There are a range of established collaborations in place for a number of specialist front line policing operations that provide services across the Midlands region, including Nottinghamshire. These arrangements are reviewed on a regular basis by respective Chief Constables and Police and Crime Commissioners.
- Operational Support was established in Force in May 2018 following withdrawal from EMOpSS.
- An annual Extraordinary Force Executive Board (E-FEB) is held which is attended by senior internal and external stakeholders, including the City and County Council to provide an open forum for decision making regarding business change proposals for the forthcoming financial year and beyond.

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

- The Police and Crime Plan sets out the vision, values, strategic priorities and outcomes together with a performance framework in line with requirements under the Police Reform and Social Responsibility Act 2011.
- At a national level, the Force work to the SPR which is issued by the Home Office to articulate current national threats and the appropriate national policing capabilities required to counter those threats.
- The Police and Crime Plan is informed by the Police and Crime Needs Assessment (PCNA) which is used as a planning and priority setting tool. The document highlights key trends, issues, risks and threats in the crime community safety and criminal justice environment.
- The Force take an active part in working with the OPCC to refresh the Police and Crime Plan delivery plan each year in order to set out what activities will be undertaken to deliver the PCC's key strategic priority themes. Activities are broken down into further operational detail in the Force Delivery Framework.

- The strategic priorities set out in the Police and Crime Plan are aligned to the Force’s Annual Departmental Assessment (ADA) business planning process.
- A report is submitted on a frequent basis to the Police and Crime Panel to provide an update against each of the strategic priority themes, this is made available on the Nottinghamshire County Council website.
- A Performance and Insight Report is provided to the Strategic Resources and Performance Meeting on a bimonthly basis to ensure that the Police and Crime Commissioner is aware of current performance in line with the strategic priority themes, as set out in the Police and Crime Plan.
- Collaboration agreements are in place to outline how business will be undertaken jointly in order to reduce cost, increase capability, and/or increase resilience to protect local people.
- All activity in response to audit and inspectorate recommendations is monitored via 4Action, an action management system. Progress against activity is reported to the Joint Audit and Scrutiny Panel on a quarterly basis.
- A Medium Term Financial Strategy builds on the proposed budget for 2019-20 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- A regular capital report is provided to the Force Executive Board (FEB) and OPCC to provide an update on the Force’s budgetary position and also to comply with good financial management and Financial Regulations. This is reviewed and updated regularly to remain adaptable for future requirements.
- An Equality Impact Assessment is undertaken to help the organisation to assess the likely positive and negative impact of changes on staff, service users, partners or communities.

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

- There is a robust planning cycle in place which incorporates partnership, Force and OPCC strategic assessments, public consultation, refresh of the Police and Crime Plan and the Force Delivery Framework, departmental planning via Annual Departmental Assessments (ADAs) and review and update of the Medium Term Financial Strategy.
- The Force produces an annual strategic intelligence assessment which outlines the capacity and capability to meet its greatest threats including those outlined in the strategic policing requirements.
- The Medium Term Financial Strategy is a live document to facilitate the demands and changes that can occur within the Police so that we can remain on the front foot operationally. The budgeting and long term planning process is intrinsically linked to the business planning cycle to create a joined up approach identifying opportunities and risks that are present and on the horizon.

- HMICFRS 2019 PEEL Report recommended that the Force should improve its approach to planning within Information Services to ensure there is a clear vision and direction which links to operational planning. This is being addressed as an area for improvement.
- Each Head of Department completes an ADA as part of the annual planning cycle. The ADA is a planning tool used to assess current structure, processes and cost in light of the current operating context. Options for change are proposed which are aligned to the Strategic Priority Themes.
- Budget meetings with departmental heads take place following E-FEB to ensure future budgets account for any project savings or spend within the department.
- Business change remains responsive to threats and opportunities which present themselves throughout the year as part of the risk management process.
- Where a change proposal is approved at E-FEB, a comprehensive analysis of approved change proposals are progressed in the form of an options appraisal (business case) which is presented at 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.
- Projects have clearly defined benefits which are identified at business case stage, updated through project delivery and reviewed following closure of the project to ensure benefits are realised. Benefits are linked to the Strategic Priority Themes.
- 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.
- 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 methods in order to plan, delegate, monitor and control all aspects of the business change portfolio.
- The business change governance framework provides a robust reporting structure, which includes project boards, the Futures Board and the FEB. The framework ensures that oversight and scrutiny is carried out by the relevant authority in a proportionate manner, providing assurance that decisions are open and accountable and that public money is spent wisely.

- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from FEB are published on the Force Intranet under 'News'. This ensures the force's decision making processes are transparent.
- A forward plan is maintained to outline what information is required for each strategic meeting, the SRO and expected timescales.

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

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 in regards to workforce planning, including establishment levels, workforce mix, skills and capabilities. The meeting also has the remit of determining and prioritising training and learning activities to ensure they are aligned to business and workforce planning.
- HMICFRS recommended within the 2019 PEEL Inspection Report that the Force needs to understand fully its workforce capabilities, to identify any gaps, and put plans in place to address them. This is being addressed as an area for improvement.
- The PDR process has recently been relaunched. Each individual will have three objectives linked to the Force strategic priorities, alongside three personal objectives, linked to the individuals own area of work and associated development. Compliance has been below expectation, this is being addressed as an area for improvement; going forward it is recommended that management information is made available to ensure completion.
- Individual training and development needs are assessed as part of the PDR process.
- A standard induction programme is in place for student Officers. Staff induction is tailored to the role and department to which the individual is recruited.
- The Force has embedded the CVF which aims to support all policing professionals, setting out nationally recognised behaviours and values. The six competencies and four values of the CVF are embedded into the Force's leadership development programme.
- The leadership development programme invests in the development of first and second line supervisors, it is also complemented by coaching, mentoring and 360 degree feedback.
- Officers and Staff progressing to a senior leadership are encouraged to undertake a 360 review to enable them to consider their own effectiveness as future leaders and identify areas for personal development.

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

Area for improvement: The Force should undertake a full review of workforce capabilities to ensure capacity and capability to meet current and future demand.

Area for improvement: Produce meaningful management information on the completion of PDRs to enable Heads of Departments to ensure on-going compliance.

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

- The Risk Management approach was redeveloped in 2018 for the Force to adopt a more sophisticated approach which links risks to our governance methods and internal audit processes.
- The Force and OPCC have agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (MoR) approach.

- A Strategic Risk Report is provided to the JASP and FEB regularly in order to keep them informed as to the level of strategic risk within the Force and OPCC 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.
- Regular reporting is made to JASP and FEB on business continuity, including progress made against the business continuity testing timetable and notes on forthcoming testing. JASP are also asked to identify any subject areas to be reported on where additional or in depth details is required to provide greater scrutiny and reassurance.
- A Performance and Insight Report is regularly presented to the Strategic Resources and Performance Meeting to ensure that the Police and Crime Commissioner is aware of current performance in line with the Police and Crime priorities. This report is made available on the OPCC website.
- Significant changes in service delivery are subject to a Post Implementation Review in order to identify lessons learned and whether benefits have been realised, including performance, cashable or non-cashable benefits, however none were scheduled or conducted in 2018-19.
- The Financial Performance and Insight Report, including revenue and capital budget monitoring are reported to the FEB on a monthly basis. It is also presented at the Strategic Resources and Performance quarterly meeting.
- The decision making protocol is illustrated in the joint Scheme of Delegation which is part of the Joint Code of Governance and Working Together document.
- A forward plan of 'Decisions of Significant Public Interest' is provided to the Police and Crime Panel on a regular basis in the interests of accountability and transparency, this is made available on the Nottinghamshire County Council website.
- In accordance with the Financial Management Code of Practice for the police service, issued by the Home Office, the PCC and the Chief Constable established a Joint Audit and Scrutiny Panel (The Panel) in 2013. The role of The Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.
- JASP complies with best practice as outlined in Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA, 2013).
- The Panel also assist the OPCC and the Chief Constable in fulfilling their responsibility for ensuring value for money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the OPCC.

- The Force's Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their statutory officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service, and anyone acting on their behalf.
- The Annual Statement of Accounts is published on our website under 'what we spend' and includes accounting policies and also the report of the auditors.
- The Annual Audit letter is report to the JASP on an annual basis.
- The Treasury Management Strategy and annual report are reported annually to the JASP.
- Budget monitoring reports are presented to the Strategic Resources and Performance meeting on a quarterly basis.
- In compliance with CIPFA guidance, the OPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisation's internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the internal annual audit opinion.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the JASP at every meeting.
- Regular reporting is made to JASP on legislative compliance with the Freedom of Information Act and Data Protection Act legislation.
- Effective arrangements are in place to monitor risks arising from Brexit. The ACC chairs a regular Gold Group meeting.
- The 2017-18 Independent Auditor's Report on the Audit of Financial Statements noted that there were not adequate governance and monitoring arrangements in place to enable the successful delivery by Multi-Force Shared Service (MFSS) to Oracle Cloud Applications (Fusion), therefore failing to deliver value for money and effective delivery in support of strategic priorities. This is being managed as an area for improvement. Consultancy support was procured during 2018-19 to provide more robust governance and programme management arrangements in respect of Fusion. Despite this delivery of Fusion was further delayed, going live in April 2019. Close management of the situation continues with the DCC taking an active role as SRO for the Force, and is also now the chair of the management board. An improved process for disseminating information and approvals made by the Joint Oversight Committee are in place, where the Force is represented by the Police & Crime Commissioner for Nottinghamshire.

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

- The PCC and Chief Constable's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 in order 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 CFO's 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 scrutinises the action and decision of the Police and Crime Commissioner and makes sure information is available for the public. The Force provides reports in accordance with the Police and Crime Panel work programme including specific focus on each of the seven Strategic Priority Themes included in the Police and Crime Plan.
- The Annual Governance Statement assesses the extent to which the organisation is applying the principles contained within the CIPFA framework. This is published for public scrutiny alongside the Statement of Accounts.
- The Force has a robust process to capture HMICFRS recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is prepared and presented to the JASP on a quarterly basis.
- The Force has an established reporting procedure for our response to HMICFRS recommendations to be received by the OPCC in line with the timescales dictated in the Police and Crime Bill.
- A policy and procedure framework is required to ensure that corporate documentation is reviewed on a timely basis, this is an area for improvement.
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.

Area for improvement: Develop and maintain a robust policy and procedure framework, ensuring policies and procedures remain current to inform decision making.

2.8 Principle H: Report on an inspection visit to police custody suites

- The inspection was conducted jointly by HM Inspectorate of Prisons (HMIP) and HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in October 2018, as part of their programme of inspections covering every police custody suite in England and Wales.

- The inspection assessed the effectiveness of custody services and outcomes for detained people throughout the different stages of detention. It examined the force's approach to custody provision in relation to safe detention and the respectful treatment of detainees, with a particular focus on vulnerable people and children.
- To aid improvement five recommendations were made to the force (and the Police and Crime Commissioner) addressing key causes of concern, and highlighted an additional 25 areas for improvement
- Recommendation 1: there were too many areas where the force was not meeting the requirements of legislation or guidance, notably codes C and G of the Police and Criminal Evidence Act codes of practice; this required immediate remedial action.
- Recommendation 2: the culture of the custody service was not effective in focusing on the fair and equitable treatment of all detainees; some custody staff took punitive actions against detainees that were not justified and potentially unfair.
- Recommendation 3: the arrangements for and staff knowledge of the recording and reporting of adverse incidents in custody were not adequate in ensuring that all incidents were identified appropriately and dealt with in line with legislative requirements.
- Recommendation 4: the governance and oversight of the use of force in custody were not adequate, data were unreliable and not all staff completed use of force forms. Some use of force was disproportionate to the risk or threat posed.
- Recommendation 5: there was a lack of appropriate care and focus on the safe release of detainees, including the most vulnerable; the pre-release arrangements were not adequate to ensure safe release.

Area for improvement: Leadership, accountability and partnerships.

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

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

Area for improvement: Release and transfer from custody.

2.9 Principle I: Crime Data Integrity Inspection 2018

- The inspection by the HM Inspectorate of Constabulary and Fire & Rescue Services found that the force had improved its crime-recording processes since the 2014 report. It found improved the supervision of out-of-court disposals; training had been developed and provided on crime-recording for officers, supervisors and staff involved in making crime-recording decisions; high levels of recording accuracy for reported sexual offences; good crime-recording arrangements in respect of modern slavery crimes; fully implemented the recommendations set out in our 2014 report; and made good progress against a national action plan developed to improve crime recording by police forces.

- The inspection raised the concern that the force is failing to ensure it correctly records all violent crimes (in particular domestic abuse) reported to it. Officers and staff do not fully understand and apply the crime-recording rules when dealing with crimes such as harassment, malicious communications, common assault and public order offences. There is also limited supervision to correct these recording decisions at the earliest opportunity
- The recommendation is that the force should immediately take steps to identify and address gaps in its systems and processes for identifying and recording all reports of violent crimes (in particular those that are domestic abuse related); ensure that adequate supervision is applied to all crime-recording decisions made by officers and staff; and ensure that all identified crimes are recorded without delay and in any case within 24 hours. Within three months the force should provide crime-recording training for frontline officers to include the crime-recording rules for common assault, harassment, malicious communications and public order offences; and the standard of AVI that is required to cancel a recorded crime.

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

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

3.0 Chief Finance Officer Role

- The role of Chief Financial Officer (CFO) rests with the Head of Finance with effect from 1 April 2018.
- As a key member of the leadership team, the CFO helps to develop and implement strategy and resource and deliver the PCC's strategic objectives sustainably and in the public interest.
- The CFO is actively involved and able to bring influence to bear, on all business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered and aligned with the financial strategy.
- The CFO leads and encourages the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- The CFO and the DCC on behalf of the Chief Constable agree the Force's risk based Internal Audit Annual Plan for delivery each year and this is presented to the Joint Audit and Scrutiny Panel for comment. Delivery of the plan is via external engagement of an appropriately trained and experienced organisation, currently this is provided by Mazars. Award of the work was via a competitive tendering exercise.

- In respect of external audit, progress reports are provided to the Panel by the external auditors to provide a summary of the work they plan to undertake for the audit year, together with a high level assessment of the risks that have been considered as part of the initial planning process.
- The CFO is required to maintain continuous professional development to ensure they maintain knowledge, skills and experience to enable them to fulfil the duties and statutory obligations of the post.

4.0 Review of effectiveness

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 31 March 2019, our overall opinion is that generally adequate and effective risk management, control and governance processes were in place to manage the achievement of the organisation's objectives. We have, however, identified weaknesses in respect of Property Management, Health & Safety, GDPR and Management of MFSS Arrangements that require addressing.

5.0 Improvement actions

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

Areas for improvement 2017-18

Identified improvement action(s):	Update	Lead Officer.
1. The Force should review its plan to ensure that by April 2018 it has achieved clearance for all those people that it is required to clear (Source: 2017-18 AGS and financial statements)	The PEEL Integrity report assessed that the Force is now compliant with the vetting requirement.	Det Supt Scurr
2. The Force should continue to undertake appropriate activities to understand fully its leadership capacity and capability, in order to identify any gaps, and put plans in place to address them (Source: 2017-18 AGS and financial statements)	A new leadership programme has been commissioned and was delivered during 2018-19 to address gaps in capacity and capability. This incorporates the CVF.	ACC Cooper
3. The Force should address governance and monitoring arrangements in respect of MFSS' delivery of Oracle Cloud Applications (Fusion), to ensure value for money and delivery in support of strategic priorities. (Source: KPMG 2017-18 Independent Auditor's Report on the Audit of Financial Statements)	<p>Consultancy support has been procured to provide more robust governance and programme management arrangements in respect of Fusion. Despite this delivery of Fusion was further delayed by a year, going live in April 2019. Close management of the situation continues with the DCC taking an active role as SRO. Financial performance of MFSS is still problematic with Oracle Cloud implementation costs being £1,900k higher than anticipated. The approval of this expenditure was made by the Joint Oversight Committee during 2018-19 and the Commissioner agreed to fund £1,400k of this overspend from reserves.</p> <p>The expected functionality of Fusion was not in line with the original scope, which has reduced the recurring revenue savings expected from implementing the project.</p>	DCC Barber

Areas for improvement 2018-19

Identified improvement action(s):	Lead Officer.
1. The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes (section 2.4).	Ch Supt White/ Supt Antill
2. Undertake a full review of workforce capabilities to ensure capacity and capability to meet current and future demand (section 2.5).	Denise Hill
3. Produce management information on the completion of PDRs to enable Heads of Departments to ensure ongoing compliance (section 2.5).	Denise Hill
4. Develop and maintain a robust policy and procedure framework, ensuring policies and procedures remain current to inform decision making (section 2.7).	Ch Supt White
5. Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire & Rescue Services (section 2.8).	DCC Barber
6. 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).	DCC Barber

Internal Audit Annual Assurance 2018-19 Report - Areas of Limited Assurance

Limited Assurance:	Lead Officer.
1. The Force management of the MFSS arrangements.	DCC Barber
2. Health and safety.	DCC Barber
3. General Data Protection Regulations (GDPR).	DCC Barber
4. Property management.	DCC Barber

Further information and a full list of recommendations for the items of identified as limited assurance by the Mazars (internal auditors) can be found on the Nottinghamshire Police and Crime Commissioners website in the report to the Audit and Scrutiny Panel dated the 29th May 2019.

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 improvements that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

The Chief Constable 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 he remains committed to maintaining and wherever possible improving these arrangements.

Signed:

27 November 2020

C. Guildford
Chief Constable

Signed:

27 November 2020

M. Kimberley
Chief Finance Officer

FINANCIAL STATEMENTS

Caution
Safety disclaimer
Use the foodbridge



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.

2017-18 (Restated, see note 5)			2018-19			
Expenditure	Income (Note 13)	Net		Expenditure	Income (Note 13)	Net
£'000	£'000	£'000		£'000	£'000	£'000
232,116	(20,971)	211,145	Cost of Police Services	350,335	(14,027)	336,308
0	(227,509)	(227,509)	Funding from the Commissioner	0	(238,983)	(238,983)
232,116	(248,480)	(16,364)	Cost of Services	350,335	(253,010)	97,325
78,034	(5,565)	72,469	Financing and Investment (Income) and Expenditure	75,060	(21,387)	53,673
310,150	(254,045)	56,105	(Surplus) or Deficit on Provision of Services	425,395	(274,397)	150,998
		(165,866)	Other Comprehensive (Income) and Expenditure			68,796
		(109,761)	Total Comprehensive (Income) and Expenditure			219,794

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.

Movement in Reserves	General Fund Balance	Unusable Reserves	Total Reserves
2018-19	£000	£000	£000
Balance at 31 March 2018	0	2,625,682	2,625,682
Movement in reserves during year			
(Surplus) or deficit on the provision of services	150,998	0	150,998
Other Comprehensive (Income) / Expenditure	0	68,796	68,796
Total Comprehensive Income and Expenditure	150,998	68,796	219,794
Adjustments between accounting basis and funding basis under regulations	(150,998)	150,998	0
Increase in year	0	219,794	219,794
Balance at 31 March 2019	0	2,845,478	2,845,478

Movement in Reserves (Restated, see note 5)	General Fund Balance	Unusable Reserves	Total Reserves
2017-18	£000	£000	£000
Balance at 31 March 2017	0	2,718,730	2,718,730
Restatement of Opening Balance	0	16,713	16,713
Restated Balance at 31 March 2017	0	2,735,443	2,735,443
Movement in reserves during year			
(Surplus) or deficit on the provision of services	56,105	0	56,105
Other Comprehensive (Income) / Expenditure	0	(165,866)	(165,866)
Total Comprehensive Income and Expenditure	56,105	(165,866)	(109,761)
Adjustments between accounting basis and funding basis under regulations	(56,105)	56,105	0
Decrease in year	0	(109,761)	(109,761)
Balance at 31 March 2019	0	2,625,682	2,625,682

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 2018 (Restated, see note 5)		31 March 2019
£000		£000
(3,315)	Short-Term Creditors - Accumulated Absences	(3,469)
(3,315)	Current Liabilities	(3,469)
(2,622,367)	Other Long-Term Liabilities - Pension Liabilities	(2,842,009)
(2,622,367)	Long Term Liabilities	(2,842,009)
(2,625,682)	Net Assets	(2,845,478)
2,625,682	Unusable Reserves	2,845,478
2,625,682	Total Reserves	2,845,478

Cash Flow Statement

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

2017-18		2018-19	
£000		£000	
56,105	Net Deficit on the Provision of Services	150,998	
(56,105)	Adjustment to Surplus on the Provision of Services for Non-Cash Movements	(150,998)	
0	Net cash flows from activities	0	



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.

Note 2 – Going Concern

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

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 2018-19 (The Code) and the Best Value Accounting Code of Practice 2018-19, supported by International Financial Reporting Standards (IFRS).

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 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 will continue to operate for the foreseeable future.

The current restrictions in place within

Note 2 – Going Concern (continued)

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

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

As the condition did not exist at the year end, this is therefore a non-adjusting event for which a limited estimate of its financial effect on the reporting entity can be made as at 31 March 2019, particularly with regards to financial impact for 2019-20 and future years and asset impairments and pension valuations as at the balance sheet date.

As at the end of August 2020, the cumulative net cost of COVID-19 stood at £475k, comprising £754k expenditure

and £279 government grant. This includes £185k of IT equipment purchased earlier than planned as a result of our Covid-19 response. Additional costs are expected in the form of lost income, which are expected to be substantially funded by additional government grant.

Our approach to managing the epidemic has been assisted by over 100 additional police officers available for deployment as part of the early achievement of officer number uplift. There is no expectation that these net Covid costs cause concerns with regard to ongoing financial viability of Nottinghamshire Police.

There is sufficient capacity built into the Reserves Strategy to meet the financial pressures should budgeted contingencies be exceeded. This position will be kept under close review.

Beyond 2020-21, planning assumptions underpinning the medium term financial plan are being reviewed and will consider, inter alia, the potential for a reduction in council tax income as a result of:

- Reduced collection rates;
- Increase Council Tax Support Scheme costs;
- Reduced growth in the number of properties paying council tax;

It is therefore not considered that COVID19 will have a material impact on the going concern of the organisation.

Liquidity Risk Exposure:

- The treasury function is administered by the PCC which ensures that its cash flow is adequately planned and liquidity risk exposure is controlled in accordance with the relevant professional codes.
- The CC does not hold cash or equivalent balances. These are held by the PCC, are positive at the balance sheet date and are forecast to remain positive to the end of 2021-22 throughout.

Notes to the Accounts including Accounting Policies

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

During the audit of the draft statements it was discovered that non-material errors had been made in the accounts data disclosed for 2017-18. These have been corrected and there are no material issues. 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	2018-19		
		Expenditure	Income	Net
%		£000	£000	£000
27.30%	EM Legal Services	493	(479)	14
50.00%	EM Strategic Commercial Unit	541	(534)	7
27.30%	EM Major Crime	212	(220)	(8)
27.30%	EM Serious Organised Crime	5,252	(4,893)	359
34.90%	EM Criminal Justice	227	(231)	(4)
34.90%	EM Operational Support Services	171	(224)	(53)
27.30%	EM Occupational Health Unit	459	(457)	2
27.30%	EM Forensics	2,301	(2,258)	43
31.42%	EM Learning & Development	803	(782)	21
31.04%	Multi Force Shared Service (MFSS)	2,244	(2,244)	0
22.60%	Emergency Services Network (ESN)	121	(181)	(60)
		12,824	(12,503)	321

The OPCC does not have any Associate Entities in 2018-19.

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.

2017-18 (Restated, see note 5)			2018-19			
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
227,509	(16,364)	211,145	Cost of Police Services	238,983	97,325	336,308
(227,509)	0	(227,509)	Funding from the Commissioner	(238,983)	0	(238,983)
0	(16,364)	(16,364)	Net Cost of Services	0	97,325	97,325
0	72,469	72,469	Other (Income) and Expenditure	0	53,673	53,673
0	56,105	56,105	(Surplus) or Deficit on Provision of Service	0	150,998	150,998

Note 13 – Expenditure Funding Analysis - continued

Further Analysis			
2018-19	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	97,172	153	97,325
Net Cost of Services	97,172	153	97,325
Other Income and Expenditure	53,673	0	53,673
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	150,845	153	150,998

2017-18			
Cost of Police Services	(16,336)	(28)	(16,364)
Net Cost of Police Services	(16,336)	(28)	(16,364)
Other Income and Expenditure	72,469	0	72,469
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive	56,133	(28)	56,105

The Net Change for the Pensions Adjustments in 2018-19 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

Credited to Services		
2017-18 £000		2018-19 £000
(5,883)	Partnership and Joint Controlled Operations	(2,175)
(1,858)	PFI Grant	(1,858)
(3,002)	Recharge of Officers	(2,142)
(10,228)	Other Income	(7,852)
(20,971)	Total	(14,027)

Note 15 – Income and Expenditure Analysed by Nature

2017-18		2018-19
£000	Nature of Expenditure or Income	£000
(20,971)	Service Income	(14,027)
191,945	Employee Expenditure	308,216
40,171	Running Expenses	42,119
(227,509)	Income from Commissioner	(238,983)
(5,565)	Pension Interest Income	(21,387)
78,034	Pensions Interest Payment	75,060
56,105	(Surplus) or Deficit for Year	150,998

Note 16 – External Audit Costs

Ernst and Young LLP are the appointed external auditors.

The cost was £0.012m (£0.015m in 2017-18).

Note 17 – Defined Benefit Pension Scheme

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

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

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

The Local Government Pensions Scheme:

The Local Government Pensions Scheme (LGPS) for Staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis at fair value. The figures are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2016 for members receiving funded benefits and as at 31 March 2014 for any members receiving unfunded benefits. This has then been rolled forward to reflect the position as at 2019.

The Police Pension Scheme:

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

Note 17 – 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 formers members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material. Using these assumptions the actuary has estimated the potential increase in scheme liabilities for Nottinghamshire to be approximately 5.4% or £120m of pension scheme liabilities. This increase is reflected in the IAS19 Disclosure as a Past Service Cost.

The actuary has commented that the additional costs emerging are sensitive to the underlying assumptions to roughly the same extent as the other figures calculated as part of the accounting process. Hence, even if the assumptions underlying the accounting calculations were different, the actuary would still expect the potential additional costs in relation to McCloud to be broadly similar in magnitude to those shown above. The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to take place in 2020 with implementation of the results planned for 2023-24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

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

2017-18		Pension Scheme Comprehensive Income and Expenditure Statement	2018-19	
LGPS £000	Police £000		LGPS £000	Police £000
12,610	37,330	Current service cost	12,956	38,110
81	0	Admin Expense	90	0
57	1,660	Past service cost	3,098	113,900
0	0	(Gain) / loss from curtailments	0	0
4,139	68,330	Net interest expense / (income)	(9,337)	63,010
16,887	107,320	Total charged to Deficit on Provision of Services	6,807	215,020
		Other Costs – Remeasurement of the defined benefit liability		
0	0	Return on plan assets (exc the amount included in the net interest expense)	0	0
0	(142,220)	Actuarial gains – experience	0	(6,700)
0	(83,260)	Actuarial gains arising on changes in demographic assumptions	(21,145)	0
(15,446)	75,060	Actuarial (gains) and losses arising on changes in financial assumptions	21,601	75,040
1,441	(43,100)	Total charged to the Comprehensive Income and Expenditure Statement	7,263	283,360

2017-18		Pension Fund Movement in Reserves Statement	2018-19	
LGPS £000	Police £000		LGPS £000	Police £000
(16,887)	(107,320)	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	(6,807)	(215,020)
		Actual amount charged against the general fund balance for pensions in the year:		
5,104	0	Employers' contributions payable to the scheme	5,682	0
0	62,970	Retirement benefits payable to pensioners	0	65,300

2017-18		Pension Fund Balance Sheet	2018-19	
LGPS £000	Police £000		LGPS £000	Police £000
(351,214)	(2,484,500)	Present value of the defined obligation	(371,143)	(2,702,560)
213,346	0	Fair value of plan assets	231,694	0
(137,868)	(2,484,500)	Value of Assets / (Liabilities)	(139,449)	(2,702,560)
(137,868)	(2,484,500)	Net (liability) / assets arising from the defined obligation	(139,449)	(2,702,560)

Note 18 – Officers’ Remuneration

2018-19							
Officers Remuneration 2018-19	Note	Salary, Fees & Allowances (Note 1) £	Bonus £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable – C Guildford		159,313	0	14,196	0	36,575	210,084
Deputy Chief Constable – R Barber	5	131,754	0	11,321	0	12,979	156,054
Assistant Chief Constable – S Cooper		106,042	0	7,588	0	25,662	139,292
Assistant Chief Constable – S Prior	3	60,154	0	2,640	0	11,772	74,566
Assistant Chief Constable – K Meynell	4	67,681	0	4,451	0	13,500	85,632
Chief Finance Officer – M Kimberley		63,990	0	602	0	8,531	73,123
TOTAL CHIEF CONSTABLE		588,934	0	40,798	0	109,019	738,751

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

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

Note 3: Assistant Chief Constable retired 9 September 2018

Note 4: Assistant Chief Constable 6 August 2018

Note 5: Deputy Chief Constable opted out of pension scheme 30 years 4 September 2018

Note 18 – Officers’ Remuneration - continued

2017-18							
Officers Remuneration 2017-18	Note	Salary, Fees & Allowances (Note 1) £	Bonus £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable – C Guildford		156,436	0	12,464	0	36,004	204,904
Deputy Chief Constable – R Barber	3	122,743	0	6,788	0	28,391	157,922
Assistant Chief Constable – S Cooper	4	92,359	0	6,117	0	22,004	120,480
Assistant Chief Constable – S Prior		103,916	0	3,225	0	25,148	132,289
Assistant Chief Officer – Finance & Resources	5	95,349	0	5,435	0	18,879	119,663
Director of Human Resources	5	100,385	0	8,335	0	17,683	126,403
Director of Information Services & IT	5,6,7	49,485	0	6,618	0	6,275	62,378
TOTAL CHIEF CONSTABLE		720,673	0	48,982	0	154,384	924,039

Note 1: Salary, Fees & Allowances include Rent Allowance, Housing Allowance, Compensatory Grant, Honoraria and Compensation for Loss of Office

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

Note 3: Deputy Chief Constable was appointed 17 April 2017

Note 4: Assistant Chief Constable was appointed 5 April 2017

Note 5: This is the total earned. The costs are apportioned between Nottinghamshire, Northamptonshire and Leicestershire Police

Note 6: Includes Market Rate Premium

Note 7: Director of Information Services and IT resigned 15 September 2017

In 2017-18 the PCC and CC had a shared Regional ACO and Director of Human Resources. Both were employed by Leicestershire Police.

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

Employees Remuneration over £50,000		
	2017-18	2018-19
£50,001 to £55,000	161	174
£55,001 to £60,000	89	96
£60,001 to £65,000	27	30
£65,001 to £70,000	8	5
£70,001 to £75,000	10	8
£75,001 to £80,000	6	8
£80,001 to £85,000	6	9
£85,001 to £90,000	1	2
£90,001 to £95,000	1	1
£95,001 to £100,000	0	1
Total	309	334

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 £0.2m (£1.1m 2017-18).

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.

20 contracts were terminated during the year (9 in 2017-18), incurring costs of £0.378m (£0.209m in 2017-18), of which £0.145m was for pension strain.

Other departures agreed cover voluntary redundancies and compromise agreements. All of the costs were included within the CIES. There were no material payments in relation to injury awards during the year ended 31 March 2019.

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)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
£0 - £20,000	5	7	1	8	6	15	67	101
£20,001 - £40,000	2	2	0	1	2	3	67	98
£40,001 - £60,000	0	0	0	1	0	1	0	49
£60,001 - £80,000	1	0	0	0	1	0	75	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	1	0	1	0	130
Total cost included in bandings all included within the CIES	8	9	1	11	9	20	209	378

Note 19 – 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.

Note 20 – 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.

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.

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

An earmarked reserve for Allard is held within the Group as the Chief Constable

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.

is wholly owed by the parent and does not have any useable reserves.

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

Note 21 – 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 22 – Accounting Standards Issued, Not Adopted

There are no Accounting Standards that have been issued but not yet adopted, that need to be disclosed in these accounts.

Note 23 – 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.

On 23 March 2020, the Prime Minister announced that to limit the spread of coronavirus he would be asking people to stay at home and where possible work from home and only essential journeys should be made. Effectively this meant that many businesses became unable to carry on operating and many employees were “furloughed” on 80% of their existing salary paid by central government.

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



GLOSSARY

GLOSSARY

ACCOUNTING PERIOD	ACCOUNTING POLICIES	ACCRUALS
<p>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.</p>	<p>These are a set of rules and codes of practice used when preparing the accounts.</p>	<p>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.</p>
ACT	ACTUARIAL GAINS AND LOSSES	AUDIT OF ACCOUNTS
<p>The Police Reform and Social Responsibilities Act 2011.</p>	<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>	<p>An independent examination of the Force's financial affairs.</p>
BALANCE SHEET	BUDGET	CIPFA
<p>A statement of the recorded assets, liabilities and other balances at the end of the accounting period.</p>	<p>The forecast of net revenue and capital expenditure over the accounting period.</p>	<p>The Chartered Institute of Public Finance and Accountancy.</p>

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>



Annual Accounts 2018-19

Nottinghamshire Police & Crime Commissioner and Group





COMMISSIONER'S FOREWORD	WRITTEN STATEMENTS AND CHIEF FINANCE OFFICER'S NARRATIVE REPORT	CORE FINANCIAL STATEMENTS	NOTES TO THE ACCOUNTS	SUPPLEMENTARY ACCOUNTS AND EXPLANATORY NOTES	GLOSSARY
Page 5	<p>Chief Finance Officer's Narrative Report Page 8</p> <p>Independent Auditor's Report Page 18</p> <p>Statement of Responsibilities for the Statement of Accounts Page 19</p> <p>Annual Governance Statement for the Group Page 20</p>	<p>Comprehensive Income & Expenditure Statement (CIES) Page 29</p> <p>Movement in Reserves Statement (MIRS) Page 32</p> <p>Balance Sheet Page 36</p> <p>Cash Flow Statement Page 37</p>	<p>General Accounting Policies Page 39</p> <p>Note 1 Judgements and Major Accounting Events Page 40</p> <p>Notes to Core Statements</p> <p>Note 2 CIES Page 44</p> <p>Note 3 MIRS Page 49</p> <p>Note 4 Balance Sheet Page 54</p> <p>Note 5 Cash Flow Page 68</p> <p>Note 6 Remuneration Page 71</p> <p>Note 7 Financial Instruments Page 75</p> <p>Note 8 Other notes Page 78</p>	<p>Pension Fund Accounts and Explanatory Notes Page 80</p> <p>Joint Operations Page 90</p>	<p>Glossary of Terms Page 95</p>



**COMMISSIONER'S
FOREWORD**

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STREET
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COMMISSIONER'S FOREWORD

The past year has seen continued improvement and success.

This was confirmed in the most recent PEEL (Police Effectiveness, Efficiency, and Legitimacy) Inspection by HMICFRS, which awarded Nottinghamshire Police an overall 'Good' grade.

Highlighting the improvements, HMI Zoe Billingham said: "I am encouraged by the progress that Nottinghamshire Police has made over the past year. I am confident that the force will continue to make improvements in the year ahead".

These improvements have undoubtedly been helped along by the recruitment programme that has seen our numbers steadily rising again after years of cuts. My budget has allowed for 2,040 police officers by the end of the coming year, helped by careful planning, workforce reorganisation and of course the increased levy from the police precept on the council tax.

In 2017-18 the Government increased the amount that could be raised via the precept to £12 per annum for an average (Band D) property. This allowed us to boost the 2018-19 recruitment programme and simultaneously seek a more representative workforce.

In response to repeated and increasingly powerful arguments for additional police funding, in its financial settlement for 2018-19 the Government raised the ceiling on the precept once again, meaning that a Band D property will pay an additional £24 per annum

towards policing.

The increased financial freedom and the promise of a two-year settlement brought additional benefits, enabling longer-term planning and the confidence to make change defining-decisions. New, additional officers are being seen on the streets of Nottinghamshire and we are getting to grips with crimes such as burglary and robbery. There is a specialist team to tackle knife crime. Police officers are back in schools. There is much to be proud of.

But, as always, there is more that can, and should, be done. I'm pleased to see our relationships with our partners, particularly those in blue light services, becoming closer. I welcomed the legislation that allows a Police and Crime Commissioner to sit on the Fire Authority, because as I have repeatedly made clear, while I have no wish to take governance responsibility for another service, I firmly believe it's possible to bring about integration without taking control.

The decision to create a joint Police and Fire & Rescue Headquarters on the Sherwood Lodge site epitomises our approach and will create a modern, efficient working environment fit for many years to come.

In addition, work has now begun on the new Custody Suite to replace the outdated and inefficient Bridewell. The new building will provide a much-improved environment for all users and improve efficiency allowing officers to return to public facing duties. Constructed



using modern materials and the latest technology, the building will deliver reductions on both running costs and environmental impact.

Looking ahead, there are plans in place to consolidate our improvements and build upon these still further. This year's welcome increase in funding was absolutely necessary, but won't solve all our challenges. There will still be tough decisions to be made.

I know that people want to see more officers out and about in communities. We all want to feel safe, and be safe, on the streets and in our neighbourhoods. That's why we must continue to address the issues that concern people most and that's why we will redouble our efforts to secure a fair funding deal.

Paddy Tipping
Nottinghamshire Police and Crime
Commissioner

COMMISSIONER'S FOREWORD





**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: this is mainly in the south with the majority of the north and east of the County being rural.

There is a population of approximately 1.1m 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.

Nottinghamshire also collaborates with other forces for the provision of transactional services relating to Human Resources, Payroll and Finance.

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 2018-19 the Government Grant was maintained at £134.0m and a two year settlement was offered, providing national efficiency targets were achieved. For 2018-19 precept freedoms to raise council tax by £12pa (Band D equivalent) were given.

The Force still needed to achieve savings of £5.9m to balance the budget. Whilst those efficiencies have been met other costs have been incurred resulting in an overspend position of £0.9m.

Brexit has had a significant impact on Government resources and the planned Comprehensive Spending Review is unlikely to take place in 2019-20. The existing funding formula has been in place since 2005 and despite occasional "tweaks" has never been fully implemented.

Further impacts of Brexit on public spending remain uncertain and therefore unquantifiable.

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 2018-19

Over the last year numerous strategic activities were undertaken to help achieve the Commissioners objectives. A few examples include:

- A new adult Sexual Assault Referral Centre (SARC), which was co-commissioned with NHS England, began delivery in April 2018 and has supported almost 300 victims with crisis support and forensic examinations.
- A new regional paediatric SARC, co-commissioned with NHS England began delivery in April 2018 offering a comprehensive support service to children and young people from hubs located in Nottingham and Northamptonshire.
- New independent Sexual Violence Advisor services began delivering wide ranging support to adults, children and young people in July 2018. The adult service supported 540 survivors and won “Exceptional ISVA Team of the Year” from the foremost national provider, Lime Culture. The children and young people’s service supported almost 200 victims, survivors, parents and siblings from 128 families.
- A dedicated support service for survivors of child sexual abuse, which took place in institutional care, received increasing referrals following the Nottingham hearings of the Independent Inquiry into Child Sexual Abuse (IICSA). During the year nearly 80 survivors were supported. The service is funded by the Commissioner, City and County Councils.
- Following an open tender process, a new DVA support contract was awarded in the city; bringing a wide range of domestic abuse support into one contract.
- The Commissioner has continued to take action to better understand and respond with Partners to protect victims from human trafficking and develop local capability to provide specialist advice and support on modern slavery and organised illegal immigration.
- The Commissioner awarded a grant to POW from the 2018-19 Community Safety Fund to provide support around online sexual exploitation.
- The Commissioner has maintained his investment into outcomes focussed domestic abuse support services. This includes maintaining funding for the two new MARAC IDVA posts.
- The Commissioner has also agreed to co-commission a new domestic abuse support contract in the city (awarded to WAIS following an open tender process in 2018) and is working with the County Council to do the same.
- Victim CARE has significantly expanded the number of community points in 2018. At the end of March 2018 there were 14 community points in place, another 41 completing the application forms and over 100 organisations interested. Victim CARE now has work planned to bring together the community points and further develop the working relationships.
- The Commissioner has awarded contracts to NSVSS (Nottinghamshire Sexual Violence Support Services) (ISVA) and Imara (CHISVA). The services began on 1 July 2018.
- Operation Equinox was established as part of the new Force Operating Model in April 2018 to continue to ensure sufficient resource is allocated to the investigation and detection of historical sex offences. A review of the resources took place in December 2018, the current investigative resources will be maintained with an increased terms of reference to capture all non-recent abuse allegations.

PERFORMANCE (cont.)

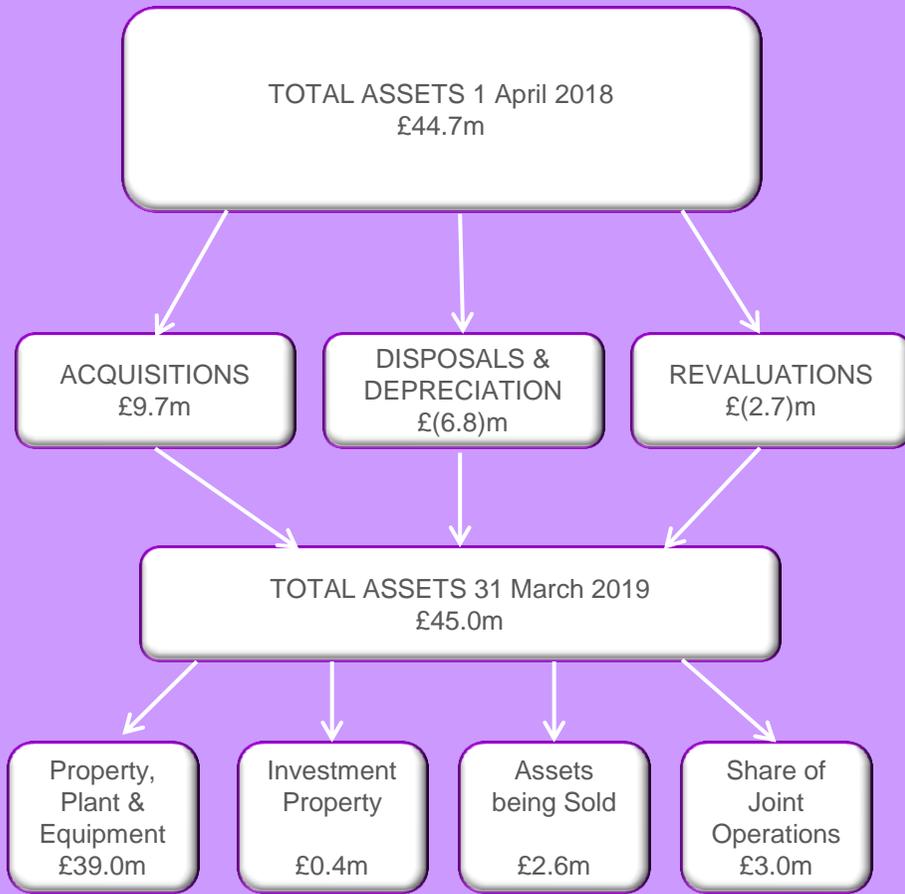
Achievements 2018-19

- The Commissioner made a £20,000 contribution to the National Justice Museum to help fund the Choices and Consequences Workshops (in association with the Ben Kinsella Trust). The exhibition and workshops are aimed at diverting young people away from knife crime.
- The Commissioner continues to fund a Superintendent with a specific knife crime partnership role, co-ordinating activity to reduce offences.
- The Partnership Knife Crime Strategy was launched in September 2018.
- Additionally, at the end of 2018-19 the Commissioner bid for and obtained £60,000 from the Home Office to fund two short term pilot projects – Violence Interrupters and Educational Plays in schools around knife crime and serious violent crime.
- The Force continues to maintain a high compliance rate with crime recording standards, which means more incidents are recorded as crimes, enabling more victims to receive support.
- Whilst recorded crime has increased overall by 11.2% during the year, it is less than last year (+18.4%) indicating an improved position.
- Despite the overall increase, there have been some significant crime reductions. For example, the number of homicides have almost halved (-46.7%, -7).
- During the year, the Commissioner provided additional funding to the Chief Constable to enable him to establish a dedicated burglary team, which has led to 431 fewer burglaries representing a reduction of 5.2%.
- It is believed that many offenders targeted and dealt with by the burglary team were also responsible for vehicle crime. Consequently, vehicle offences have also reduced by 294 offences representing a reduction of 3.1%.
- Other Theft (which includes theft of cash, mobile telephones etc.) has also reduced by 1,360 offences, representing a reduction of 10.9%.
- Nottingham was successful in being selected for the second round of the Home Office's Local Alcohol Area Action Plan (LAAA2) in 2018. A comprehensive Delivery Plan has been completed for the LAAA2 covering the five themes and use of the night time levy funding.
- In 2019, HMICFRS assessed Nottinghamshire Police as "Good" overall in relation to the Forces performance in keeping people safe, reducing crime and treating the public with fairness and respect.

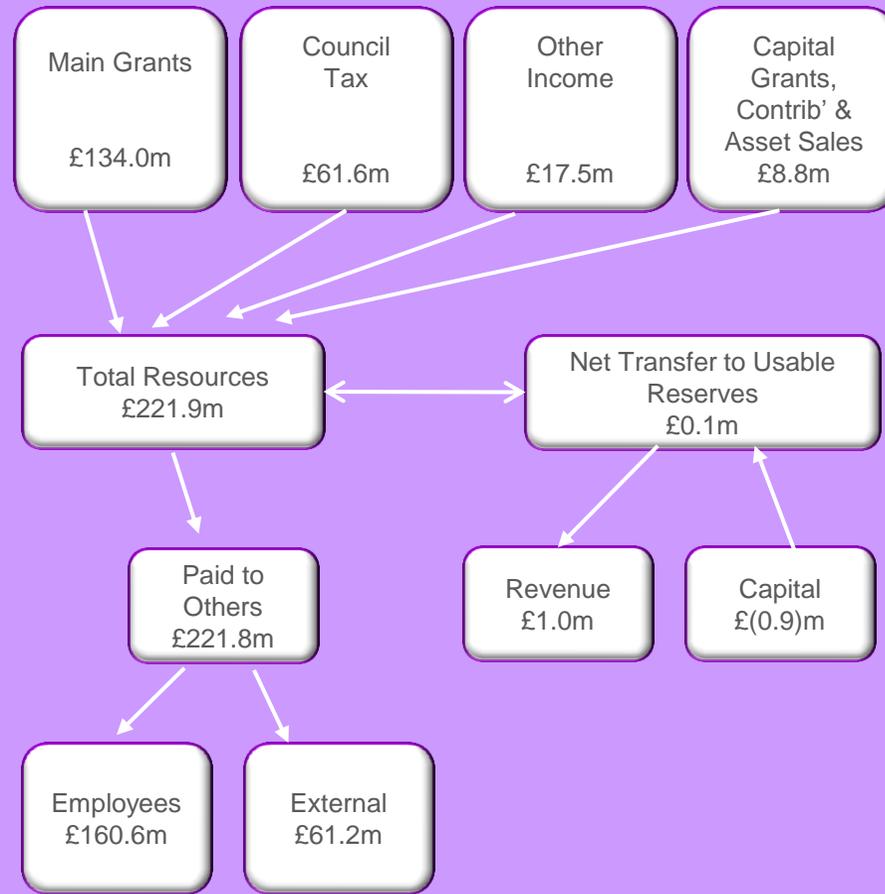
More information regarding performance can be found within the Annual Report published on the Commissioners website.

Capital Cash Flows

Nottinghamshire is responsible for managing non-current assets and assets being sold in excess of £45m



Revenue Cash Flows



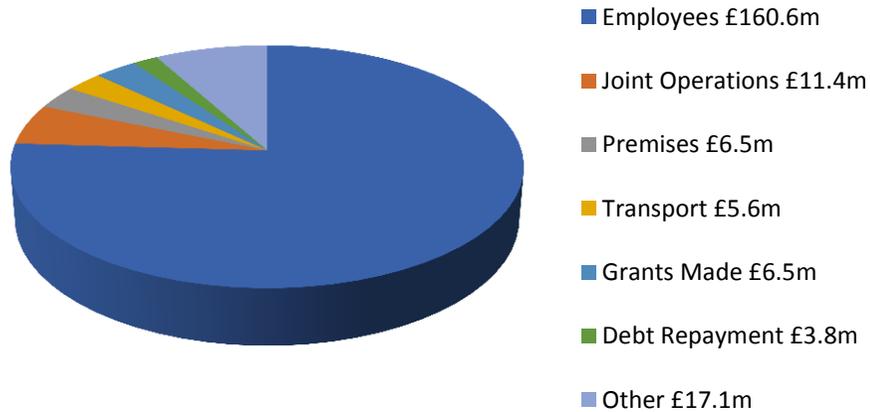
Active Treasury management of these cash flows involved £4,756.2m of transactions in 2018-19

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.)

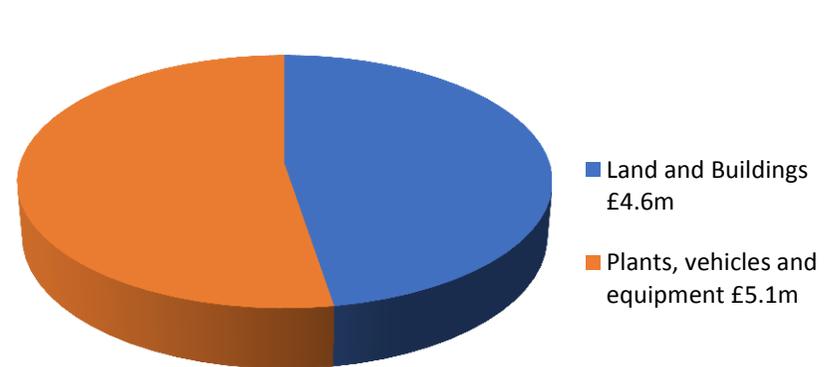
Revenue Expenditure

Revenue Expenditure



Capital Expenditure

Capital Expenditure



Financed by:	£m
Police and Crime Grant	124.3
Legacy Grant	9.7
Precept	61.6
Other Income	17.5
Net Contribution to Reserves	(1.0)
	<hr/>
	212.1

Financed by:	£m
Reserves & contributions	0.3
Capital Grants	0.8
Capital Receipts	2.7
External Borrowing	5.9
	<hr/>
	9.7

The net difference between total expenditure and financing relates to Council Tax surplus transferred directly to reserves.

Note: these revenue figures reflect the approved expenditure for the year. They do not include any adjustments required for IFRS as detailed within the financial statements.

FINANCIAL PERFORMANCE (cont.)

Capital Expenditure

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

- New custody suite.
- New Joint HQ building with Fire.
- Maintaining the existing estate.
- Updating and replacing IT.
- Vehicle replacements.
- Exploring opportunities with the Fire Service and 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 significant capital expenditure over the medium term.

At 31 March 2019	£m
TOTAL PROVISION	3.8
TOTAL USABLE REVENUE RESERVES	23.7
TOTAL USABLE CAPITAL RESERVES	3.0

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 1,981 police officers, 185 PCSOs, 199 specials and 1,271 staff in full-time and part-time positions.

Active recruitment plans for 2018-19 include positive action to improve the diversity and reflect more closely that of the County.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,027	55.75
Female	1,609	44.25

Age Band	Headcount	%
25 and under	386	10.62
24-40	1,456	40.04
41-55	1,499	41.23
56 or over	295	8.11

Self-Declared Disability	Headcount	%
No	3,415	93.92
Yes	152	4.18
Unspecified	69	1.90

Ethnicity	Headcount	%
Asian/Asian British	103	2.83
Black/Black British	41	1.13
Mixed	54	1.49
White/White British	3,326	91.47
Other	8	0.22
Not known/provided	104	2.86

PRINCIPLE 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
Brexit	Detrimental impact of Brexit on public sector financing.	Monitor national activity by the Government – consider lobbying through representative bodies.
Comprehensive Spending Review	Delay by a further year impacts on the total amount available for funding policing nationally.	The Commissioner is a lead for this work at a national level.
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 has improved significantly with annual targets for replacement being exceeded each year. Although the target for 2018-19 was not met due to additional demands on resources. The total available now provides opportunity for investment in IT and Property.
Changes to Crime Types	The need for officers to be trained in new areas of growing crime such as on-line crime. Whilst continuing to manage traditional crime such as burglary.	Recruitment and training of officers with these skills.

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 2019. 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 2018-19; which in turn is underpinned by International Financial Reporting Standards.</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 – is a summary of the changes to the Reserves during the course of the year. Reserves are divided into “useable”, 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>	<ul style="list-style-type: none"> • The Annual Governance Statement – this sets out the governance arrangements in place and the key internal controls. • The Pension Fund Account – 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. • The Notes to the Accounts – these provide more detail about the accounting policies and individual transactions.

INDEPENDENT AUDITORS REPORT

To be provided by EY



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 his 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.
- Keeps 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 Chief Constable as at 31 March 2019 and its income and expenditure for the year ended 31 March 2019.

C Radford CPFA
Chief Finance Officer
Nottinghamshire Police and Crime
Commissioner
27 November 2020

Approval
The Statement of Accounts was
approved by the Joint Audit and Scrutiny
Panel on 27 November 2020

P Tipping
Nottinghamshire Police & Crime
Commissioner
27 November 2020

INTRODUCTION

Police and Crime Commissioner are designated as Local Authority 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 Finance Officer (particularly relating to Policing).

KEY ELEMENTS OF THE COMMISSIONER’S GOVERNANCE FRAMEWORK

Police & Crime Plan

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

Scrutiny & Review

- Public meetings – Strategic Resources and Performance to hold the Chief Constable to account
- Joint Audit & Scrutiny Panel – to challenge and review the governance and actions of the OPCC and Force
- Public Consultation and Stakeholder events – 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 of the Police & Crime Plan
- Review and agree the proposed level of precept
- Agree the appointment of the Chief Constable

Decision making

- Public meetings recorded
- Decision records published on the Commissioner’s website
- Risk management reported to Audit & Scrutiny 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

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 below is how the Commissioner has complied with the seven principles set out in the CIPFA/SoLACE Framework during 2018-19.</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. The Audit and Scrutiny Panel 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 Audit and Scrutiny Panel or Police and Crime Panel.</p>	<p>All meetings of the Joint Audit and Scrutiny Panel, 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>

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.

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 Commissioners signing off the final business cases.

PRINCIPLE E**Developing capacity and capability**

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

This now includes the apprenticeship scheme for new recruits and further development of officers aspiring into senior ranks.

Nottinghamshire is the first Force to recruit new officers on the national apprenticeship scheme.

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

We have worked with local authority partners in the training and development of CIPFA qualified staff and will continue to identify other joint training schemes wherever possible.

PRINCIPLE F**Managing risks and performance**

Performance is a key driver for the Force. This year there has been a national focus on ensuring compliance with the National Crime Recording Standard. This resulted in a reported crime increase during the year (11.2% for Nottinghamshire's total crime for 2018-19). However, we were ranked best for tackling most serious crime.

The Force continues to experience a significant reduction in the number of people held in custody with mental health issues; ensuring these people are now directed to the correct help at first point of contact.

The Office of the Police & Crime Commissioner and the Force have a joint risk management strategy and monitor risks through the same system. The strategy was reviewed and reported to the Joint Audit & Scrutiny Panel in May 2018. These strategic risks are monitored and reported to every meeting of the Joint Audit and Scrutiny Panel.

The Office of the Police & Crime Commissioner will be developing a risk plan linked to the new Police & Crime Plan.

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

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 learnt across forces through this shared contract.

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

An external community panel has been set up to review discrimination complaints.

All recommendations from external and internal reviews (e.g. Audit and HMICFRS) are collated, reviewed and regularly reported on.

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. And the Commissioner meets with the Chief Constable on a weekly basis to challenge where the performance is slipping.

The Police and Crime Panel meet regularly to hold the Commissioner to account for the decisions being taken. The minutes of this public meeting are published on the County Council website.

In 2018-19 Nottinghamshire OPCC was awarded the "Transparency Quality Mark" by CoPaCC for the fourth year running.

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. During 2018-19, 14 areas, including collaboration areas, were reported on. Of which eight were deemed to be satisfactory (56% of local recommendations and 100% of regional recommendations). All key financial systems have been audited and considered satisfactory with the exception of the Creditors system which had a limited opinion. This will be followed up in 2019-20.

Of the remaining two areas reviewed, none were core financial systems. One was the follow-up of the previous limited assurance recommendations (satisfactory) and the other was the IT strategy which was an advisory piece of work on what a good strategy would include. These are detailed within the published annual report and will be monitored and reviewed during 2019-20. The internal auditors opinion for 2018-19 is that in the areas audited this was generally adequate, and effective risk management, control and governance processes were in place to manage the achievement of the organisations objectives.

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.

The Annual Governance report (ISA 260) will be issued to the Audit and Scrutiny Panel with the final statements including this 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. Assurance questionnaires have been completed and signed to provide confirmation that Codes of Conduct, Financial Regulations and other

corporate governance processes, have been operating as intended throughout the year so far as they are aware.

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

Governance Issues Identified	Performance Indicator
Formal Reports Issued by the Section 151 or Monitoring Officer	None issued
Outcomes from Monitoring Officer's Investigations	None issued
Proven frauds by members of staff or officers	None
Objections received from local electors	None
Ombudsman referrals upheld exceed national averages	None identified 2018-19
Limited assurance from Internal Audit Reports	Four out of 14 Internal Audit reports were issued with limited assurance. In addition to this HMCFRS issued "requires improvement" reviews relating to Crime Data Integrity and Police Custody. Details of these can be found within the Chief Constables AGS and reports to the Audit & Scrutiny Panel.
ISA 260 2017-18 issues identified	Please refer to Chief Constable's Annual Governance Statement for full details

Follow-up of issues identified in 2017-18

Issues identified:	Action taken:
Levels of Reserves were considered to be low, but compared with the previous year this was improving significantly.	The repayment of Reserves has faulted in 2018-19 due to additional unbudgeted revenue pressures, during the year. The repayment will still be made over the medium term and provide resources for new capital projects.
Internal Audit – limited assurance on Key Financial Systems.	<p>None of the Key Financial Systems were considered to have limited assurance.</p> <p>The four audits with limited assurance were Force Management of MFSS Arrangements, Health and Safety, GDPR and Property Management. These will be followed-up in 2019-20.</p> <p>The two audits with limited assurance in 2017-18 have been followed-up during the year and found to be satisfactory.</p>
Economic Outlook.	<p>The settlement for 2018-19 and 2019-20 provided the opportunity to deliver balanced budgets for the medium term. However, a funding formula review will take place, probably post the next CSR, and this provides some uncertainty.</p> <p>The public finances continue to be monitored in light of Brexit and the potential impact on police funding.</p>
VFM qualification of MFSS.	During the year steps have been taken to significantly improve the Governance arrangements of the Management Board and Joint Committee. Including the monitoring of costs associated with the implementation of Oracle Fusion. All budgetary increases are approved by the Joint Committee.

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 he remains committed to maintaining and wherever possible improving these arrangements, in particular by:

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

SIGNED

Paddy Tipping
Nottinghamshire Police and Crime Commissioner
27 November 2020

Kevin Dennis
Chief Executive
27 November 2020

Charlotte Radford CPFA
Chief Finance Officer
27 November 2020



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.

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.

2017-2018 (Restated, see note 1.5 for details)					PCC & GROUP CIES		2018-19				
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
227,509	0	227,509	(227,509)	0	Funding to Chief Constable		238,983	0	238,983	(238,983)	0
5,254	(1,641)	3,613	211,145	214,758	Service cost		6,063	(1,625)	4,438	336,308	340,746
232,763	(1,641)	231,122	(16,364)	214,758	Cost of Services		245,046	(1,625)	243,421	97,325	340,746
1,704	(1,053)	651	0	651	Other Operating (Income) and Expenditure	2.6	2,138	(2,387)	(249)	0	(249)
1,910	(194)	1,716	72,469	74,185	Financing and Investment	2.4	2,165	(578)	1,587	53,673	55,260
0	(238,715)	(238,715)	0	(238,715)	Taxation and Non Specific Grant Income	2.5	0	(240,836)	(240,836)	0	(240,836)
236,377	(241,603)	(5,226)	56,105	50,879	(Surplus) or Deficit on Provision of Services	2.1 & 2.8	249,349	(245,426)	3,923	150,998	154,921
		(19)	0	(19)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				92	0	92
		(250)	(165,866)	(166,116)	Re-measurement of the net defined benefit liability / asset				7	68,796	68,803
		(269)	(165,866)	(166,135)	Other Comprehensive (Income) and Expenditure				99	68,796	68,895
		(5,495)	(109,761)	(115,256)	Total Comprehensive (Income) and Expenditure				4,022	219,794	223,816

2017-18 (Restated, see note 1.5 for details)			GROUP CIES		2018-19		
Expenditure £'000	Income (Note 2.3) £'000	Net £'000		Note	Expenditure £'000	Income (Note 2.3) £'000	Net £'000
237,370	(22,612)	214,758	Group Cost of Services		356,398	(15,652)	340,746
1,704	(1,053)	651	Other Operating (Income) and Expenditure	2.6	2,138	(2,387)	(249)
79,944	(5,759)	74,185	Financing and Investment	2.4	77,225	(21,966)	55,260
0	(238,715)	(238,715)	Taxation and Non Specific Grant Income	2.5	0	(240,836)	(240,836)
319,018	(268,139)	50,879	(Surplus) or Deficit on Provision of Services	2.1 & 2.8	435,761	(280,840)	154,921
	(19)		(Surplus) or deficit on revaluation of Property, Plant and Equipment				92
	(166,116)		Re-measurement of the net defined benefit liability / asset				68,803
	(166,135)		Other Comprehensive (Income) and Expenditure				68,895
	(115,256)		Total Comprehensive (Income) and Expenditure				223,816

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	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
2018-19	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2018 restated	(7,075)	(16,853)	(3,887)	0	(27,815)	2,636,276	2,608,461
Movement in reserves during 2018-19							
(Surplus) or deficit on the provision of services	154,921	0	0	0	154,921	0	154,921
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	68,895	68,895
Total Comprehensive Income and Expenditure	154,921	0	0	0	154,921	68,895	223,816
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(155,030)	250	887	0	(153,893)	153,893	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(109)	250	887	0	1,028	222,788	223,816
Transfers to / (from) Earmarked Reserves (Note 3.1)	109	15	0	0	124	(124)	0
(Increase) or Decrease in 2018-19	0	265	887	0	1,152	222,663	223,815
Balance at 31 March 2019	(7,075)	(16,588)	(3,000)	0	(26,663)	2,858,939	2,832,276

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
2018-19	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2018 restated	(7,075)	(16,853)	(3,887)	0	(27,815)	10,593	(17,222)
Movement in reserves during 2017-18							
(Surplus) or deficit on the provision of services	3,923	0	0	0	3,923	0	3,923
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	99	99
Total Comprehensive Income and Expenditure	3,923	0	0	0	3,923	99	4,022
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(4,032)	250	887	0	(2,895)	2,895	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(109)	250	887	0	1,028	2,994	4,022
Transfers to / (from) Earmarked Reserves	109	15	0	0	124	(124)	0
(Increase) or Decrease in 2017-18	0	265	887	0	1,152	2,868	4,020
Balance at 31 March 2019	(7,075)	(16,588)	(3,000)	0	(26,663)	13,461	(13,202)

Group Movement in Reserves (2017-18 has been restated, see note 1.5 for details)	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
2017-18	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2017	(7,075)	(11,783)	(3,293)	0	(22,151)	2,746,222	2,724,071
Error correction from previous year	0	(40)	0	0	(40)	40	0
Change in leased asset treatment from previous year	0	0	0	0	0	(354)	(354)
Corrected balance as at 31 march 2017	(7,075)	(11,823)	(3,293)	0	(22,191)	2,745,908	2,723,717
Movement in reserves during 2017-18							
(Surplus) or deficit on the provision of services	50,879	0	0	0	50,879	0	50,879
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(166,135)	(166,135)
Total Comprehensive Income and Expenditure	50,879	0	0	0	50,879	(166,135)	(115,256)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	(55,909)	0	(594)	0	(56,503)	56,503	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(5,030)	0	(594)	0	(5,624)	(109,632)	(115,256)
Transfers to / (from) Earmarked Reserves	5,030	(5,030)	0	0	0	0	0
(Increase) or Decrease in 2017-18	0	(5,030)	(594)	0	(5,624)	(109,632)	(115,256)
Balance at 31 March 2018	(7,075)	(16,853)	(3,887)	0	(27,815)	2,636,276	2,608,461

PCC Movement in Reserves (2017-18 has been restated, see note 1.5 for details)	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
2017-18	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2017	(7,075)	(11,783)	(3,293)	0	(22,151)	27,492	5,341
Pension Reserve Restatement	0	0	0	0	0	(16,713)	(16,713)
Restated Balance	(7,075)	(11,783)	(3,293)	0	(22,151)	10,779	(11,372)
Error correction from previous year	0	(40)	0	0	(40)	40	0
Change in leased asset treatment from previous year	0	0	0	0	0	(354)	(354)
Corrected balance as at 31 March 2017	(7,075)	(11,823)	(3,293)	0	(22,191)	10,465	(11,726)
Movement in reserves during 2017-18					0		
(Surplus) or deficit on the provision of services	(5,226)	0	0	0	(5,226)	0	(5,226)
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(269)	(269)
Total Comprehensive Income and Expenditure	(5,226)	0	0	0	(5,226)	(269)	(5,495)
Adjustments between accounting basis and funding basis under regulations (Note 3.5)	196	0	(594)	0	(398)	398	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(5,030)	0	(594)	0	(5,624)	128	(5,496)
Transfers to / (from) Earmarked Reserves	5,030	(5,030)	0	0	0	0	0
(Increase) or Decrease in 2017-18	0	(5,030)	(594)	0	(5,624)	128	(5,496)
Balance at 31 March 2018	(7,075)	(16,853)	(3,887)	0	(27,815)	10,593	(17,222)

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.

2017-18	2017-18 (Restated, see note 1.5)		PCC & Group Balance Sheet	Note	2018-2019		
	Group	PCC			Group	PCC	Group
	£000	£000			£000	£000	£000
41,072	40,314	40,314	Property, Plant and Equipment	4.2	39,775	39,775	
534	534	534	Investment Property	4.4	435	435	
376	1,100	1,100	Intangible Assets	4.5	2,235	2,235	
0	0	0	Long-Term Debtors		0	0	
41,982	41,948	41,948	Long Term Assets		42,445	42,445	
2,364	2,748	2,748	Assets Held for Sale	4.7	2,586	2,586	
167	167	167	Inventories		151	151	
32,460	32,460	32,460	Short-Term Debtors	4.8	22,495	22,495	
0	0	0	Short Term Investments		4,000	4,000	
10,832	10,832	10,832	Cash and Cash Equivalentents	5.1	20,808	20,808	
45,823	46,207	46,207	Current Assets		50,040	50,040	
(8,249)	(8,249)	(8,249)	Short-Term Borrowing	4.9	(9,854)	(9,854)	
(27,760)	(24,289)	(27,605)	Short-Term Creditors	4.10	(19,059)	(22,528)	
(4,385)	(4,385)	(4,385)	Provisions	4.11	(3,813)	(3,813)	
(40,394)	(36,923)	(40,239)	Current Liabilities		(32,726)	(36,195)	
(28,920)	(28,920)	(28,920)	Long-Term Borrowing	4.12	(41,992)	(41,992)	
(2,626,720)	(5,089)	(2,627,457)	Other Long-Term Liabilities		(4,564)	(2,846,573)	
(2,655,640)	(34,009)	(2,656,377)	Long Term Liabilities		(46,556)	(2,888,565)	
(2,608,229)	17,222	(2,608,461)	Net Assets		13,202	(2,832,276)	
(27,815)	(27,815)	(27,815)	Usable Reserves	3.1 & 3.2	(26,663)	(26,663)	
2,636,044	10,593	2,636,276	Unusable Reserves	3.3	13,461	2,858,939	
2,608,229	(17,222)	2,608,461	Total Reserves		(13,202)	2,832,276	

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.

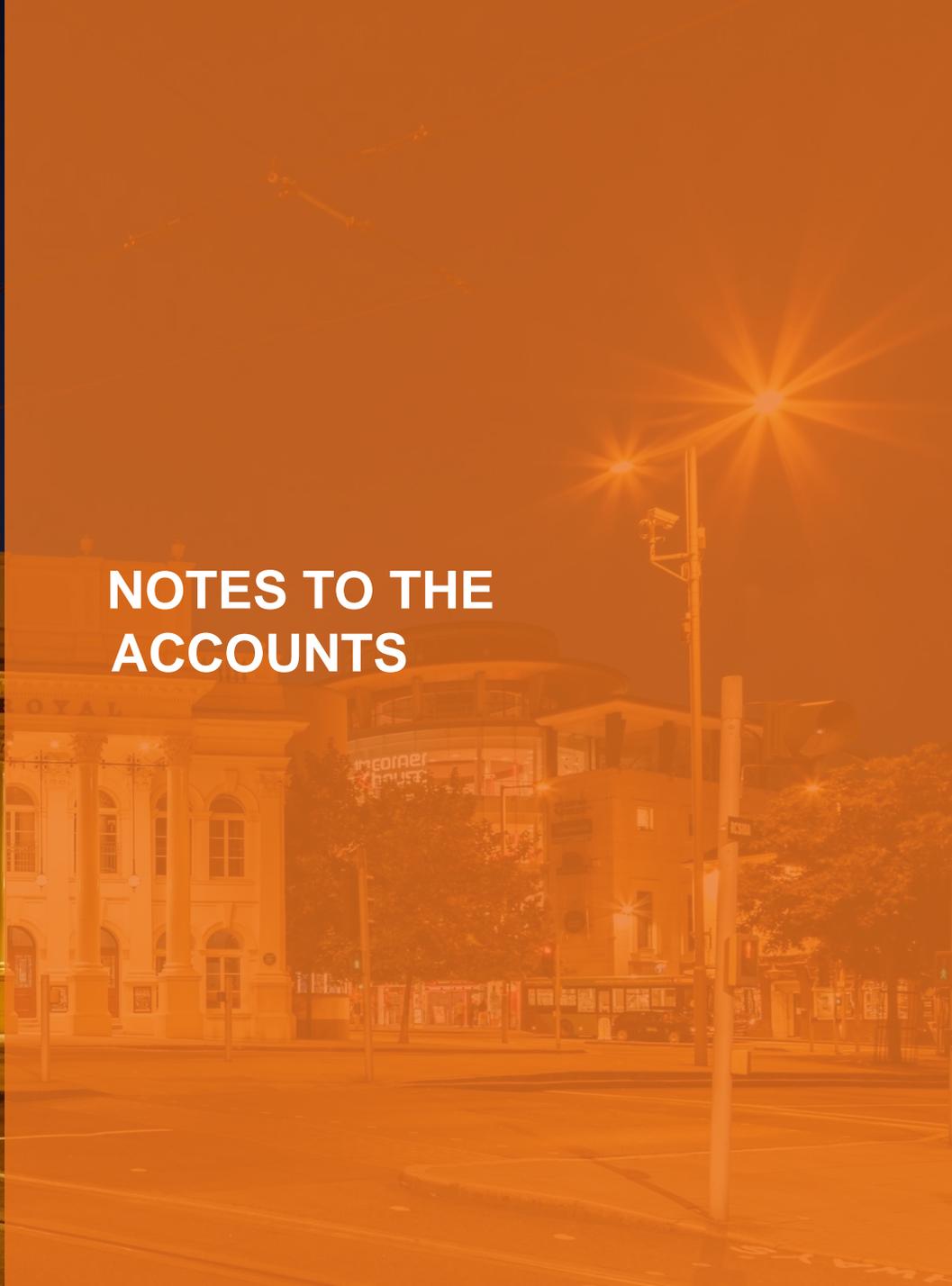
Cash includes cash in hand and deposits of up 24 hours' notice. Cash equivalents are investments that mature up to three months from acquisition date. These are readily convertible to known amounts of cash with

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

2017-18	2017-18 (Restated, see note 1.5)			Cash Flow Statement	Note	2018-19			
	Group	Commissioner	Chief Constable			Group	Commissioner	Chief Constable	Group
	£000	£000	£000			£000	£000	£000	£000
50,132	(5,226)	56,105	50,879	Net (surplus) or deficit on the provision of services		3,923	150,998	154,921	
(67,033)	(11,675)	(56,105)	(67,780)	Adjustment to (surplus) or deficit on the provision of services for non cash movements	5.2	(13,372)	(150,998)	(164,370)	
3,795	3,795	0	3,795	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing or financing activities	5.2	2,667	0	2,667	
(13,106)	(13,106)	0	(13,106)	Net cash flows from operating activities		(6,782)	0	(6,782)	
586	586	0	586	Net cash flows from investing activities	5.3	10,986	0	10,986	
3,709	3,709	0	3,709	Net cash flows from financing activities	5.3	(14,180)	0	(14,180)	
(8,811)	(8,811)	0	(8,811)	Net (increase) or decrease in cash and cash equivalents		(9,976)	0	(9,976)	
(2,021)	(2,021)	0	(2,021)	Cash and cash equivalents at the beginning of the reporting period		(10,832)	0	(10,832)	
(10,832)	(10,832)	0	(10,832)	Cash and cash equivalents at the end of the reporting period	5.1	(20,808)	0	(20,808)	



NOTES TO THE ACCOUNTS



GENERAL ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises transactions for the 2018-19 financial year and its position as at 31 March 2019. 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 2018-19, 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 mathematical 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 other than shorter deadlines. 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 2019/20) in respect of going concern reporting requirements reflect the economic and statutory environment in which Police and Crime Commissioners and police forces operate. These provisions confirm that, as Police and Crime Commissioners and police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and Police and Crime Commissioners are revenue-raising bodies (with limits on revenue-raising powers arising only at the discretion of central government). If a Police and Crime Commissioner was in financial difficulty, the prospects are thus that alternative arrangements would be made by central government either for the

continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner will continue to operate for the foreseeable future.

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

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

As the condition did not exist at the year end, this is therefore a non-adjusting

1.3 Going Concern (continued)

event for which a limited estimate of its financial effect on the reporting entity can be made as at 31 March 2019, particularly with regards to financial impact for 2019-20 and future years and asset impairments and pension valuations as at the balance sheet date.

As at the end of August 2020, the cumulative net cost of COVID-19 stood at £475k, comprising £754k expenditure and £279 government grant. This includes £185k of IT equipment purchased earlier than planned as a result of Covid-19 response. Additional costs are expected in the form of lost income, which are expected to be substantially funded by additional government grant.

At the present time absence rates due to COVID19 are much lower than anticipated and there has been a significant short term reduction in other policing activity, meaning that it has been possible to manage resources to minimise the financial impact. Costs are continuing to be monitored on the impact of this during 2020-21 and positive funding discussions with the Home Office continue. It seems certain that the impact can be managed in 2020-21 by use of budget underspends and that there will be minimal impact on the general reserve balance.

Beyond 2020-21, planning assumptions underpinning the medium term financial plan are being reviewed and will consider, inter alia, the potential for a reduction in council tax income as a result of:

- Reduced collection rates
- Increase Council Tax Support Scheme costs
- Reduced growth in the number of properties paying council tax

It is therefore not considered that COVID19 will have a material impact on the going concern of the organisation.

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 are £20.9m and are held by the PCC as detailed in Note 5. The Group is forecasting that this will remain positive to the end of 2021-22 throughout and is estimated to be £33.7m at the end of November 2021.
- This forecast and the Treasury Management Strategy 2020-21 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 has ongoing ready access to borrowings from the Public Works Loan Board and other approved lenders

1.4 Accounting Standards Issued but not Adopted

There are no Accounting Standards that have been issued but not yet adopted, that need to be disclosed in these accounts.

1.5 Prior Period Adjustments

During the audit of the statements it was discovered that material errors had been made on Non-Current Assets during 2016-17 and 2017-18 relating to the following:

- Incorrect valuation figures used
- Incorrect figures used when categorising assets as 'Assets Held for Sale'
- Assets not correctly categorised as 'Intangibles'
- Revised balance sheet accounting for PFI and leases assets

Core statements and notes affected have been amended for 2017-18 comparatives.

The financial impact on the Comprehensive Income & Expenditure Statement is – £0.747m

The financial impact on the Movement in Reserves Statement is – £0.747m

The financial impact on the Balance Sheet is –

- Long term assets - £(0.034)m
- Current assets - £0.384m
- Current liabilities - £0.155m
- Long term liabilities - £(0.737)m
- Reserves - £0.232m

1.6 Future Assumptions and Other Major Sources of Estimation Uncertainty

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

The largest area of estimation included within the Accounts is in staff related costs. These include calculations for overtime, bonuses, accumulated absences, early retirement costs, pension costs and other one-off payments.

The professional judgement of the Transport Manager is relied upon to provide vehicle valuations added to the Balance Sheet. These estimations are required due to the unavailability of the purchase information from the PFI supplier.

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

1.6 Future Assumptions and Other Major Sources of Estimation Uncertainty (continued)

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 £3.2m is based on estimates provided by Insurance Companies and by the Regional Legal Services Team. An increase / decrease in the value of claims of 10% will impact the provision by (+/-) £0.3m.

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.

On 23 March 2020, in response to the global Covid-19 pandemic, the Prime Minister announced that people should stay at home, where possible work from home and only make essential journeys. Regulations passed by parliament also required the closure of a range of businesses.

The economic and social consequences of the global pandemic are still uncertain but there will be a short term impact on the UK and global economies that may extend into the medium and long term.

The global pandemic developed after 31 March 2019 and represents a non-adjusting event for which a limited estimate of its financial effect on the reporting entity can be made as at 31 March 2019. Beyond 31 March 2019, the financial impact for 2019-20 and subsequent financial years may be significant: there may be further implications and considerations for the Balance Sheet, for example, in relation to asset impairments and pension fund liability valuations.

Whilst any future financial implications of such valuation movements would be recognised within the comprehensive income and expenditure statement in the year to which they relate, in accordance with proper accounting practice, they 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

2.1 Expenditure Funding Analysis

2017-18 has been restated, see note 1.5 for details.

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.

2017-18 (Restated, see note 1.5)			Commissioner & Group Expenditure Funding Analysis	2018-19		
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
227,509	(16,364)	211,145	Policing	238,983	97,325	336,308
4,049	(436)	3,613	Commissioner	4,707	(269)	4,438
231,558	(16,800)	214,758	Net Cost of Services	243,690	97,056	340,746
			Other (Income) and Expenditure			
0	72,469	72,469	Policing	0	53,673	53,673
(236,588)	240	(236,348)	Commissioner	(243,425)	3,927	(239,498)
(5,030)	55,909	50,879	(Surplus) or Deficit on Provision of Service	265	154,656	154,921
(18,898)			Opening General Fund Balance	(23,928)		
(23,928)			Closing General Fund Balance	(23,663)		

2.2 Adjustments to the Expenditure Funding Analysis

2018-19	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000
Policing	0	97,172	153	97,325
Commissioner		(269)	0	(269)
Net Cost of Services	0	96,903	153	97,056
Other (Income) and Expenditure Chief Constable	0	53,673	0	53,673
Other (Income) and Expenditure Commissioner	4,203	(144)	(132)	3,927
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	4,203	150,432	21	154,656

2017-18 (Restated, see note 1.5)	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000
Policing		(16,336)	(28)	(16,364)
Commissioner	(594)	124	34	(436)
Net Cost of Services	(594)	(16,212)	6	(16,800)
Other (Income) and Expenditure Chief Constable	0	72,469	0	72,469
Other (Income) and Expenditure Commissioner	109	67	64	240
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	(485)	56,324	70	55,909

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 deminimis 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

2017-2018 £000		2018-2019 £000
(1,641)	Relating to the Commissioner - Other Income	(1,625)
(5,883)	Partnership and Joint Controlled Operations	(2,175)
(1,858)	PFI Grant	(1,858)
(3,002)	Recharge of Officers	(2,142)
(10,228)	Other Income	(7,852)
(22,612)	Total for the Group	(15,652)

2.4 Financing and Investment Income and Expenditure

2017-18 £000		2018-19 £000
1,753	Interest payable and similar charges	1,979
67	Net interest on the net defined benefit liability (asset)	(144)
(104)	Interest receivable and similar income	(249)
1,716	Relating to the Commissioner	1,587
72,469	Other net interest on the defined benefit liability (asset)	53,672
74,185	Total for the Group	55,260

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

2017-18 (Restated, see note 1.5) £000		2018-19 £000
(57,273)	Council tax income	(61,433)
(136,418)	Non-ringfenced government grants	(135,136)
(41,650)	HO Police Pension Grant	(43,428)
(3,374)	Capital grants and contributions	(839)
(238,715)	Total for the Commissioner and Group	(240,836)

2.6 Other Operating Expenditure – Commissioner and Group

2017-18 (Restated, see note 1.5) £000		2018-19 £000
651	(Gains)/losses on the Disposal of Non-Current Assets	(249)
0	Other	0
651	Total for the Commissioner and Group	(249)

2.7 Impairment Losses

There are no instances of impairment to report.

2.8 Income and Expenditure Analysed by Nature

2017-18 Restated (see note 1.5)			Nature of Expenditure or Income	2018-19		
PCC	Chief Constable	Group		PCC	Chief Constable	Group
£000	£000	£000		£000	£000	£000
668	191,945	192,613	Expenditure on services - employees	1,009	308,216	309,225
4,585	35,417	40,002	Expenditure on services - other	5,055	33,798	38,853
(1,641)	(20,971)	(22,612)	Income from services	(1,625)	(14,027)	(15,652)
(57,273)		(57,273)	Income from local taxation	(61,433)	0	(61,433)
(181,441)		(181,441)	Government grants and contributions	(179,404)	0	(179,404)
0	4,754	4,754	Depreciation, amortisation and impairment	0	8,320	8,320
1,716	72,469	74,185	Other Financing	1,587	53,673	55,260
651		651	(Gain) or loss on disposal of non-current assets	(249)	0	(249)
227,509	(227,509)	0	Intra Group Funding	238,983	(238,983)	0
(5,226)	56,105	50,879	(Surplus) or Deficit for Year	3,923	150,998	154,921

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 Notes to the Movement in Reserves Statement

3.1 Transfers (to)/from Earmarked Reserves – Commissioner and Group

(2017-18 has been restated, see note 1.5 for details).

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

	Balance at 31 March 2017	Opening Balance Adjustment	Transfers In 2017-18	Transfers Out 2017-18	Balance at 31 March 2018	Transfers In 2018-19	Transfers Out 2018-19	Balance at 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000
Police Property Act	(183)		(13)	0	(196)	0	0	(196)
Drug Fund	(76)		(2)	51	(27)	0	0	(27)
PFI Life Cycle Costs	27		(37)	0	(10)	(38)	0	(48)
Revenue Grants	(2,747)		(411)	309	(2,849)	(217)	1,092	(1,974)
Medium Term Financial Plan	(3,275)	139	0	1,136	(2,000)	(254)	2,254	0
Tax Base Reserve	(1,247)		0	200	(1,047)	(469)	2	(1,514)
Animal Welfare	(19)		0	0	(19)	0	0	(19)
PCC	(622)		(111)	0	(733)	(53)	26	(760)
Grants and Commissioning	(2,499)		(1,080)	138	(3,441)	(712)	154	(3,999)
PCC Night Time Levy	(284)		0	103	(181)	(20)	0	(201)
Estimation Reserve	(13)		0	13	0	0	0	0
Target Hardening	0		(73)	0	(73)	0	0	(73)
Allard Reserve	0		(1,200)	0	(1,200)	0	0	(1,200)
Asset Replacement	0		(2,731)	0	(2,731)	(2,216)	0	(4,947)
IT Investment	0		(1,100)	0	(1,100)	0	378	(722)
Joint Operations	(845)	(139)	(262)	0	(1,246)	0	338	(908)
Total Earmarked Reserves	(11,783)	0	(7,020)	1,950	(16,853)	(3,979)	4,244	(16,588)
General Fund	(7,075)	0	0	0	(7,075)	0	0	(7,075)
Total General Fund Balance	(18,858)	0	(7,020)	1,950	(23,928)	(3,979)	4,244	(23,663)

3.2 Usable Reserves – Commissioner and Group

31 March 2018 £000	Capital Reserves Receipt	31 March 2019 £000
(3,293)	Balance 1 April	(3,887)
0	Applied in Year	2,715
(594)	Capital Receipts in Year	(1,828)
(3,887)	Balance 31 March	(3,000)

31 March 2018 £000	Capital Grants & Contributions Applied	31 March 2019
0	Balance 1 April	0
(2,794)	Capital Grants and Contributions Recognised in Year	(839)
2,794	Capital Grants and Contributions Applied	839
0	Balance 31 March	0

3.3 Unusable Reserves

31 March 2018	31 March 2018 (Restated, see note 1.5)		Type of Reserve	31 March 2019	
	Group £000	PCC £0		Group £000	PCC £000
2,624,493	2,125	2,624,493	Pensions	2,149	2,844,158
3,512	197	3,512	Accumulated Absences	10	3,479
(1,137)	(1,568)	(1,568)	Revaluation Reserve	(1,422)	(1,422)
10,080	10,743	10,743	Capital Adjustment	13,483	13,483
(891)	(891)	(891)	Collection Fund	(759)	(759)
(13)	(13)	(13)	Deferred Receipt	0	0
2,636,044	10,593	2,636,276	Total	13,461	2,858,939

3.4 Unusable Reserves Movements

The table below analyses the unusable reserves movements in the MIRS.

31 March 2018	31 March 2018 (Restated, see note 1.5)		Movement in Unusable Reserves	31 March 2019	
	Group £000	PCC £000		Group £000	PCC £000
2,746,383	27,492	2,746,222	Balance at Start of year	10,593	2,636,276
0	(17,027)	(314)	Adjustment	0	0
(166,135)	(269)	(166,135)	Comprehensive Income and Expenditure	99	68,895
55,796	398	56,503	Adjustments between accounting basis and funding basis under regulations	2,895	153,893
0	0	0	Transfers from Earmarked Reserves	(124)	(124)
2,636,044	10,593	2,636,276	Balance at End of Year	13,461	2,858,939

This includes movements in the Capital Adjustment Account as follows.

31 March 2018 £000	Capital Adjustment Account	31 March 2019 £000
9,481	Balance 1 April	10,743
	Capital Accounting	
5,981	Depreciation & Amortisation	5,263
1,516	Disposals	1,523
213	Revaluations & Impairments	3,010
12	Historic Cost Adjustments	(18)
	Capital Financing	
(3,201)	Grants & Contributions	(839)
0	Receipts Reserve	(2,715)
0	Earmarked Reserves	0
(344)	Revenue Financing	(800)
(240)	Lease Accounting	68
(2,675)	MRP Charge	(2,752)
10,743	Balance 31 March	13,483

3.5 Adjustments between Accounting Basis and Funding Basis under Regulations

2018-19	General Fund / Earmarked Reserve	General Fund / Earmarked Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Movement in Unusable Reserves
	Commissioner £000	Group £000	Group £000	Group £000	Commissioner £000	Group £000
Pension costs (transferred to / (from) the Pensions Reserve)	17	(150,862)			(17)	150,862
Council tax (transfers to / (from) the Collection Fund)	(132)	(132)			132	132
Receipt of deferred debtor	0	0			0	0
Holiday pay (adjustments to the Accumulated Absences reserve)	(4)	33			4	(33)
Revaluation Reserve	22	22			(22)	(22)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(9,066)	(9,220)		(839)	9,905	10,059
Total Adjustments to Revenue Resources	(9,163)	(160,159)	0	(839)	10,002	160,998
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,828	1,828	(1,828)		0	0
Statutory Provision for the repayment of debt	2,752	2,752			(2,752)	(2,752)
Capital expenditure financed from revenue balances	550	550			(550)	(550)
Total adjustments between Revenue and Capital Resources	5,130	5,130	(1,828)	0	(3,302)	(3,302)
Application of capital grant to finance capital expenditure	0	0		839	(839)	(839)
Use of capital receipts reserve to finance capital expenditure			2,715		(2,715)	(2,715)
Use of earmarked reserves to finance capital expenditure	250	250			(250)	(250)
Other adjustments	1	(1)			(1)	1
Total adjustments	(3,782)	(154,780)	887	0	2,895	153,893

2017-18	General Fund / Earmarked Reserve	General Fund / Earmarked Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Movement in Unusable Reserves
	Commissioner	Group	Group	Group	Commissioner	Group
	£000	£000	£000	£000	£000	£000
Pension cost (transferred to / (from) the Pensions Reserve)	(191)	(56,324)			191	56,324
Council tax (transfers to / (from) the Collection Fund)	(83)	(83)			83	83
Receipt of deferred debtor	(32)	(32)			32	32
Holiday pay (adjustments to the Accumulated Absences reserve)	(13)	13			13	(13)
Revaluation Reserve	(137)	(137)			137	137
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)	(2,367)	(2,365)		(2,794)	5,161	5,159
Total Adjustments to Revenue Resources	(2,823)	(58,928)	0	(2,794)	5,617	61,722
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	0	(594)		594	594
Statutory Provision for the repayment of debt	2,675	2,675			(2,675)	(2,675)
Capital expenditure financed from revenue balances	344	344			(344)	(344)
Total adjustments between Revenue and Capital Resources	3,019	3,019	(594)	0	(2,425)	(2,425)
Application of capital grant to finance capital expenditure				2,794	(2,794)	(2,794)
Other adjustments						0
Total adjustments	196	(55,909)	(594)	0	398	56,503

Section 4 Notes to the Balance Sheet

4.1 Property, Plant and Equipment

Assets with physical substance and 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 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 2019	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 2018 Restated, see note 1.5	33,262	32,388	477	66,127
Adjustments to cost/value & depreciation/impairment	(536)	0	0	(536)
Additions	3,303	4,161	1,000	8,464
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(80)	0	0	(80)
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(2,597)	0	0	(2,597)
De-recognition – disposals	0	(11,798)	0	(11,798)
Reclassifications and transfers	(1,047)	0	0	(1,047)
at 31 March 2019	32,305	24,751	1,477	58,533
Depreciation & Impairment				
at 1 April 2018 Restated, see note 1.5	(5,228)	(20,585)	0	(25,813)
Adjustments to cost/value & depreciation/impairment	536	0	0	536
Depreciation charge	(845)	(4,106)	0	(4,951)
De-recognition – disposals	0	11,470	0	11,470
Reclassifications and transfers	0	0	0	0
Eliminated on reclassification to Held for Sale	0	0	0	0
at 31 March 2019	(5,537)	(13,221)	0	(18,758)
Net Book Value				
at 31 March 2019	26,768	11,530	1,477	39,775
at 31 March 2018	28,034	11,803	477	40,314

4.2 Property Plant and Equipment Movements to 31 March 2018 Restated, see note 1.5	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 2017	31,773	33,242	307	65,322
Adjustments to cost/value & depreciation/impairment	(798)	0	0	(798)
Additions	1,572	3,585	500	5,657
Revaluation increases/(decreases) recognised in the Revaluation Reserve	558	0	0	558
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	1,293	0	0	1,293
De-recognition – disposals	(290)	(4,439)	0	(4,729)
Reclassifications and transfers	(846)	0	(330)	(1,176)
at 31 March 2018	33,262	32,388	477	66,127
Depreciation & Impairment				
at 1 April 2017	(5,133)	(18,979)	0	(24,112)
Adjustments to cost/value & depreciation/impairment	0	0	0	0
Depreciation charge	(914)	(4,628)	0	(5,542)
De-recognition – disposals	39	3,022	0	3,061
Reclassifications and transfers	(16)	0	0	(16)
Eliminated on reclassification to Held for Sale	796	0	0	796
at 31 March 2018	(5,228)	(20,585)	0	(25,813)
Net Book Value				
at 31 March 2018	28,034	11,803	477	40,314
at 31 March 2017	26,640	14,263	307	41,210

4.3 Property, Plant and Equipment Revaluations

2017-18 has been restated, see note 1.5 for details

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 and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Total
	£000	£000	£000	£000
Carried at historical cost	11,142	23,021	1,030	35,193
Valued at current value as at:				
31/03/2019	6,995	0	0	6,995
31/03/2018	1,200	0	0	1,200
31/03/2017	8,603	0	0	8,603
31/03/2016	566	0	0	566
31/03/2015	1,713	0	0	1,713
Total cost or Valuation	30,219	23,021	1,030	54,270
Share of Joint Operation Property				4,263
Total Gross Value				58,533

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 £0.435m (£0.535m 2017-18) 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 was £0.92m in 2018-19 (£0.080m in 2017-18).

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 2018 (Restated, see note 1.5) £000	Intangible Assets	31 March 2019 £000
3,584	Balance at start of year:	4,577
(3,133)	Gross carrying amounts	(3,477)
451	Accumulated amortisation	1,100
	Net carrying amount at start of year	
	Additions:	
993	Purchases	1,494
(344)	Amortisation for the period	(359)
1,100	Net carrying amount at end of year	2,235
	Comprising:	
4,577	Gross carrying amounts	6,071
(3,477)	Accumulated amortisation	(3,836)
1,100		2,235

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.

This table only shows the position of the Commissioner excluding the Joint Operations. At the 31 March 2019 the Commissioner had entered into a number of capital contracts which would continue to incur expenditure in future years. These totalled £3.4m. The contracts covered building alterations and IT systems. (£3.2m 31 March 2018).

31 March 2018 Restated, see note 1.5 £000	Capital Expenditure and Capital Financing	31 March 2019 £000
59,137	Opening Capital Financing Requirement	57,705
	Capital Investment:	
3,132	Property Plant and Equipment	8,159
905	Intangible Assets	1,494
4,037	Total Capital Spending	9,653
	Sources of Finance:	
0	Capital Receipts	(2,715)
0	Earmarked Reserves	(250)
(2,794)	Government Grants and other contributions	(753)
	Sums set aside from revenue:	
(2,675)	Minimum Revenue Provision	(2,752)
(5,469)	Total Sources of Finance	(6,470)
57,705	Closing Capital Financing Requirement	60,888

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 2018 (Restated, see note 1.5) £000	Assets Held for Sale	31 March 2019 £000
2,786	Balance outstanding at start of year	2,748
1,330	Newly classified as held for sale	1,047
(63)	Revaluations	0
(1,305)	Assets sold	(1,209)
2,748	Balance outstanding year end	2,586

4.8 Debtors Commissioner and Group

A bad debt provision of £0.12m is provided against specific debts considered to be unlikely to be collected (£0.03m at 31 March 2018).

A provision of £3.663m is held against Council Tax arrears of £5.679m at 31 March 2019 (£3.184m and £4.953m respectively at 31 March 2018). This level of provision has been assessed by the Council Tax Billing Authorities. Debtors relate to the Commissioner only.

31 March 2018 £000	Debtors	31 March 2019 £000
18,107	Central Government Bodies	9,908
5,080	Other Local Authorities	3,193
9,273	Other Entities and Individuals	9,394
32,460	Total Debtors	22,495

4.9 Short Term Borrowing Commissioner and Group

31 March 2018 £000	Short Term Borrowing	31 March 2019 £000
(3,500)	Market Loan - L.O.B.O.	(3,543)
(749)	PWLB	(1,302)
0	Market Loan - Waverley	(5,009)
(4,000)	Market Loan - Torbay	0
(8,249)		(9,854)

4.10 Creditors Commissioner 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 2019 cash totalling £0.145m was held in the Commissioner's bank account (£0.797m at 31 March 2018).

31 March 2018		Creditors	31 March 2019	
PCC £000	Group £000		PCC £000	Group £000
(4,876)	(4,876)	Central Government Bodies	(3,026)	(3,026)
(6,812)	(6,812)	Other Local Authorities	(7,113)	(7,113)
(12,601)	(15,917)	Other Entities and Individuals	(8,920)	(12,389)
(24,289)	(27,605)	Total Creditors	(19,059)	(22,528)

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.

2018-19	Insurance £000	Dilapidation £000	Legal Expenses £000	Medical Retirement £000	Redundancy £000	Bad Debt £000	Joint Operations £000	Pay Award £000	Total £000
Opening Balance	(3,189)	(300)	(115)	0	(51)	0	0	(730)	(4,385)
Increase in provision during year	(966)	(209)	0	(78)	(27)	(24)	(2)	(5)	(1,311)
Utilised during year	937	21	115	0	51	24	0	735	1,883
Closing Balance	(3,218)	(488)	0	(78)	(27)	0	(2)	0	(3,813)

2017-18	Insurance £000	Dilapidation £000	Legal Expenses £000	Medical Retirement £000	Redundancy £000	Bad Debt £000	Joint Operations £000	Pay Award £000	Total £000
Opening Balance	(2,898)	(268)	(115)	0	0	0	0	0	(3,281)
Increase in provision during year	(1,342)	(158)	0	0	(51)	0	0	(735)	(2,286)
Utilised during year	1,051	126	0	0	0	0	0	5	1,182
Closing Balance	(3,189)	(300)	(115)	0	(51)	0	0	(730)	(4,385)

4.12 Long Term Debt

31 March 2018 £000	Long Term Borrowing	31 March 2019 £000
0	Market Loans	0
(28,921)	PWLB	(41,992)
(28,921)	Total Long Term Borrowing	(41,992)

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. Operating leases are charged to the CIES. These payments in 2018-19 were £1.435m (£1.231m in 2017-18).

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

The contract for the provision of an agreed number of vehicles runs until 2026-27. The estimated value of this scheme is £14.8m. The amount paid in 2018-19 was £3.3m (£3.3m in 2017-18). Future payments are linked to inflation increases. Grant of £1.3m was received in 2018-19 (£1.3m in 2017-18).

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 2018 £000	31 March 2019 £000		31 March 2018 £000	31 March 2019 £000
85	85	Not later than one year	85	85
340	340	Later than one year and not later than five years	340	340
397	397	Later than five years	397	397
822	822	Total	822	822

Included in short-term creditors

31 March 2018 £000	31 March 2019 £000
85	85

Included in long-term liabilities

31 March 2018 £000	31 March 2019 £000
737	737

Authority as Lessee - Operating Leases

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

31 March 2018 £000		31 March 2019 £000
1,408	Not later than one year	1,480
2,251	Later than one year and not later than five years	2,652
435	Later than five years	352
4,094	Total	4,484

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. The Commissioner has entered into two PFI contracts.

The first contractor, Vensons, is responsible for the provision and maintenance of vehicles on a 25 year contract until 2026-27, from a building at Chilwell. The vehicle provision and maintenance is accounted for as an operating lease as opposed to the building being on the balance sheet with a capital value of £1.152m.

The second 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 £1.943m. £1.045m was paid in 2018-19 (£1.045m in 2017-18).

With the PFI agreement now being less than 10 years until completion, the opportunity was taken to review the accounting policy to ensure that best practice was being followed.

Future payments are linked to the retail price index but are otherwise fixed, except reductions for poor contractor performance. Specific government grant of £1.858m was received (£1.858m in 2017-18).

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 2017-18 £000	Payment for Services & Interest 2017-18 £000	PFI	Reimbursement of Capital Expenditure 2018-19 £000	Payment for Services & Interest 2018-19 £000
203	842	Payable within one year	212	833
907	3,271	Payable within two to five years	949	3,230
1,035	2,967	Payable within six to ten years	730	2,175
2,145	7,080	Total	1,891	6,238

PFI	2018-19 £000
Gross PFI liabilities	2,332
Due:	
Not later than one year	304
Later than one year and not later than five years	1,217
Later than five years	810
	2,332
Finance charges allocated to future periods	(441)
Net service concession liabilities	1,891
Net PFI liabilities	
Due:	
Not later than one year	212
Later than one year and not later than five years	949
Later than five years	730
	1,891
Finance cost payments committed in respect of PFI	
Not later than one year	92
Later than one year and not later than five years	269
Later than five years	80
	441
Services and contingent rents payable to PFI operator (included in the unitary payment)	
Not later than one year	740
Later than one year and not later than five years	2,962
Later than five years	2,094
	5,797
Total unitary payments to PFI operator	
Not later than one year	1,045
Later than one year and not later than five years	4,179
Later than five years	2,905
	8,129

Section 5 Notes to the Cash Flow Statement

5.1 Cash and Equivalents

All cash and cash equivalents consist of bank and instant access accounts.

31 March 2018 £000	Cash and Equivalents Comprise	31 March 2019 £000
9,800	Low Volatility Net Asset Value Funds	4,760
0	Temporary Investments	15,000
1,032	Cash and Bank	1,048
10,832	Total	20,808

Section 5 Notes to the Cash Flow Statement

5.2 Cash Flow from Operating Activities – Group Cash Flows

31 March 2018 £000	The cash flows for operating activities include the following items	31 March 2019 £000
(104)	Interest Received	(249)
1,351	Interest Paid	1,385
1,247	Total	1,136

31 March 2018 Restated, see note 1.5 £000	The cash flows for operating activities include the following items	31 March 2019 £000
(5,886)	Depreciation / amortisation	(5,624)
1,413	Property revaluations	(2,697)
(4,292)	(Increase)/decrease in creditors	5,077
276	Increase/(decrease) in debtors	(9,965)
(103)	(Increase)/decrease in inventories	(16)
(56,323)	Movement in long term liability	(150,862)
(1,431)	Carrying amount of other non-current assets / liabilities	958
(2,973)	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(1,542)
1,539	Other non-cash movements charged to the (surplus) or deficit on provision of services	301
(67,780)	Total	(164,370)

31 March 2018 £000	The (surplus) or deficit on the provision of services has been adjusted for the following investing and financing activities	31 March 2019 £000
594	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,828
3,201	Any other items for which the cash effects are investing or financing cash flows	839
3,795	Total	2,667

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

31 March 2018 £000	Cash Flow from Investing and Financing Activities	31 March 2019 £000
4,381	Purchase of property, plant and equipment, investment property and intangible assets	9,653
0	Purchase of short term and long term investments	4,000
(594)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,828)
(3,201)	Other receipts from investing activities	(839)
586	Net cash flows from investing activities	10,986
(11,500)	Cash receipts of short-term and long-term borrowing	(34,500)
15,209	Repayments of short-term and long-term borrowing	20,320
3,709	Net cash flows from financing activities	(14,180)

Section 6 Remuneration Notes

6.1 Members Remuneration

Members of the Audit and Scrutiny Panel were paid £0.006m (£0.005m 2017-18).

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. It includes three above the rank of Superintendent (five in 2017-18).

Remuneration over £50,000	2017-18	2018-19
£50,001 to £55,000	161	175
£55,001 to £60,000	89	96
£60,001 to £65,000	27	30
£65,001 to £70,000	8	5
£70,001 to £75,000	10	8
£75,001 to £80,000	6	8
£80,001 to £85,000	6	9
£85,001 to £90,000	1	2
£90,001 to £95,000	1	1
£95,001 to £100,000	0	1
Total	309	335

6.3 Senior Officer Payments

Officers Remuneration 2018-19	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Police & Crime Commissioner - P Tipping		76,375	0	2,693	0	10,234	89,303
Chief Finance Officer to the Police & Crime Commissioner - C Radford		101,380	0	1,594	0	13,585	116,559
Chief Executive to the Police & Crime Commissioner - K Dennis		99,072	0	1,833	0	13,276	114,181
TOTAL PCC		276,827	0	6,121	0	37,095	320,042
Chief Constable - C Guildford		159,313	0	14,196		36,575	210,084
Deputy Chief Constable - R Barber	5	131,754	0	11,321		12,979	156,054
Assistant Chief Constable - S Cooper		106,042	0	7,588	0	25,662	139,292
Assistant Chief Constable - S Prior	3	60,154	0	2,640	0	11,772	74,566
Assistant Chief Constable - K Meynell	4	67,681		4,451		13,500	85,632
Chief Finance Officer to the Chief Constable		63,990	0	602		8,531	73,124
TOTAL CHIEF CONSTABLE		588,934	0	40,798	0	109,019	738,751
TOTAL FOR GROUP		865,761	0	46,919	0	146,114	1,058,793

Note 1: Salary, Fees & Allowances includes Rent Allowance, Housing Allowance, Compensatory Grant, Honoraria and Compensation for Loss of Office

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

Note 3: ACC retired 09-09-18

Note 4: ACC appointed 06-08-18

Note 5: DCC opted out of pension scheme 30 years 04-09-18

6.3 Senior Officer Payments

Officers Remuneration 2017-18	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Police & Crime Commissioner - P Tipping		75,017	0	1,864	0	10,052	86,933
Chief Finance Officer to the Police & Crime Commissioner - C Radford		86,934	0	1,577	0	11,567	100,078
Chief Executive to the Police & Crime Commissioner - K Dennis		95,480	0	429	0	12,794	108,703
TOTAL PCC		257,431	0	3,870	0	34,413	295,714
Chief Constable - C Guildford		156,436	0	12,464	0	36,004	204,904
Deputy Chief Constable - R Barber	3	122,743	0	6,788	0	28,391	157,922
Assistant Chief Constable - S Cooper	4	92,359	0	6,117	0	22,004	120,480
Assistant Chief Constable - S Prior		103,916	0	3,225	0	25,148	132,289
Assistant Chief Officer - Finance and Resources	5	95,349	0	5,435	0	18,879	119,663
Director of Human Resources	5	100,385	0	8,335	0	17,683	126,403
Director of Information Services & IT	5,6,7	49,485	0	6,618	0	6,275	62,378
TOTAL CHIEF CONSTABLE		720,673	0	48,982	0	154,384	924,039
TOTAL FOR GROUP		978,104	0	52,852	0	188,797	1,219,753

Note 1: Salary, Fees & Allowances include Rent Allowance, Housing Allowance, Compensatory Grant, Honoraria & Compensation for Loss of Office

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

Note 3: Deputy Chief Constable was appointed 17 -04-17

Note 4: Assistant Chief Constable was appointed 05-04-17

Note 5: This is the total earned. The costs are apportioned between Nottinghamshire, Northamptonshire and Leicestershire Police

Note 6: Includes Market Rate Premium

Note 7: Director of Information Services and IT resigned 15-09-17

In 2017-18 the PCC and CC had a shared Regional ACO and Director of Human Resources. Both were employed by Leicestershire Police.

6.4 Exit Packages

Contracts were terminated for 20 employees in the group during the year (9 in 2017-18), incurring costs of £0.378m (£0.209m in 2017-18). This included redundancy payments of £0.203m and pension strain costs of £0.145m. Other departures agreed including compromise agreements incurred costs of £0.030m. In 2018-19. There were no exit payments within the PCC. 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 fees in the year were £0.040m of which £0.027m related to the Commissioner and no other services were purchased (£0.050m in 2017-18).

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 (£)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
£0 - £20,000	5	7	1	8	6	15	67,000	101,000
£20,001 - £40,000	2	2	0	1	2	3	67,000	98,000
£40,001 - £60,000	0	0	0	1	0	1	0	49,000
£60,001 - £80,000	1	0	0	0	1	0	75,000	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	1	0	1	0	130,000
Total	8	9	1	11	9	20	209,000	378,000

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 charged 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 £65.6m. 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 £0.93m at year end (£2.24m in 2017-18). An allowance of £0.12m is set aside for debts to mitigate the effect of default (£0.03m in 2017-18).

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 borrowings 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 7%. There was £5m temporary borrowing at 31 March 2019.

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. All trade and other payables are due within one year.

Liquidity Risk	31 March 2018 £000	31 March 2019 £000
Less than one year	(8,249)	(9,854)
Between one and two years	(471)	(3,188)
Between two and five years	(5,677)	(4,216)
More than 5 Years	(3,259)	(5,126)
More than 10 Years	(19,513)	(29,462)
	(37,169)	(51,846)

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 2018-19 ranged between 2.19% and 7.75% for PWLB loans and 3.73% on the market loan. The average Interest rates received was 0.66%. 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 £58.3m which is £7m 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 borrowings of £14m took place in 2018-19.

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 6 months (Lenders Option, Borrowers Option LOBO).

This option has not yet been used. The CIPFA Treasury Management Code categorises this as a short term liability.

At 31 March 2019 a short term investment of £4m was held with City of Liverpool Council.

	Long-term 31 March 2018 £000	Long-term 31 March 2019 £000	Current 31 March 2018 £000	Current 31 March 2019 £000
Debtors				
Loans and receivables	0	0	43,292	47,303
Other	0	0	2,748	2,586
Total included in Debtors	0	0	46,040	49,889
Borrowings				
Financial liabilities at amortised cost	(28,920)	(41,992)	(8,249)	(9,854)
Total included in Borrowings	(28,920)	(41,992)	(8,249)	(9,854)
Other Long Term Liabilities				
PFI and finance lease liabilities	(2,227)	(2,415)	(288)	(297)
Total other long term liabilities	(2,227)	(2,415)	(288)	(297)
Creditors				
Financial liabilities carried at contract amount	0	0	(27,605)	(22,528)
Total Creditors	0	0	(27,605)	(22,528)
Financial Liabilities at amortised cost				
Interest expense			1,351	1,385
Financial Assets: Loans and receivables				
Interest income			(104)	(249)
Net expense in (Surplus) or Deficit on the Provision of Services			1,247	1,136

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 2019.

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.

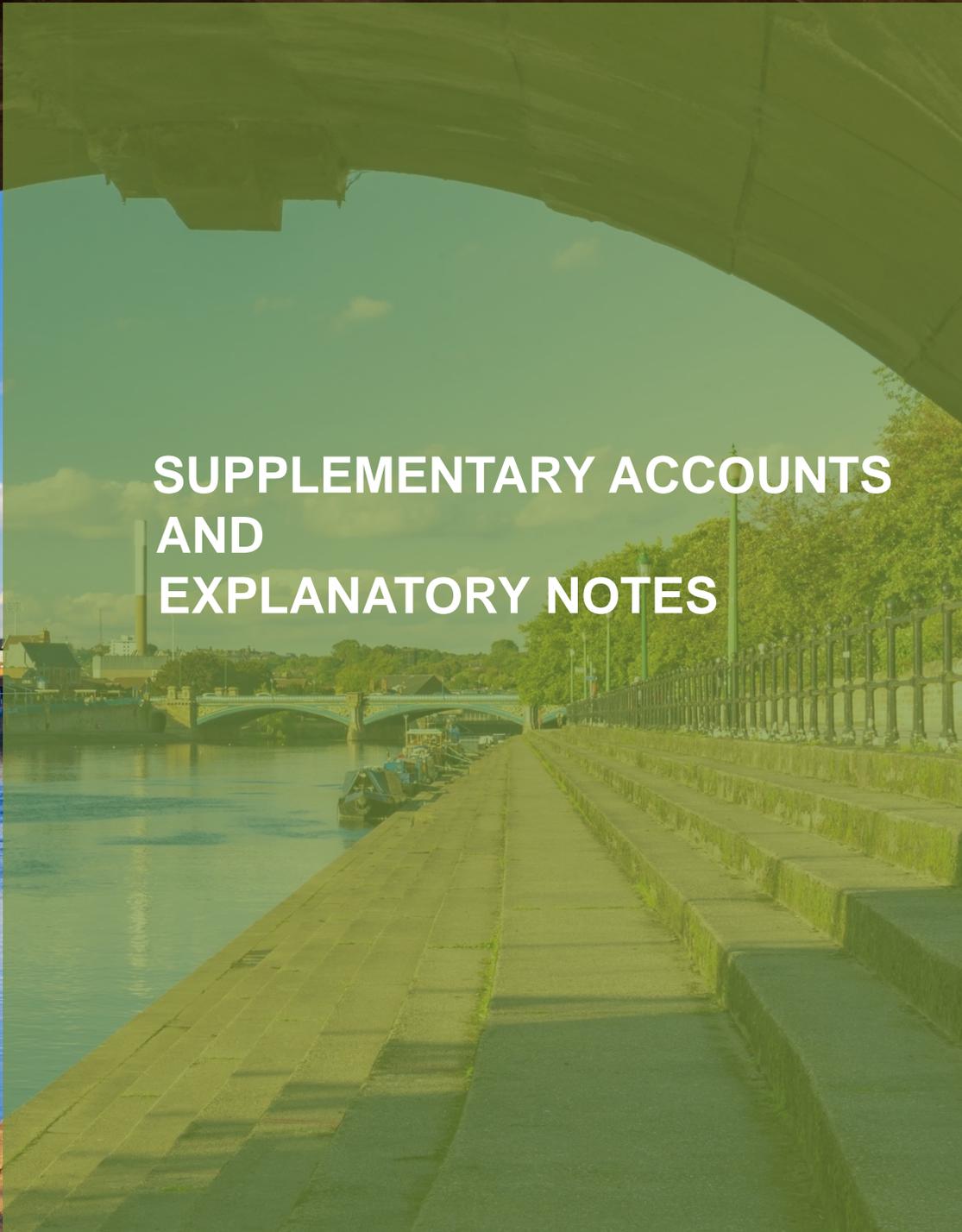
Following successful claims in the court case *Allard v Devon and Cornwall Police* for unpaid overtime following recalls to duty, the judge has selected a number of test cases to consider all of the issues arising in these claims against forces across the country. Nottinghamshire's claims are therefore 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

2017-18 £000	Pension Fund	2018-19 £000
	Contributions Receivable	
(5,777)	Employers Contributions 1987 Scheme	(4,493)
(208)	Employers Contributions 2006 Scheme	(180)
(10,348)	Employers Contributions 2015 Scheme	(12,110)
(1,411)	Additional Contributions for early retirements - all schemes	(1,169)
(3,414)	Members contributions 1987 Scheme	(2,665)
(101)	Members contributions 2006 Scheme	(90)
(5,710)	Members contributions 2015 Scheme	(6,639)
0	Transfer in 1987 Scheme	0
0	Transfer in 2006 Scheme	0
(310)	Transfer in 2015 Scheme	(630)
	Benefits Payable	
53,187	Pensions 1987 Scheme	56,262
18	Pensions 2006 Scheme	23
143	Pensions 2015 Scheme	227
15,517	Commutations and lump sum retirement benefits 1987 Scheme	14,890
15	GAD v Milne Payments	0
	Payments to / on account of leavers	
2	Refund of contributions 2006 Scheme	0
4	Refund of contributions 2015 Scheme	2
0	Transfers out 1987 Scheme	0
43	Transfers out 2006 Scheme	0
0	Transfers out 2015 Scheme	0
41,650	Sub-total before transfer from the Commissioner of amount equal to the deficit	43,428
(41,650)	Transfer of Government Grant from the Commissioner to meet the deficit	(43,428)
0	Balance at 31st March	0

This fund account relates solely to the Police Officer Pension Scheme

Post-Employment Benefits

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

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

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

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

The Local Government Pensions Scheme

The Local Government Pensions Scheme (LGPS) for staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis. The assets are included at fair value. The liabilities are included at current prices using the appropriate discount rate. The discount rate is the annualised yield at the 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 2019 and set contributions for the period from 1 April 2019 to 31 March 2020. 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 2018-19 are based on a detailed valuation based on information compiled as at 31 March 2016.

The figures for the LGPS are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2016 for members receiving funded benefits and as at 31 March 2014 for any members receiving unfunded benefits. This has then been rolled forward to reflect the position as at 2019. 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

When assessing the potential implications of McCloud on the IAS19 liabilities, the actuary has considered those members with benefits in the 2015 scheme who were former members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material. Using these assumptions the actuary has estimated the potential increase in scheme liabilities for Nottinghamshire to be approximately 5.4% or £120m of pension scheme liabilities. This increase is reflected in the IAS19 Disclosure as a Past Service Cost.

The actuary has commented that the additional costs emerging are sensitive to the underlying assumptions to roughly the same extent as the other figures calculated as part of the accounting process. Hence, even if the assumptions underlying the accounting calculations were different, the actuary would still expect the potential additional costs in relation to McCloud to be broadly similar in magnitude to those shown above. The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to take place in 2020 with implementation of the results planned for 2023-24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

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

2017-18		Pension Fund Comprehensive Income and Expenditure Statement	2018-19	
LGPS £000	Police £000		LGPS £000	Police £000
12,814	37,330	Current Service Cost	13,156	38,110
82	0	Admin Expense	91	0
58	1,660	Past Service Cost	3,146	113,900
0	0	(Gain) / loss from curtailments	0	0
4,206	68,330	Net interest expense / (income)	(9,481)	63,010
17,160	107,320	Total charged to (Surplus) and Deficit on Provision of Services	6,912	215,020
		Other post-employment benefits charged to the Comprehensive Income and Expenditure Account		
		Re-measurement of the net defined benefit liability comprising:		
0	0	Return on plan assets (excluding the amount included in the net interest expense)	0	0
0	(142,220)	Actuarial (gains) and losses - experience	0	(6,700)
0	(83,260)	Actuarial (gains) and losses arising on changes in demographic assumptions	(21,471)	0
(15,696)	75,060	Actuarial (gains) and losses arising on changes in financial assumptions	21,934	75,040
1,464	(43,100)	Total charged to the Comprehensive Income and Expenditure Statement	7,375	283,360

2017-18		Pension Fund Movement in Reserves Statement	2018-19	
LGPS £000	Police £000		LGPS £000	Police £000
(17,160)	(107,320)	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	(6,912)	(215,020)
5,187	0	Actual amount charged against the general fund balance for pensions in the year: Employers' contributions payable to scheme	5,770	0
0	62,970	Retirement benefits payable to pensioners	0	65,300

2017-18		Pensions Assets and Liabilities Recognised in the Balance Sheet	2018-19	
LGPS £000	Police £000		LGPS £000	Police £000
(356,627)	(2,484,500)	Present value of the defined obligation	(376,863)	(2,702,560)
216,634	0	Fair value of plan assets	235,265	0
(139,993)	(2,484,500)	Value of Assets / (Liabilities)	(141,598)	(2,702,560)
(139,993)	(2,484,500)	Net (liability) / asset arising from the defined benefit obligation	(141,598)	(2,702,560)

2017-18 £000	Net Asset Statement as at 31 March	2018-19 £000
	Net Current Assets and Liabilities	
1,360	LGPS pension benefits paid in advance	688
(1,360)	Creditors to the PCC for Nottinghamshire	(688)
0	Total	0

2017-18		Movement in the Value of Scheme Assets	2018-19	
LGPS	Police Officer Pension Scheme		LGPS	Police Officer Pension Scheme
£000	£000		£000	£000
210,984	0	Opening fair value of scheme assets	216,634	0
5,655	0	Interest income	18,684	0
	0	Re-measurement gain / (loss):		
0	0	The return on plan assets, excluding the amount included in the net interest expense	0	0
5,187	62,970	Contributions from employer	5,770	65,300
2,119	9,530	Contributions from employees into the scheme	2,283	10,020
(7,229)	(72,500)	Benefits / transfers paid	(8,015)	(75,320)
(82)	0	Admin Expense	(91)	0
216,634	0	Closing value of scheme assets	235,265	0

2017-18		Movements in the Fair Value of Scheme Liabilities	2018-19	
LGPS	Police Officer Pension Scheme		LGPS	Police Officer Pension Scheme
£000	£000		£000	£000
(354,700)	(2,590,570)	Opening balance at 1 April	(356,627)	(2,484,500)
(12,814)	(37,330)	Current service cost	(13,156)	(38,110)
(9,861)	(68,330)	Interest cost	(9,203)	(63,010)
(2,119)	(9,530)	Contributions from scheme participants	(2,283)	(10,020)
		Re-measurement gains and losses:		
0	142,220	- Actuarial gains / (losses) - experience	0	6,700
0	83,260	- Actuarial gains / (losses) from changes in demographic assumptions	21,471	0
15,696	(75,060)	- Actuarial gains / (losses) from changes in financial assumptions	(21,934)	(75,040)
(58)	(1,660)	Past service cost	(3,146)	(113,900)
0	0	Gains / (losses) on curtailments	0	0
7,229	72,500	Benefits / transfers paid	8,015	75,320
(356,627)	(2,484,500)	Balance as at 31 March	(376,863)	(2,702,560)

The liabilities show the underlying commitments that the Group will eventually have for retirement benefits. The total liability of £3,079m 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 2019 are £5.8m and £16.8m 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 £18.7m (2017-18, £5.6m). 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 present value of liabilities decreases the pension liability by £8.4m and a decrease by the same amount increases the pension liability by £8.6m.

For the police officers scheme an extra 0.5% on the discounting rate used increases the liability by £259m with a 0.5% decrease in the rate decreasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2017-18	2018-19	2017-18	2018-19
Mortality assumptions				
Longevity at 65 retiring today				
Men	22.6 yrs	21.6 yrs	22.6 yrs	22.7 yrs
Women	25.6 yrs	24.4 yrs	24.2 yrs	24.3 yrs
Longevity at 65 retiring in 20 years				
Men	24.8 yrs	23.3 yrs	24.5 yrs	24.6 yrs
Women	27.9 yrs	26.2 yrs	26.1 yrs	26.2 yrs
Rate of inflation				
CPI Increases	2.30%	2.40%	2.30%	2.35%
Rate of increase in salaries	3.80%	3.90%	4.30%	4.35%
Rate of increase in pensions	2.30%	2.40%	2.30%	2.35%
Rate for discounting scheme liabilities	2.60%	2.45%	2.55%	2.45%

Value of LGPS Assets at Bid Value	31 March 2018 £000	31 March 2018 %	31 March 2019 £000	31 March 2019 %
Equity Investments	142,444	66	146,022	62
Gilts	4,963	2	7,662	3
Other Bonds	25,306	12	21,800	9
Property	27,213	13	31,836	14
Cash	4,280	2	5,684	2
Inflation-linked pooled fund	5,360	2	8,549	4
Infrastructure	7,068	3	11,326	5
Unit Trust	0	0	2,386	1
	216,634	100	235,265	100

JOINT OPERATIONS

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 12 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.

The collaboration formed this year is the Regional Emergency Services Network which has been the replacement for the Airwave system.

There are six JO's between Nottinghamshire, Derbyshire, Leicestershire, Lincolnshire and Northamptonshire, Nottinghamshire's proportion is 27.3% (27.3% 2017-18).

- The East Midlands Special Operations Unit (EMSOU), which includes The Technical Surveillance Unit (TSU)
- The East Midlands Special Operations Major Crime (EMSOMC).
- 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% 2017-18).

There are two collaborations which are four way shared services with Leicestershire, Lincolnshire and Northamptonshire.

1. The East Midlands Criminal Justice Service (EMCJS). Nottinghamshire's proportion is 34.9% (34.9% 2017-18)

2. The East Midlands Operational Support Services (EMOpSS), but Nottinghamshire withdrew from this on 30 April 2018 and the proportion of costs has reduced to 34.9% (34.9% 2017-18)

The other collaborations are:

- The East Midlands Commercial Services Unit (EMSCU), is a two way shared service with Northamptonshire. The share of costs for Nottinghamshire this year is 50% (50% 2017-18).
- 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% 2017-18).
- The shared service for transactional HR and finance - MFSS with Cheshire and Northamptonshire and Civil Nuclear Police. Avon & Somerset Police have withdrawn from this collaboration during the year. Nottinghamshire this year is 31.04% (29.81% 2017-18).

Expenditure £000	Income £000	Net £000	Joint Operations Comprehensive Income and Expenditure Statement	Expenditure £000	Income £000	Net £000
14,586	0	14,586	Cost of Police Services	12,807	0	12,807
14,586	0	14,586	Cost of Services	12,807	0	12,807
174	(866)	(692)	Other Operating Expenditure / Income	5	(670)	(665)
0	(2,573)	(2,573)	External Grants and Contributions	0	(1,204)	(1,204)
0	(11,955)	(11,955)	Contributions From Partners	0	(10,629)	(10,629)
14,760	(15,394)	(634)	(Surplus) or Deficit on Provision of Services	12,812	(12,503)	309
		(12)	Other CIES			12
		(646)	Total CIES			321

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 2018	(75)	(1,246)	0	(1,321)	(2,896)	(4,217)
Movements in reserves during 2018-19	0	0	0	0	0	0
(Surplus) / deficit on the provision of services	309	0	0	309	0	309
Other CIES	12	0	0	12	0	12
Total CIES	321	0	0	321	0	321
Adjustments between accounting basis and funding basis under regulations	12	0	0	12	(12)	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	333	0	0	333	(12)	321
Transfers to / (from) Earmarked Reserves	(333)	338	0	5	5	10
(Increase) or Decrease in 2018-19	0	338	0	338	(7)	331
Balance at 31 March 2019	(75)	(908)	0	(983)	(2,903)	(3,886)

31 March 2018 £000	Joint Operations Balance Sheet	31 March 2019 £000
2,917	Property, Plant and Equipment	2,918
182	Intangible Assets	140
3,099	Long Term Assets	3,058
0	Assets Held for Sale	0
1,262	Short Term Debtors	1,169
1,541	Cash and Cash Equivalents	871
2,803	Current Assets	2,040
(1,685)	Short-Term Creditors	(1,212)
(1,685)	Current Liabilities	(1,212)
0	Long Term Liabilities	0
4,217	Net Assets	3,886
(1,321)	Usable Reserves	(983)
(2,896)	Unusable Reserves	(2,903)
(4,217)	Total Reserves	(3,886)

Group Accounts

Joint Operations & Associate Entities

The OPCC's share of Joint Operations (JO's) for 2018-19 is as follows:

Ownership %	Arrangement	2018-19		
		Expenditure £000	Income £000	Net £000
27.30%	EM Legal Services	493	(479)	14
50.00%	EM Strategic Commercial Unit	541	(534)	7
27.30%	EM Major Crime	212	(221)	(9)
27.30%	EM Serious Organised Crime	5,252	(4,892)	360
34.90%	EM Criminal Justice	227	(230)	(3)
34.90%	EM Operational Support Services	171	(224)	(53)
27.30%	EM Occupational Health Unit	459	(457)	2
27.30%	EM Forensics	2,301	(2,258)	43
31.42%	EM Learning & Development	803	(783)	20
31.04%	Multi Force Shared Service (MFSS)	2,244	(2,244)	0
22.60%	Emergency Services Network (ESN)	121	(181)	(60)
0.00%				
		12,824	(12,503)	321



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 Authority 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 Authority 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 Authority'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 Authority 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 Authority 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 Authority'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 Authority'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 Authority 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 Authority 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 Authority'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 Authority'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 Authority 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 Authority 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 Authority 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 Authority 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 Authority.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for our goings 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 Authority. 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 Authority will derive benefits from the use of a fixed asset.

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	November 2020
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Mark Lunn
Agenda Item:	8

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of the Report

- 1.1 To provide members with an update on progress against the Internal Audit Annual Plan for 2020-21 and the findings from audits completed to date.

2. Recommendations

- 2.1 Members are recommended to consider the report and where appropriate make comment or request further work in relation to specific audits to ensure they have adequate assurance from the work undertaken.

3. Reasons for Recommendations

- 3.1 This complies with good governance and in ensuring assurance can be obtained from the work carried out.

4. Summary of Key Points

- 4.1 The attached report details the work undertaken to date and summarises the findings from individual audits completed since the last progress report to the panel.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report. Recommendations will be actioned to address the risks identified within the individual reports and recommendations implementation will be monitored and reported within the audit and inspection report to this panel.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A – Internal Audit Progress Report 2020-21



Internal Audit Progress Report 2020/21

Joint Audit & Scrutiny Panel

November 2020

Presented to the Panel: 27th November 2020

mazars

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Disclaimer

This report (“Report”) was prepared by Mazars LLP at the request of the Nottinghamshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Nottinghamshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Nottinghamshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Nottinghamshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix A1 of this report for further information about responsibilities, limitations and confidentiality.

01 Summary

The purpose of this report is to update the Joint Audit & Scrutiny Panel (JASP) as to the progress in respect of the Operational Plan for the year ended 31st March 2021, which was considered and approved by the JASP at its meeting on 24th February 2020.

The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

2019/20

In relation to the 2019/20 Collaboration reports we have issued the final report in regard to Health & Safety with further details provided in Appendix A3. This means the Business Continuity Report for 2019/20 remains outstanding, the draft report was issued in May 20 and the Lead CFO is collating the management comments for this audit.

2020/21

Since the last meeting of the JASP, we have issued two final reports in respect of Victims Code of Practice and Estates Management and issued a draft report in respect of Workforce Planning. Further details are provided in Appendix A5.

The impact of the Covid-19 lockdown(s) has posed several challenges to the internal audit process and the move to remote auditing has caused some initial delays in setting dates when the audits will be carried out. Both parties have worked hard to ensure the audits could be completed and Mazars have regularly communicated with the Force and OPCC, which has enabled us to complete three pieces of work to date. Moreover, we can confirm that the fieldwork for the Core Financials audit and IT audits has been agreed and is being conducted across November and December. In addition to these preliminary dates have been agreed to conduct the audits of Risk Management and Seized Property.

Whilst good progress has been made in relation to the completion of the 2020/21 plan, given the time remaining during the year and the number of audits to be completed it would be prudent to highlight to the committee that there remains a possibility that all the agreed internal audits within the plan may not be completed by 31st March 2021. It is likely that one or two of the audits within the plan may be completed shortly after the 31st March 2021. Audit will continue to communicate with the Chief Officers and we will work with management to review the options to have a priority-based approach to the audits within the plan. Audit will update the JASP when an agreement on the approach to the remaining plan has been reached.

We have attended the regional Chief Finance Officers meeting to discuss the Collaboration Audits for 2020/21. Aligned with the approach to the Force's plan, the likelihood of completing all three of the collaboration audits before 31st March 2021 has been discussed and the group are currently reviewing a priority based approach.

The Plan in Appendix A1 has been updated to include the status of each audit to date.

03 Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

Number	Indicator	Criteria	Performance
1	Annual report provided to the JASP	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JASP	As agreed with the Client Officer	Achieved
3	Progress report to the JASP	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	100% (2/2)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (2/2)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (4/4)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	-% (-/-)

A1 Plan overview

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JASP	Comments
Core Financial Systems	Q3			Feb 2021	Fieldwork in Progress
Workforce Planning	Q1	November 2020		Feb 2021	
Victims Code of Practice	Q1	September 2020	October 2020	November 2020	
Estate Management	Q2	October 2020	November 2020	November 2020	
Wellbeing	Q4				
Debt Recovery	Q3/4				Planning meetings requested
Seized Property	Q3			Feb 2021	Fieldwork proposed to commence December 2020
Business Change	Q3				
Complaints Management	Q4				
Risk Management	Q4				Fieldwork proposed to commence Jan 21
IT Security: Follow Up	TBC			Feb 2021	Fieldwork in Progress
GDPR: Follow Up	TBC			Feb 2021	Fieldwork in Progress

A2 Reporting Definitions

Assurance Level	Control Environment
Substantial Assurance	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Adequate Assurance	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk. The level of non-compliance with some of the control processes may put some of the College's objectives at risk.
Limited Assurance	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk. The level of non-compliance puts the College's objectives at risk.
No Assurance	Controls are generally weak leaving the system open to significant abuse and/or we have been inhibited or obstructed from carrying out or work.

Recommendation Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

A3 Summary of Reports

Below we provide brief outlines of the work carried out, a summary of our key findings raised, and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the [2019/20 Internal Audit Plan](#):

Collaboration: Health & Safety

Overall Assurance Opinion	Satisfactory
----------------------------------	---------------------

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	3

Since 2015/16 all Forces in the East Midlands have agreed to allocate internal audit time to provide assurance over the collaborative arrangements that are in place across the region. Over the first two years Internal Audit have undertaken high level reviews of the governance arrangements within most of the regional collaboration units. However, starting in 2018/19 thematic reviews have been carried out by audit, and have been carried out across a sample of regional collaboration units to provide each Force with assurance over key areas including Risk Management and Strategic Financial Planning.

As part of this review we have carried out an audit of the processes in place across the region in respect of Health and Safety within a sample of collaboration units agreed by the CFOs – East Midlands Collaborative Human Resource Services Occupational Health Unit (EMCHRS OHU) and East Midlands Special Operations Unit (EMSOU).

Our audit considered the following area objectives:

Roles and Responsibilities

The roles and responsibilities are clearly defined and the individuals concerned are fully aware of these;

Appointed officers have been assigned to support the unit to meet its H&S responsibilities.

Policies and Procedures

The unit has in place policies and procedures, which incorporate relevant legislative requirements and provide clear guidance to staff.

The policies and procedures in place are comprehensive, up-to-date and available to all relevant members of staff.

The existing policies and procedures are regularly reviewed to ensure they are up to date.

Governance

There is an appropriate and effective governance structure in place through, which Health and Safety issues are reviewed, scrutinised and managed.

Health and Safety is promoted across the unit to ensure awareness from both police staff and police officers.

Monitoring and Reporting

Health and Safety information is accurately produced and regularly reported to allow for effective monitoring, decision making and reporting in line with senior management requirements.

There is an effective system in place for recording, maintaining and reporting Health & Safety data including any incidents or near misses.

There is an effective system in place to ensure lessons are learned from Health and Safety incidents or near misses to prevent repeat incidents occurring.

Appropriate oversight and reporting arrangements are in place and are working effectively.

Training

Staff are fully supported, with relevant training and guidance provided to allow compliance with health and safety requirements and responsibilities.

The unit has a robust process in place to monitor the level of health and safety training undertaken by key staff.

We raised three priority 2 (significant) recommendations and three priority 3 (housekeeping) where the control environment could be improved upon. The finding, recommendation and response from the relevant collaboration units is detailed below:

Recommendation 1	EMCHRS OHU should review the Force Health and Safety Policy and Procedure and ensure they record where their approach differs from the policy and procedure, for instance the responsibilities assigned to roles across the collaboration unit.
Finding	The unit adopt the policy and procedures of the Force, whilst this appears to be a reasonable approach to prevent the duplication of work it is noted that differences will be present.
Response	For example, the responsibilities set out in the Forces procedure cover the OPCC, the DCC, Director of H&S etc. These roles differ to the collaboration unit set up and therefore it needs to be considered how this is to be formally recorded to ensure accountability is clearly set for H&S.
Timescale	It was also noted from review of the H&S Procedures that the unit have adopted from Leicestershire that it states “Regional units are required to have support managers in place to co-ordinate health and safety within their unit.” The OHU does not currently have a support manager filling this role and it is being undertaken by the Head of OHU.

Recommendation 2	EMSOU & OHU should consider maintaining records of incidents and near misses for their staff that are passed to the Forces to ensure a clear audit trail is maintained and no incidents are missed.
Finding	<p>The EMSOU Health & Safety Protocol outlines the process to be followed for accident reporting. It makes clear references to the individual Forces being responsible for recording H&S incidents: “Managers of staff who have been injured or made ill through work related causes will ensure that the Health and Safety Advisor of that individual’s Force has been made aware.”</p> <p>EMSOU maintain records of incidents that have occurred at their premises however it was noted that EMSOU do not maintain records of when such incidents have been passed to the Force to deal with. Therefore, if staff have not reported the incident to the Force there is a risk it will go unreported.</p> <p>The OHU adopt Leicestershire reporting process for H&S incidents, however it was noted in some scenarios where OHU Staff are operating on other Force premises and an incident occurs there is an expectation that the Force would</p>

	<p>record the incident where it occurs. Similarly, to EMSOU, the OHU do not keep records of this therefore no audit trails to confirm incidents have been captured.</p> <p>Risk: Accidents or incidents are not reported</p>
Response	<p>EMSOU Currently has its own Injury on Duty reporting form and staff are aware of this and are encouraged to use it. In future we will put out a 6-monthly reminder to all staff via the weekly bulletin reminding them of the process.</p> <ul style="list-style-type: none"> - This reminder will also include the instruction that Staff are to report all injuries or near misses - Where injuries are reported to other forces directly then these are usually passed back to EMSOU for information or investigation. <p>Going forward EMSOU will carry out routine checks to see if any injuries have been reported to forces to ensure that they are picked up (however we must be wary of double reporting occurring).</p> <p>OHU Reports of accidents, incidents and near misses are now recorded on a spreadsheet</p>
Timescale	Implemented.

Recommendation 3	<p>EMSOU should review the training records of managerial posts and then remind those who have not completed the H&S training to do so.</p> <p>EMSOU should ensure the Training administrators monitor levels of H&S training for EMSOU staff to ensure compliance with the five-year refresher period.</p>
Finding	<p>Both EMSOU and the OHU align with Leicestershire Polices' approach to H&S training, with a number of H&S training levels in place to provide staff with the training they need to fulfil their health and safety responsibilities, dependent on their role within the organisation as noted below.</p> <p>When staff join the organisation they undertake induction training, which includes a basic level of health and safety training.</p> <p>If staff hold a managerial post, then they are required to undertake a bespoke H&S Training session that is run by Leicestershire Police. However, it was noted that the records to confirm attendance at this training are out of date as the training course has not taken place for a few years. Audit were informed that EMSOU are working towards a five-year refresher of H&S training. However, from audit testing, of the four staff that had completed the course, three had completed it longer than five years ago.</p> <p>Audit were informed that levels of attendance are reported into Leicestershire's H&S Committee, where EMSOU have representation.</p> <p>Risk: Staff with legal responsibilities for health and safety have not received appropriate training to carry out these duties.</p>
Response	<p>Going forward a specific list will be kept for H & S training and this will be monitored for attendance and review dates. Records of the 5-year refresher will be kept, however due to turnover of managerial roles there are likely to be very few staff who remain in post longer than 5 years.</p>
Timescale	Implemented

We raised three priority 3 recommendations of a more housekeeping nature relating to:

EMCHRS OHU: Health & Safety Policy & Procedure

EMCHRS OHU should formally adopt their Health and Safety Policy & Procedure.

EMCHRS OHU should ensure when the Force H&S Policy is updated that any changes made do not impact upon their approach.

EMSOU: Health & Safety Policy/Protocol

EMSOU should ensure a schedule is in place to review and update the H&S Protocol on a regular basis.

EMSOU should confirm where legal responsibilities for H&S lie for their collaboration unit and define this within their protocol.

EMSOU should update the format of the Protocol to ensure it includes but not limited to:

- Document Owner
- Version Control
- Last Review Date
- Date of next review
- Officer/Board Approval

Governance

EMSOU should review and updated the Risk, Assurance and Compliance Meeting Terms of Reference to ensure it remains up to date with the operations of the unit.

OHU should include Health & Safety as a standard agenda item at the Senior Leadership Team meeting.

Management accepted the recommendations and confirmed implementation by April 2021.

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the 2020/21 Internal Audit Plan:

Victims Code of Practice

Overall Assurance Opinion	Satisfactory
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Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	3

The Code of Practice for Victims of Crime (which was revised and re-issued in October 2015) forms a key part of the wider Government strategy to transform the criminal justice system by putting victims first, making the system more responsive and easier to navigate. Victims of crime should be treated in a respectful, sensitive and professional manner without discrimination of any kind. They should receive appropriate support to help them, as far as possible, to cope and recover and be protected from re-victimisation. It is important that victims of crime know what information and support is available to them from reporting a crime onwards and who to request help from if they are not receiving.

Our audit considered the following area objectives:

Compliance

- Policies and procedures have been put in place to support officers in complying with the Code. Such guidance should include, but not be limited to, guidance in respect of:
 - Needs assessments
 - Crime reporting work sheets
 - Referral mechanisms
 - Communications with the victim
 - Personal statements
 - Complaints procedures
- Systems are in place to ensure that actions taken for victims of crime are captured and are done so in line with the expectations laid out within the VCOP.
- There is appropriate monitoring of compliance with the VCOP including both qualitative and quantitative measures.
- There are appropriate forums in place within Nottinghamshire Police and the OPCC to review Force compliance to the code and action plans put in place to address areas of improvement.
- There is effective management and performance information available in respect of compliance with the Code and this information is utilised to put action plans in place to address areas of improvement.

Preparedness for Change



- There is appropriate governance over the proposed changes to systems in relation to VCOP.
- The Force has effective plans in place based on accurate management information and are correctly aligned to the proposed changes.

Lessons Learned / Feedback

- The OPCC utilises service user feedback to inform and improve both police and wider partnership services for Victims on an ongoing basis.
- The Force utilises feedback received in respect of the Victims it deals with and takes action to address areas of concern / takes opportunities to improve.

We raised three priority 2 (significant) recommendations and three priority 3 (housekeeping) where the control environment could be improved upon. The finding, recommendation and response from the report is detailed below:

Recommendation 1	<p>For the Force to better understand the satisfaction levels of the true population of victims, stratified sampling should be adopted for the surveys undertaken.</p> <p>The results of the surveys can then be analysed to a greater degree by the Force, including: the level of satisfaction dependent on whether a positive / negative outcome was achieved for the victim; and the trends in satisfaction for different crime types.</p>
Finding	<p>It has been noted that surveys are performed by the Corporate Communications team to assess the level of service received by victims from the Force.</p> <p>The current approach to surveys is that cases that are categorised as either sexual offences or domestic abuse will be selected and questions will be asked to understand their level of satisfaction. It has been noted that the domestic abuse category can include crimes of a varying nature, which have an element of domestic abuse to them.</p> <p>However, there are multiple other crime types (audit have been advised that there are approximately 800 crime types) and victims of these crimes are not being surveyed. Therefore, the satisfaction surveys are not completed to reflect the true satisfaction of all victims.</p> <p><i>Risks:</i> The Force are unaware of victim's views on the level of service received therefore are unable to identify any areas of concern.</p>
Response	<p>The Force currently surveys Domestic Abuse, Sexual Offences and Hate Crime offences by Research and Insight Team. It is noted Nottinghamshire Police do not currently survey a wider category of crime types.</p> <p>This will be reviewed and consultation with other Forces within the Region will commence to understand how this undertake in other areas and to establish best practices. This will be ongoing and monitored/reviewed via the V&W Assurance group.</p>
Timescale	April 2021

Recommendation 2	All victims should be offered the Victim Information Pack and / or referred to the information available on the Nottinghamshire Police Victim website.
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	In the instance that the victims have refused, the reason should be recorded on the Niche system.
Finding	<p>Victims are entitled to receive a clear explanation of what to expect from the criminal justice process. On the niche system, Officers are able to confirm that they have either provided the Victim with a Victim Information Pack (VIP) or referred them to the Nottinghamshire Police Victim website.</p> <p>Audit performed a sample test of 10 victim cases on the Niche system, where it was identified that in three instances it was not recorded why the victim was not provided with a victim information pack.</p> <p>This test was performed as part of the follow up section of the last audit, further detailed in section 5 of the report.</p> <p><i>Risk:</i> Failure to 'signpost' victims to appropriate victim support material resulting in lack of information for them in respect of the different provisions available. This could result in increased vulnerability of victims and non-compliance with the Victims Code of Practice.</p>
Response	<p>Niche currently does record the reason for refusal of acceptance of the Victim Information Pack (VIP) or Signposting to the website.</p> <p>C/Insp Woolley to review niche as it permits negative responses to the VIP not being offered at all. This is to be explored and appropriateness of positive response and documenting reasons why/when the VIP cannot be offered. This will require regional consultation due to amending Niche.</p>
Timescale	January 2021

Recommendation 3	<p>A regime should be established as to how non-completion of the training module will be escalated by the Force.</p> <p>This could entail the Force sending regular updates to line managers details of any Staff or Officers with training that is overdue for completion.</p>
Finding	<p>A Victims Code E-learning module is available for Staff, Officers and PCSOs at Nottinghamshire to complete.</p> <p>At the last audit, the Force did not have a method in place to establish the completion levels of this training, or a process to follow up non-compliance.</p> <p>Audit were provided with the Victims Code E-learning completion rate at the time of the audit, with the compliance rate for Officers, PCSOs and Staff at 88%, 95% and 63% respectively. This confirms that the Force have established how to assess the level of compliance.</p> <p>However, a system to follow up non-compliance could not be suitably evidenced to audit.</p> <p><i>Risk:</i> Failure to monitor those officers who have not completed the mandatory e-learning for Victims Code resulting in a lack of assurance that officers have been adequately trained to ensure compliance with the Code.</p>

Response	C/Insp Woolley to ensure all outstanding officers/Staff have been emailed to complete. This has commenced (Sept 20) is now subject to quarterly review of completion rates and officers being contacted to complete.
Timescale	Completed October 2020

We raised three priority 3 recommendations of a more housekeeping nature relating to:

VCOP Guidance

The Force should produce a condensed guide to the Victims' Code of Practice, following the introduction of the currently proposed changes.

Action Plan

The proposed changes to the Victims' Code of Practice should be included within the action plan that is monitored by the Victim and Witness Assurance Group.

Preferred Method of Contact

Officers should be reminded when inputting victims records directly onto Niche that they complete all required information including the preferred method.

Estates Management

Overall Assurance Opinion	Significant
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	2

Effective estates management supports the core business operation of an organisation and resources must be congruent with the wider strategic objectives. In short, a robust programme of estates maintenance and capital investment is fundamental to a fit for purpose estate. This occurs at a time when market conditions are becoming more volatile and the demands of the Force are changing across the blue light sector.

Our audit considered the following area objectives:

- There is a comprehensive and approved Estates Strategy in place which is aligned with strategic and medium / long term objectives of the OPCC and Force.
- The Estates Strategy is in line with the approved budget and is aligned with a fully costed and approved stock condition survey.
- Delivery of the Estates Strategy is supported by an agreed implementation plan / programme of work including the disposals of estates assets.
- Capital works are carried out in accordance with the implementation plan / programme of work including the use of capital receipts from disposals.
- Non-delivery of the capital programme is flagged at the earliest opportunity and actions put in place to address the issues.
- Effective processes have been put in place for the delivery of day-to-day / reactive maintenance work.
- Budget control processes ensure that actual spend is in accordance with the approved budget.
- Joint working arrangements with the Fire service have clear and defined agreements in place that have been subject to appropriate levels of scrutiny and authorisation.
- Management information is available to enable effective monitoring of performance against the capital programme and delivery the reactive maintenance service.

We raised two priority 3 recommendations of a housekeeping nature relating to:

KPI Calculation

The Force should ensure that where SR's are cancelled that these SR's do not feature in the KPI calculation and instead these are reported as a separate figure to identify the number of SR's cancelled each month.

Furthermore, the Force should report non-compliance with the SLA in the month in which the SR falls non-compliant, as opposed to amending historical data. This will ensure that the Force maintain the integrity of the reported KPI figure.

Expansion of KPI suite

The Force should consider introducing a suite of KPI's to effectively monitor the performance of the Estates and Facilities department. Furthermore, this will enable the Force to demonstrate value for money from the expenditure incurred in fulfilling the Capital and Planned Maintenance Programme. This suite of KPI's could include but not be limited to:

- Monitoring the number of repairs completed right the first time by contractors fulfilling SR's;
- Recording and reporting on the results of customer satisfaction surveys for newly built and recently refurbished projects and;
- Monitoring the number of SR's received for newly built or recently refurbished projects in the first 12 months following completion.

A4 Statement of Responsibility

We take responsibility to Nottinghamshire Police and the Office of the Police and Crime Commissioner for Nottinghamshire for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27th November 2020
Report of:	DCC Barber
Report Author:	Amanda Froggatt, Corporate Development Manager Laura Spinks, Force Assurance Lead
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Agenda Item:	9

Strategic Risk Management Report for Force and Nottinghamshire Police and Crime Commissioner – Quarter 3, 2020/21

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Joint Audit and Scrutiny Panel (JASP) with an up-to-date picture of strategic risk management across the Force and the Office of the Police and Crime Commissioner (OPCC).

2. Recommendations

- 2.1 It is recommended that the JASP note the current approach to strategic risk management and considers the assurance that this report provides as to the effectiveness of those arrangements within the Force and OPCC.
- 2.2 JASP note the two very high strategic risks on the Force's risk register namely, Multi-Force Shared Service (MFSS) transfer of payroll system to the new Fusion solution and compliance with the new General Data Protection Regulations (GDPR).
- 2.3 JASP note the very high risk relating to the OPCC, Covid-19 Impact on the Council Tax which has a score of 16.
- 2.4 JASP note accompanying Appendix 3, which outlines more in-depth explanations of the mitigation in place in relation to the Force's very high level strategic risks.

3. Reasons for Recommendations

- 3.1 A Strategic Risk Report is provided to the JASP on a quarterly basis in order to keep the Board informed as to the level of strategic risk within the Force and OPCC and provide assurance as to the effectiveness of risk management arrangements.

4. Summary of Key Points

Risk management policy and process

- 4.1 The Force and the OPCC previously agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (M_o_R) approach.

5 Financial Implications and Budget Provision

- 5.1 There are no direct financial implications as a result of this report. Financial implications as a result of each risk will be assessed and managed on an individual basis.

6 Human Resources Implications

- 6.1 Providing professional advice on risk management is the responsibility of the Corporate Governance and Business Planning team.
- 6.2 General responsibility for managing risk forms an integral part of the job descriptions of individuals throughout the Force.

7 Equality Implications

- 7.1 There are no known equality implications associated with the implementation of the Risk Management Policy.
- 7.2 Where a particular risk is identified that could have an impact on the Force's equality objectives that risk will be assessed and managed in line with the Risk Management Policy.

8 Risk Management

- 8.1 One of the main aims of the Risk Management Policy is to achieve consistent application of risk management principles and techniques across all areas of the Force and NOPCC.
- 8.2 If the Force and NOPCC do not practice effective risk management within their decision making there is a risk of non-compliance with the principles set out in the Joint Code of Corporate Governance.

9 Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 An understanding and appreciation of strategic risk is important in determining the priorities in the Police and Crime Plan, and subsequently informing the development of effective strategies, policies and plans to address those priorities. It is expected that the implementation of the Risk Management Policy will lead to improved understanding of strategic risk and therefore impact positively on the achievement of Police and Crime Plan objectives.

10 Changes in Legislation or other Legal Considerations

10.1 Where potential changes in legislation or other legal considerations represent a significant threat or opportunity for the Force or the NOPCC these are evaluated and managed in line with the Risk Management Policy.

11 Details of outcome of consultation

11.1 Each Strategic Risk has been assessed with the relevant risk owner and the DCC and Chief Executive of the NOPCC, respectively.

12. Appendices

12.1 **Appendix 1** – Force Strategic Risk Register
Appendix 2 – NOPCC Strategic Risk Register
Appendix 3 – Mitigation to Force's Strategic Risks

NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Matching Resources to Demand Create a service that works for local people	Timeliness in responding to Grade 3 and 4 incidents due to demand pressures Owner:- ACC Crime and Operational Support	Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Ongoing oversight via DMMs and Introduction of Sergeant oversight into Control Room Recruitment of additional officers	4	4	16	Daily oversight via DMMs and Introduction of Sergeant oversight into Control Room On-going recruitment of officers Review date: Ongoing
				3	3	9	
SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
				4	4	16	
SR3 Financial Incapability Create a service that works for local people	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer	- Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. The potential impact of Treasury decisions on pension budget continues to be closely monitored. Review date: Ongoing
				3	4	12	
SR4 Information Management Create a service that works for local people	Documentation retention, review and disposal risks associated with non compliance of MOPI Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register	4	4	16	Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register Review date: Ongoing
				3	4	12	
SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Undertaking GDPR gap analysis in order to identify associated risk and define an action plan	4	4	16	GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance. However, in relation to a gap analysis and implementation plan it was identified this was still outstanding and that implementation had been slower than anticipated Review date: Ongoing
				4	4	16	

NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR6 Information Management & Data Quality Engage our communities	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral of vulnerable people and public confidence in crime recording. Owner:- Deputy Chief Constable	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	<p style="text-align: center;">Treat</p> <p>Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement</p>	4	4	16	<p>HMICFRS Crime Integrity Inspection highlighted a number of areas for concern. These are being reviewed and addressed within force in the Crime Data Integrity meeting chaired by ACC Local Policing</p> <p style="text-align: center;">Review date: Ongoing</p>
				3	3	9	
				◀▶			
SR7 Analytical capacity and capability Engage our communities	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner:- Deputy Chief Constable	<ul style="list-style-type: none"> - Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability - Reputation / public confidence risk 	<p style="text-align: center;">Treat</p> <p>Forward planning on the development of key analytical products. Direct access to intranet-based tools and functionality.</p>	4	3	12	<p>Ongoing liaison with heads of Intelligence and Management Information. Departmental restructure and recruitment underway. Proposals to enhance 'self-service' functionality are being progressed.</p> <p style="text-align: center;">Review date: Ongoing</p>
				3	3	9	
				◀▶			

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Business continuity: COVID 19 Transforming Services and Delivering Quality Policing	Business continuity risks associated with COVID-19, including changes in OPCC working arrangements, information security, impact of social distancing on effective practice, and potential impact on staff welfare. Owner: Chief Executive Organisation: OPCC	<ul style="list-style-type: none"> - Failure to deliver core statutory duties - Staff welfare - Reputation / public confidence risk - Government penalties 	<p>Treat</p> <p>Individual service-level risk registers. OPCC representation on Gold and Silver Command Groups. Increased agile working. Wider use of tele conferencing. Scheme of delegation reviewed. Regular pro-active communications.</p>	4	4	16	<p>Ongoing oversight and proactive communication. Absence rates remain low and the office maintains core business as usual via revised working arrangements. Information security reminders have been issued to all staff in the wake of the COVID-19 outbreak and transition to routine agile working.</p> <p>Review date: Ongoing</p>
				3	3	9	
SR2 Business continuity: MFSS Transforming Services and Delivering Quality Policing	Business continuity risks associated with MFSS transfer to inhouse provision in April 2020 and on-going future service provision by MFSS. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Workforce confidence / morale - Service delivery - Reputation / public confidence risk 	<p>Treat</p> <p>Ongoing oversight via MFSS Management Board and Strategic Oversight Board. There is an internal transition group to manage the change in contractors by 2022.</p>	4	3	12	<p>Part of the work that is easily transferable from MFSS to Nottingham has taken place. This has successfully reduced the number of outstanding Service Requests. Future provision is being reviewed. Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Ongoing data accuracy issues being identified and resolved.</p> <p>Review date: Ongoing</p>
				3	3	9	
SR3 Financial Incapability Transforming Services and Delivering Quality Policing	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes 	<p>Treat</p> <p>Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion</p>	4	4	16	<p>Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. Actual year end overspend of £90k. 2020/21 funding gap of £3.5m taking account of planned efficiencies and precept.</p> <p>Review date: Ongoing</p>
				2	3	6	
SR4 Level of risk-assessed reserves Transforming Services and Delivering Quality Policing	Inability to respond to critical unforeseen risk due to a lack of prudent risk-assessed reserves Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes 	<p>Treat</p> <p>Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion</p>	3	4	12	<p>Nottinghamshire maintains one of the lowest levels of reserves when compared to other Police forces / OPCCs nationally. Risk continues to be monitored via monthly budget meetings and weekly PCC/CC briefing meetings, alongside ongoing active OPCC and Force CFO discussions. Anticipated overspend and slippage in force repayment of risk-assessed reserves.</p> <p>Review date: Ongoing</p>
				2	3	6	
SR5 Delivery of critical multi-agency services Cross-cutting risk	Impact of COVID-19 recovery phase on DVA, SVA and SMS services. Owner: Head of Commissioning Organisation: OPCC	<ul style="list-style-type: none"> - Failure to meet the needs of vulnerable victims - Reputation / public confidence - Relationship with partners - Missed opportunities to prevent and reduce crime - P&C Plan commissioning intentions affected 	<p>Treat</p> <p>Weekly joint commissioning DSVA meetings Weekly/monthly updates from commissioned services to monitor service uptake & trends. Extraordinary MoJ funding allocated Options for further national funding.</p>	3	3	9	<p>Covid-19 continues to create additional demand on DA & SV support services. Restrictions are resulting in increased risk of DA, court delays and additional demand on substance misuse services. Extraordinary MoJ funding received summer 2020. Local needs assessment reported to MoJ.</p> <p>Review date: Ongoing</p>
				2	2	4	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR6 Financial uncertainty Transforming Services and Delivering Quality Policing	Delays and uncertainty in the government announcement of comprehensive spending review. Delays in the review of the police funding formula. Impact of brexit and COVID-19 on public sector funding. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Ineffective planning - Instability of key services - Impact on service delivery - Reputational / public confidence impact 	<p>Treat</p> <p>Engagement with central government, APCC/NPCC Police Finance workstream Police Reform and Transformation Board Extra budget meetings scheduled early 2021</p>	3	3	9	<p>Delay in confirmation of 21/22 grant - potentially Jan 2021. Further delays to review of the police funding formula where Notts remains adversely affected by dampening formula. One year settlement and potential impact of economic downturn on precept. Ongoing engagement with central government, APCC/NPCC Police Finance workstream and Police Reform and Transformation Board.</p> <p>Review date: Ongoing</p>
				3	3	9	
						▲	
SR7 Service sustainability / making best use of resources Tackling crime and ASB	Delivery and sustainability of outcomes as a result of significant short term national investment in Serious Violence Reduction. Owner: Director of VRU Organisation: OPCC	<ul style="list-style-type: none"> - Instability of key services and programmes - Reputational / public confidence impact - P&C Plan commissioning intentions affected 	<p>Transfer</p> <p>Ongoing project management Proactive engagement with communities PCC chairs VRU Board</p>	3	3	9	<p>Ongoing development and delivery of the VRU. Proactive engagement with key partners. Detailed spending plans developed. Increased assurance of further Home Office investment</p> <p>Review date: Ongoing</p>
				2	2	4	
						◀▶	
SR8 Information Management: Data Quality Tackling crime and ASB	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral to vulnerable people and public confidence in crime recording. Owner: Head of Performance & Assurance Organisation: OPCC	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	<p>Transfer</p> <p>Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement</p>	3	3	9	<p>Overall indicative NCRS compliance remains strong and in excess of 95%. Reporting has been affected by the transition to the 'SAFE' system. Further assurance required in respect of crime and incident flagging (e.g. alcohol, cyber, vulnerability). Ongoing regular oversight by OPCC and HMICFRS</p> <p>Review date: Ongoing</p>
				2	2	4	
						◀▶	
SR9A Limited inhouse accounting expertise Transforming Services and Delivering Quality Policing	Austerity and restructuring within the force finance team has led to a reliance on staff with limited professional experience with local government accountancy. Owner: Chief Finance Officer Organisation: OPCC	<ul style="list-style-type: none"> - Insufficient resource leading to the accounts being qualified - Temporary appointments leading to lack of consistency - Reputation / public confidence risk 	<p>Treat</p> <p>Exploring need for further staff at an inputting level and team manager level in order to help mitigate risks. Potential for PCC CFO to bring within OPCC remit</p>	3	4	12	<p>Austerity and restructuring within the force finance team has led to a reliance on staff with limited professional experience with local government accountancy. CIPFA review for Excellence in Police Finance highlights the need to replace a former CIPFA qualified accountant with a like for like and at the appropriate market rate.</p> <p>Review date: Ongoing</p>
				3	3	9	
						◀▶	
SR9B Limited analytical capacity and capability Tackling Crime and ASB	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner: Head of Performance & Assurance Organisation: OPCC	<ul style="list-style-type: none"> - Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability - Reputation / public confidence risk 	<p>Treat</p> <p>Forward planning on the development of key OPCC analytical products. Direct OPCC access to intranet-based tools and functionality. Development of independent assurance mechanisms such as the Police and Crime Survey</p>	3	2	6	<p>Ongoing liaison with heads of Intelligence and Management Information. Proposals to enhance 'self-service' functionality are being progressed. Reduced capacity and frequency of strategic intelligence products, control strategy and MoRILE assessment.</p> <p>Review date: Ongoing</p>
				2	2	4	
						◀▶	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2020

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR10 Increased cost pressures linked to COVID-19 Transforming Services and Delivering Quality Policing	Potential for increased costs (>10%) being passed on from contractors and suppliers as a result of COVID19. Owner: Chief Finance Officer Organisation: OPCC	- Direct financial impact - Contractual delays - Performance / delivery risks	Treat Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Active OPCC and Force CFO discussion	3	3	9	Proactive steps have been taken with the new HQ build contract to ensure any increased cost are borne by the contractor. Risks in relation to major contracts remain. Review date: Ongoing
				3	3	9	
						▲	

Appendix 3 – Mitigation for High Level Strategic Risks

SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
			Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16 ▲	

Business Continuity Risks associated with MFSS transfer of Payroll System in April 2019

1. The Joint Oversight Committee (JOC) on 27/07/20 took the decision to transition away from a shared service to an individual force model in November 2022.

This decision could impact on the ability of MFSS to deliver services during the transition period as it may become difficult to retain MFSS staff. The premature departure of staff could also result in MFSS not retaining individuals with sufficient skill set to transition Nottinghamshire to the new local systems and in-house services.

The mitigation activities include the establishment of a Transition 2022 Programme which has been agreed by Partners. The plan of work including risk and independencies is being developed by MFSS. The continued ability to deliver BAU is being tracked closely using a MFSS Management Information tool and People Plan. This activity is reported to the MFSS Management Board chaired by DCC Barber on a monthly basis. The people plan allows an extended transition period for staff who accept roles within Cheshire Police i.e. reducing the impact of staff leaving MFSS.

In addition a detailed request for additional funding for specialist transition resources will be presented JOC prior to 24th October 2020 for their consideration.

2. MFSS Oracle Technology delivered falls short of expectations which impact the service delivery user experience and the end to end process.

There remains an inability to resolve defects within the current Oracle technology; this causes operational issues, impacts on retained staff and user experience (examples include payroll, recruitment and L&D). A significant number of defects have been addressed with the implementation of manual workarounds which create opportunities for manual errors to occur. This could result in reputational damage and the potential of litigation with Cap Gemini and lead to expensive legal costs. To mitigate these risks there is a significant amount of work being undertaken in both short and longer terms:

Short term activity:

- A review and update of the MFSS service catalogue has been undertaken to confirm the transactions MFSS undertake on behalf of partners and also a 'confidence' score.
- Work is ongoing to prioritise and improve the processes within MFSS. At a local level Nottinghamshire payroll staff have enhanced access to the Oracle system to continually check and validate the payroll runs ensuring that timely corrections are made.

- All Requests for Change submitted to MFSS by partners for future activities are reviewed and approved via the MFSS Management Board.
- Management Information is being developed by MFSS to improve the visibility of the health of processes. Some services may be brought back locally where it is feasible and economical to do so.

Longer Term Activity:

Nottinghamshire is currently in a procurement process to acquire fit for purpose IT solutions which support the functions of Payroll, Finance, People Services, L&D and DMS. A full business case will be submitted to the Force Executive Board in late November for the recruitment of staff to deliver local services for Nottinghamshire. The key processes have been redesigned and will be the focus of implementation throughout 2021 with a target go-live of 1st April 2022. In the meantime data quality checks are ongoing within key service areas.

3. If there is a significant time slippage in transitioning away from MFSS by November 2022 this will require a renegotiation with Cap Gemini and Oracle.

This would involve the need to negotiate extension requests for an unknown duration or scope with Cap Gemini and Oracle. Legal services have advised in respect of future arrangements with Capgemini beyond 03/11/2022 that:

- Contractually the negotiating position would be very difficult and costly
- Only those partners needing to continue with Cap Gemini would be affected
- Each partner would have to find a legal route independently of each other due S22 agreements ending.
- Additionally double costs could be incurred and a minimal contract could be for a significant period (12mnths +)

As only those partners needing to continue with Cap Gemini would be affected, the mitigation activity currently undertaken by Nottinghamshire includes extensive planning and procurement activity. There is a dedicated internal programme team and a formalised Regain Programme Board chaired by DCC Barber as SRO. SMEs from each of the key business areas are fully engaged and monthly programme board meetings take place to review the plan both internally and with the MFSS Transition 2022 Committee. There are also regular updates to the MFSS Management Board. Work streams have been commissioned to prioritise the high risk work such as 'Data' extract and data archiving.

A full business case will be submitted to the Force Executive Board in late November for the recruitment of staff and procurement of IT systems to deliver local services for Nottinghamshire. The key processes have been redesigned and will be the focus of local implementation throughout 2021 with a target go-live of 1st April 2022.

4. There is a risk that the Coronavirus (Covid-19) may cause disruption to the MFSS workforce and could cause service delivery issues.

Monthly reports are provided by MFSS in respect of staffing levels and have been reported as green since the commencement of the lockdown period. Agile working practices are in place for many of the MFSS staff.

SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	<ul style="list-style-type: none"> - Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties 	Treat	4	4	16	GDPR gap analysis being undertaken in order to identify associated risks which will help define an action plan Force due to be audited on GDPR compliance in December 2018 Review date: Ongoing
			Undertaking GDPR gap analysis in order to identify associated risk and define an action plan	4	4	16	

GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance.

However, it had been noted within the report that whilst progress has been made, this had been slower than expected. In relation to a gap analysis and implementation plan, it was also identified this was outstanding.

New terms of reference are in the process of being put together for a follow-up audit to be undertaken by Mazars.

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	27 November 2020
Report of:	Deputy Chief Constable
Report Author:	Amanda Froggatt, Corporate Development Manager Laura Spinks, Force Assurance Lead
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
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Agenda Item:	10

Audit and Inspection Update

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel (JASP) with an update on progress against recommendations arising from audits and inspections which have taken place during Quarter 2, 2020/21.
- 1.2 To inform the Board of the schedule of planned audits and inspections.

2. Recommendations

- 2.1 That the Panel notes the status of audits and inspections carried out over the last quarter.
- 2.2 That the Panel review Appendix 1 and if required request further detail which will be reported at the next meeting.

3. Reasons for Recommendations

- 3.1 To enable the Panel to fulfil its scrutiny obligations with regard to Nottinghamshire Police and its response to audits and inspections.
- 3.2 To provide the Panel with greater scrutiny opportunities and to reach more informed decisions.
- 3.3 To provide the Panel with the opportunity to shape the focus and data inputs for future HMICFRS inspections.

4. Summary of Key Points

Audit and Inspection Action Updates

- 4.1 The actions referred to in this report are the result of recommendations made by Nottinghamshire Police's internal auditors and external inspectorates, including HMICFRS.
- 4.2 There are currently 0 actions which have exceeded their target date. There are 13 actions showing as 'at risk' of being off target i.e. they will exceed their target date in the next month.
- 4.3 There were 135 actions closed during this quarter.
- 4.4 Recent and forthcoming Inspections.

Recent Inspection Activity

Date of Inspection	Inspection Area	Date Report Received	Final Grading	Status
None to report				

Forthcoming HMICFRS Inspections

Date of Inspection	Inspection Area	Status
October 2020	Covid-19 Policing Inspection	Nottinghamshire Police was inspected 5 th -9 th October

Publications

Date of Publication	Inspection Area	Status
None to report		

4.5 Recent and Forthcoming Audits

Recent Audit Activity

Date of Audit	Auditable Area	Date Report Received	Final Grading	Status
September 2020	Victims Code	September 2020	Satisfactory Assurance	Actions being managed on 4Action
October 2020	Estates	October 2020	Significant Assurance	Draft report received, out for management comment

Forthcoming Audits

Date of Audit	Auditable Area	Status
Quarter 1	Workforce Planning and Operation Uplift	Awaiting copy of draft report
Quarter 2	Wellbeing	-
Quarter 2	Debt Recovery	-
Quarter 3	Business Change	-
Quarter 3	Core Financial Systems	-
Quarter 3	Seized Property	-
Quarter 3	GDPR Follow Up	-
Quarter 3	Information Assurance Follow Up	-
Quarter 4	Risk Management	-
Quarter 4	Complaints Management	-

5. Financial Implications and Budget Provision

- 5.1 If financial implications arise from recommendations raised from audits, inspections and reviews, these implications are considered accordingly. Where an action cannot be delivered within budget provision, approval will be sought through the appropriate means.

6. Human Resources Implications

- 6.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case by case basis.

7. Equality Implications

- 7.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case by case basis.

8. Risk Management

- 8.1 Some current actions involve the completion of formal reviews of specific business areas. It is possible that some or all of these reviews will identify and evaluate significant risks, which will then be incorporated into the Force's risk management process.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 Any policy implications will be subject to current policy development process.

10. Changes in Legislation or other Legal Considerations

- 10.1 There are no direct legal implications as a result of this report.

11. Details of outcome of consultation

- 11.1 Following receipt of a final audit or inspection report a member of the Governance and Planning team consults with the appropriate Lead Officer and other stakeholders to plan appropriate actions in response to each relevant recommendation, or to agree a suitable closing comment where no action is deemed necessary.
- 11.2 All planned actions are added to the action planning system, 4Action, for management and review until completion.

12. Appendices

12.1 Appendix 1 - Overview of all ongoing actions from Audits and Inspections

Appendix 1 - Overview of all ongoing actions from Audits and Inspections: November 2020

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk	Number Overdue
Audit-Mazars	Corporate Governance	October 2018	4	2	2	1	0	1
Audit-Mazars	Firearms Licensing	October 2018	4	4	0	0	0	4
Audit-Mazars	Late Night Levy	December 2018	4	4	0	0	0	4
Audit-Mazars	Performance Management	March 2019	5	3	2	0	0	3
Audit-Mazars	Partnerships	May 2019	3	2	1	0	0	2
Audit-Mazars	Custody Arrangements	October 2019	2	2	0	0	2	0
Audit-Mazars	Balance Transfers	March 2020	1	1	0	0	0	1
Audit-Mazars	Health and Safety Follow Up	March 2020	6	2	4	0	0	2
Audit-Mazars	GDPR Follow Up	March 2020	4	4	0	0	0	4
Audit-Mazars	Information Assurance Follow Up	March 2020	4	4	0	0	0	4
Audit-Mazars	Programme Management	March 2020	2	2	0	0	0	2
Audit-Mazars	Core Financial Systems Assurance	March 2020	5	5	0	5	0	0
Audit-Mazars	Victims Code	September 2020	6	6	0	6	0	0

Appendix 1 - Overview of all ongoing actions from Audits and Inspections: November 2020

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk	Number Overdue
IPCC	Use of Force Report	September 2016	15	2	13	0	0	2
Inspection-HMICFRS	Efficiency November 2016 'Hot De Brief' actions	November 2016	31	2	29	0	0	2
Inspection-HMICFRS	Efficiency, Legitimacy and Leadership Hot Debrief 2017	May 2017	9	1	8	0	0	1
Inspection-HMICFRS	Making it Fair: Disclosure of unused material in volume Crown Court Cases	July 2017	6	1	5	0	0	1
Inspection-HMICFRS	PEEL Effectiveness 2017	September 2017	23	3	20	1	0	2
Inspection-HMICFRS	Stolen freedom: the policing response to modern slavery and human trafficking	October 2017	7	1	6	0	0	1
Inspection-HMICFRS	Additional PEEL Efficiency, Legitimacy, Leadership Actions 2017	December 2017	7	1	6	0	0	1
Inspection-HMICFRS	Still no place for hate	May 2018	6	1	5	0	0	1
Inspection-HMICFRS	Crime Data Integrity	August 2018	18	11	7	4	3	4
Inspection-HMICFRS	Integrated PEEL Inspection	September 2018	17	16	1	1	0	15
Inspection-HMICFRS	Unannounced Custody Inspection	October 2018	31	29	2	29	0	0
Inspection-HMICFRS	Biometrics Commissioner's Visit	October 2018	5	1	4	0	0	1
Inspection-HMICFRS	Policing and Mental Health – Picking up the Pieces	November 2018	5	1	4	0	0	1
Inspection-HMICFRS	Time to Choose – An Inspection of the Police Response to Fraud	April 2019	7	7	0	0	0	7
Inspection-HMICFRS	The Poor Relation – The Police and CPS Response to Crimes against Older People	July 2019	4	2	2	0	0	2

Appendix 1 - Overview of all ongoing actions from Audits and Inspections: November 2020

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk	Number Overdue
Inspection-HMICFRS	Shining a Light on Betrayal	September 2019	3	3	0	0	0	3
Inspection-HMICFRS	Cyber Keeping the Light on	October 2019	2	2	0	0	0	2
Inspection-HMICFRS	Youth Justice System Inspection	October 2019	3	3	0	0	0	3
Inspection-HMICFRS	Joint Inspection Evidence Led Domestic Abuse	January 2020	6	1	5	0	0	1
Inspection-HMICFRS	Integrated Offender Management Thematic	February 2020	4	4	0	0	0	4
Inspection-HMICFRS	HMICFRS Response to Review of Investigations into Allegations of Non-Recent Sexual Abuse	March 2020	10	1	9	0	0	1
Inspection-HMICFRS	A call for help Police contact management through call handling and control rooms in 2018/19	July 2020	8	8	0	0	8	0
Inspection-HMICFRS	Roads Policing: Not optional An inspection of roads policing in England and Wales	July 2020	10	10	0	0	0	10
Inspection-HMICFRS	PEEL spotlight report The Hard Yards Police-to-police collaboration	July 2020	1	1	0	1	0	0

For Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27 November 2020
Report of:	Paddy Tipping Police and Crime Commissioner
Report Author:	Kevin Dennis
E-mail:	Kevin.Dennis@nottinghamshire.pnn.Police.uk
Other Contacts:	Kevin Dennis
Agenda Item:	11

POLICE AND CRIME COMMISSIONER'S UPDATE REPORT TO OCTOBER 2020

1. PURPOSE OF THE REPORT

- 1.1 This report provides the Police and Crime Panel (Panel) with an update on progress in delivering the Police and Crime Commissioner's (Commissioner) Police and Crime Plan (2018-21), in compliance with the Commissioner's statutory duties^a. The report is submitted to the Joint Audit and Scrutiny Panel for information only.
- 1.2 The report also provides a summary of performance headlines for quarter 2 of the 2020/21 financial year (Appendix A), the revenue and capital financial outturn position for 2019/20 (Appendices B and C) and a summary of key OPCC and force decisions made over the latest planning period (Appendix D).

2. RECOMMENDATIONS

- 2.1 The Panel is invited scrutinise the contents of this report, seek assurance from the Commissioner on any specific areas of concern, request further information where required and make recommendations within the scope of their role^b.
- 2.2 The Police and Crime Panel has a statutory duty^c to provide scrutiny of performance and delivery against the ambitions of the Police and Crime Plan and of the Commissioner in fulfilling his core statutory duties (Section 14 of the Policing Protocol 2011). This update report is designed to assist the Panel in fulfilling these responsibilities.

^a Section 13 of the Police Reform and Social Responsibility (PR&SR) Act 2011 requires the Commissioner to, subject to certain restrictions, provide the Panel with any information which they may reasonably require in order to carry out their functions, and any other information which the Commissioner considers appropriate

^b [Police and Crime Panels: A Guide to Scrutiny](#), Local Government Association (Updated 2016)

^c Police Reform and Social Responsibility Act 2011

3. POLICE AND CRIME PLAN PERFORMANCE (2018-21)

- 3.1 The Commissioner's Police and Crime Plan (2018-21) set 57 performance indicators and 12 sub-measures across four strategic themes. These indicators are tracked by the force and OPCC on a quarterly basis as part of the Performance and Insight Report shown at appendix A. Previous versions of the report can be accessed via the Commissioner's website^d.
- 3.2 **Protecting vulnerable people from harm:** Ongoing improvements in proactivity, training, risk management and effective partnership working are helping to support sustained increases in safeguarding referrals (+22%). The work of a dedicated Missing Persons team and the use of new technology to assist in tracing missing people has also helped to secure a 19% reduction in missing persons reports over the last year. Proactive police and partnership activity in response to modern slavery and county lines has also led to referral rates almost doubling (+93%) over the last year. Levels of police recorded online crime continue to rise (+16%), partly impacted by increases in online activity as a result of the Coronavirus Restriction measures in place.
- 3.3 **Helping and supporting victims:** Force compliance with the Victim's Code of Practice (92%) also remains strong and improving following the introduction of stringent reviews across adult and child public protection since June 2020 and continued robust screening of rape and serious sexual offence compliance. Levels of police recorded domestic abuse are stabilising despite some increases in the latest quarter which may be attributable to the impact of Coronavirus restrictions. The proportion of crimes resolved via community resolution has been falling throughout the year (-1.8% pts), however plans are underway to reinvigorate the force's approach to out of court disposals.
- 3.4 **Tackling crime and Anti-social Behaviour:** Police recorded crime, and most notably theft from person, vehicle crime and burglary, fell markedly between April and June 2020 coinciding with the period of stringent Coronavirus Restrictions. Crime rates have since returned closer to pre-lockdown levels. While violent knife crimes have been in general decline since 2018, positive outcome rates for these offences have also fallen. The roll out of Operation Reacher has led to sustained increases in use of stop and search over the last year (+11%) which is likely to continue over the coming months. Positive stop and search outcomes remain strong (40%) but have deteriorated slightly over recent months at both a local and national level.

^d <https://www.nottinghamshire.pcc.police.uk/Public-Information/Performance/>

3.5 Transforming services and delivering quality policing: Reflecting national trends, calls to the 999 emergency service began to fall for the first time in two years in April 2020, while calls to the 101 service have also continued to decline. Compliance with National Crime Recording Standards (NCRS) has increased to the highest level recorded on over a year (97.2%). Public trust and confidence (+5.7%) in the police has seen a marked improvement over the last year, largely driven by increases during the post-lockdown period in 2020.

3.6 Key areas for consideration as part of the latest insight report include:-

- Ongoing issues relating to the reporting of resource data following transition to the new 'SAFE' Command and Control system^e in January 2020. This has impacted upon the ability to accurately report on service response times. Force Information Services have been working to resolve compatibility issues with the Force's principle data extraction tool and are working with the developer to script a potential automated solution. It is anticipated that this work will be completed soon enabling resourcing data to be fully and accurately reported. It should be noted that response times are reviewed on a live time basis by Force Control Room (FCR) managers and on a daily basis by FCR senior leaders. Outstanding demand levels for emergency and non-emergency calls remains low, with anecdotal evidence from FCR managers that response times have improved since the introduction of SAFE and additional resources delivered via the Uplift programme.
- Understanding and responding to the rising level of reported online crime victimisation, including the risks to vulnerable children and young people during the period of coronavirus restrictions. National increases in online phishing and scam emails relating to Covid-19, Test and Trace and HMRC have been observed over recent months.
- Driving improvements in the use of community resolution and other appropriate out of court disposals as part of changes to the force's framework for delivering these outcomes.
- Monitoring increases in 101 abandoned call rates since January 2020, considered, in part to have been affected by the COVID-19 pandemic, turnover of staff and the impact of training new starters in call handling. Performance in this area is expected to improve over the coming months in line with increases in organisational capacity.

^e The SAFE' system replaced the Legacy system in March 2020 which was no longer compliant with Home Office requirements. SAFE provides Command and Control, telephony and Airwave radio interfaces into the control room, with all data transactions, including those from the mobile and web clients, being recorded by the system in real time. This provides the foundation for producing near real-time reports.

- 3.7 The force and OPCC will continue to closely monitor and assess the impact that the Coronavirus Pandemic and changes in restrictions may have on levels of crime, ASB and service demand over the coming months.

4. Case Study: Missing From Home Teams

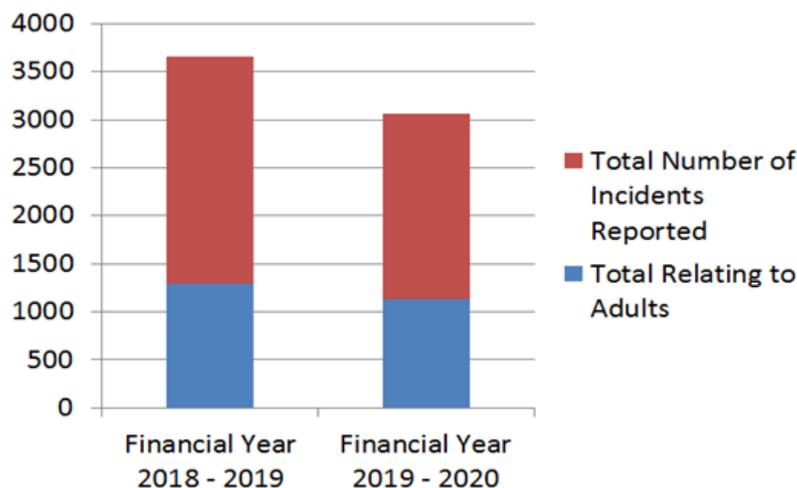
- 4.1 Nottinghamshire's Police and Crime Plan includes a priority focus on protecting vulnerable people, including actions to ensure the effective response and safeguarding of vulnerable people missing from home. An HMICFRS Inspection of Nottinghamshire's Missing From Home (MFH) team in 2015 identified a number of specific areas for improvement, which included the management of data, trigger plans for repeat missing persons and improving the multi-agency response to persistent and repeat missing children. This case study highlights the actions that have been taken to address each of these recommendations and the considerable progress that has been made in this area since 2015.
- 4.2 The force has worked to gather information from forces that have been subject to more recent HMICFRS inspections in this area in order to identify best practice and promote organisational learning. All information is assessed and, where appropriate, translated into an action and recorded in the '4P' action plan – Prevent, Pursue, Protect and Prepare. The plan provides the basis for a monthly performance meetings chaired by the Chief Inspector lead for MFH and reviewed by the Force Strategic Lead (Superintendent) for MFH on a quarterly basis.
- 4.3 The team have embedded a daily multi-agency response at a tactical level through meetings which link vulnerable and repeat missing persons into social care services and other relevant partners. Risks associated with Child Sexual Exploitation (CSE) and County-lines are identified and mitigated by working closely with dedicated teams linked to Modern Slavery, County Lines and Child Abuse – with a view to sharing information and identifying emerging trends.
- 4.4 MFH work together in two teams – the Locate Team responsible for finding people of all risk levels when they are reported missing and the Safeguarding team which focuses on prevention and longer term problem-solving approaches to addressing repeat missing episodes. The teams have shared responsibility for the safeguarding oversight of Missing no Apparent Risk (MISNAR).
- 4.5 Key developments in the last year have included greater proactive use of police protection and Child Abduction Warning Notices (CAWNs) to ensure that high risk and repeat missing persons can be quickly located and robustly safeguarded, and the use of new technology (Terragence) to assist in tracing missing people by processing phone data more effectively. This technology reduces the time spent

searching and the resources required to do so, putting the force at the forefront nationally when searching for missing persons.

4.6 Missing no Apparent Risk (MISNAR) incidents are primarily managed within the control room, but can be converted to a “police attend” incident and dealt with by the MFH team at any point and in any case once a maximum 72 hour threshold has been reached^f. MISNAR demand remains relatively static in Nottinghamshire, with 2,865 incidents recorded in 2018/19 and 2,944 recorded in 2019/20.

4.7 The number of Missing from Home episodes of all risk levels, meanwhile, has reduced by 18% among children to 1,933 per year and by 12% among adults to 1,130 per year over to the same period. The improved approach outlined above has been instrumental in achieving these reductions and the positive trajectory seen over recent years.

Fig 1. Missing From Home Demand 2018/19 to 2019/20 (Low, medium and high risk)



4.8 Reflecting other areas of service MFH reports saw a steep decline during the period of stringent Coronavirus lockdown restrictions, with a gradual return to normality as the restrictions eased. The April to August 2020 period for example saw a 39% reduction in Missing No Apparent risk reports and a 23% reduction in MFH reports. The average length of time that a reported person remained missing, however, reduced from 32 hours to 14.5 hours (-54%).

4.9 Comparisons based on the month of September in both 2019 and 2020, however, provide a more accurate reflection of the trajectory in performance. This shows a 21% reduction in overall Missing reports (181), a 32% reduction in under 18 reports (99), a 14% reduction in average time missing (7.98 hours), a 46%

^f The control room review and risk assess MISNAR incidents at a maximum interval of every 6 hours during this period

reduction in repeat reports (35) and a 60% reduction in 'in care' reports. The Police have also maintained a 100% completion rate for return interviews.

- 4.10 Whilst it is difficult to attach a cost to the work undertaken by the MFH team and the costs associated with this type of demand, national statistics estimate the cost of an average Low to Medium risk investigation to be around £2,500 and the cost of a High risk case to be around £8,500. Much of this cost can be attributed to the investment of police resources and time allocated to locate MFH's.
- 4.11 The developments and improvements in approach to MFH investigations (based on time savings made in medium risk cases) is therefore estimated to have delivered a £1.3 million saving across this area of business over the last 12 months, with a combined reduction of 1.75 million over the last 4 years. While the overall cost of implementing the Terragence system is still pending, the benefits in terms of reduced length of time of a missing and number of staff required is also predicted to demonstrate substantial efficiencies.
- 4.12 Nottinghamshire Police continue to build on this success and embed learning and best practice from other areas. This has included, for example, Actions taken, for example, implementing an "access to support" approach to improve mental health provision for missing people on their return and linking with the Street triage team for further input. This application of best practice and commitment to continuous improvement has been a critical factor in the team's ongoing success over recent years.

5. Activities of the Commissioner

- 5.1 The Commissioner is represented at key thematic, partnership and force performance boards to obtain assurance that the police and partners are aware of the current performance threats and taking appropriate action to address emerging issues and challenges. This is reported to the Commissioner who holds the Chief Constable to account on a weekly basis. The Commissioner also meets heads of Investigations and Intelligence and Operations on a quarterly basis to gain a deeper understanding of threats, harm and risk to performance. The Commissioner seeks regular assurance that the Chief Constable has identified the key threats to performance and taken swift remedial action as appropriate. Key activities are reported on the Commissioner's website.⁹
- 5.2 The Commissioner's partnership and community engagement schedule has been significantly affected by the impact of Covid-19 lockdown restrictions since

⁹ <http://www.nottinghamshire.pcc.police.uk/News-and-Events/Latest-News.aspx>

23 March 2020, however the OPCC has maintained business continuity during this exceptional period by adapting to new ways of working. The commissioner continues to engage with partner agencies and communities in accordance with social distancing guidelines, though events such as the launch of the Hucknall Tri-Service station (18 August), West Bridgford co-location station (16 October) and the PCC Partnership Awards (23 October). The Commissioner has also supported the Community Listening Group (28 August 2020) and undertaken a community walkabout in Stanton Hill (5 November TBC).

- 5.3 Nottinghamshire's Deputy PCC has also undertaken a wide range of engagement activities during this period, which have included visits to the Bridewell Custody Suite, Radford Road Police Station and the West Bridgford Co-location Station. Voluntary and Community Sector engagement has included work with 'Jumpers 4 Goalposts (Farnborough Academy) and the African Women Empowerment Forum.
- 5.4 Work continues to deliver improvements in lighting, CCTV and ANPR use and home and bicycle security as part of the £550k Home Office Safer Streets funding which was successfully secured by Nottinghamshire PCC on 28 July 2020. Funding is being used to tackle and reduce acquisitive crime, such as burglary, vehicle crime and bicycle theft in the Chatham and Northgate area of Newark.
- 5.5 On 22 July 2020, the Home Secretary announced a review of the role of Police and Crime Commissioners in line with the government's manifesto commitment to sharpen and expand the role and further improve public accountability. Measures to be considered include: raising the profile of the PCC model to help the public access information about their PCC; ensuring PCCs have sufficient resilience in the event that they cannot undertake their role, considering how to improve the current scrutiny model for PCCs and better share best practice and; the effectiveness of the current PCC and Chief Constable oversight dynamic.
- 5.6 The review will be held in two parts with the first being undertaken during summer 2020 and reporting in the autumn. This will be used to inform the Government's priorities for pre-May 2021 PCC model reform. The second stage of the review will be undertaken following PCC elections in May 2021 and will focus on longer-term reform, including the role PCCs play in tackling re-offending. Further plans to increase the number of mayors with responsibility for policing will be detailed in the Local Recovery and Devolution White Paper, which was due to be published in the autumn 2020, but has been delayed on account of the COVID-19 pandemic.

5.7 Nottinghamshire PCC has been successful in securing government funding to pilot a local perpetrator programme. The funding will support joint working between Freeva, who have been successfully delivering these programmes in Leicester since 2012, and Equation in delivering a series of programmes for domestic abuse perpetrators. In addition to funding the programmes, the PCC will fund a 0.5 FTE post with Juno and Notts WA to work with the partners of the perpetrators on the programmes. The PCC will also commission an independent review of the programmes to help inform the local and national evidence base. This will include an evaluation of the DVA IOM scheme. Consultation on the Commissioner's Domestic Abuse Position Paper closed on 11 November. The paper will be finalised taking account of the feedback received and will inform the development of an action plan in early 2021.

5.8 The Operation Reacher programme continues to be rolled out across Nottinghamshire's priority areas and neighbourhoods with a focus on proactive enforcement, community engagement and partnership working. Between 1 April and 7 November 2020, the combined Bestwood, City North and Gedling Reacher Teams have achieved:-

- 282 arrests including people interviewed under caution
- 180 traffic offence tickets issued
- 158 vehicles recovered/seized from illegal use (e.g. no insurance, disqualified drivers), of which 16 were stolen vehicles
- 77 warrants
- 109 PACE searches (section 32 section 18)
- 182 drug seizures
- 515 stops and stop searches
- 61 offensive weapons recovered
- £341,070 recovered in criminal cash
- 506 pieces of intelligence generated and submitted

6. Decisions

6.1 The Commissioner has the sole legal authority to make a decision as the result of a discussion or based on information provided to him by the public, partner organisations, Members of staff from the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) or Chief Constable. The Commissioner's web site provides details of all significant public interest decisions.^h

^h <http://www.nottinghamshire.pcc.police.uk/Public-Information/Decisions/Decisions.aspx>

6.2 Panel Members have previously requested that the Commissioner provide a list of all forthcoming decisions (Forward Plan) rather than those already made. This Forward Plan of Key Decisions for the OPCC and the Force has been updated and is contained in **Appendix D**.

7. Financial Implications and Budget Provision

- 7.1 The Commissioner's Strategic Resources and Performance meetings (SSRP) provide a formal mechanism for holding the Chief Constable to account. At this meeting the Chief Constable submits a number of financial reports for scrutiny.
- 7.2 The forecast financial outturn for 2020/21 was reported to the SSRP meeting held on 4 November 2020. As at 30 September 2020, the review of revenue expenditure shows a forecasted outturn position of £209k overspend for Police and an on budget position within the OPCC.
- 7.3 At the end of Q2 2020/21, the force has incurred additional costs/loss of income of £622k in relation to Covid-19 as well as £300k in relation to orders that have been delayed, the cost of which should have been incurred during 2019/20. These costs along with additional overtime spends would have resulted in a larger overspend position than that being reported, however the considerable savings on vacant staff posts have off-set much of those costs.

Nottinghamshire Police - Forecast Revenue Position as at Q2 2020/21

Expenditure Type	Total Base £'000	Virements £'000	Revised Budget £'000	Q2 Outturn £'000	Variance Over/(Under) £'000
Employee	142,858	1,594	144,452	143,563	(889)
Pension	34,460	366	34,825	35,012	187
Agency & Contract Services	12,763	32	12,794	14,068	1,274
Supplies & Services	9,834	394	10,228	10,971	743
Comms & Computing	8,915	377	9,292	9,825	533
Capital Financing	8,482	1,000	9,482	9,171	(311)
Transport	6,144	2	6,146	6,310	164
Premises	6,118	(1)	6,117	6,495	378
Income	(13,054)	(3,729)	(16,784)	(18,653)	(1,870)
	216,519	35	216,554	216,762	209

Overspends shown as positive numbers, under-spends shown as () numbers.

- 7.4 Agency and Contracted Services costs show a current forecast overspend of £1,272k. Whilst MFSS costs have reduced, the force has received a £1,696k charge from the region for EMSOU collaboration.

- 7.5 Employee costs show a current forecast underspend of £889k as a result of underspend on staff pay (£480k) on account of a high number of vacant posts and an underspend on officer pay (£345k) reflecting an increase in retirees and an adjustment to the start date of IPLDP officers. Overtime is currently predicted to overspend at around £99k, however a 2 hours self-approval process has been removed from the system as at 28th September to ensure greater control. External training course costs shows a forecast underspend of £168k due to courses being cancelled as a result of the pandemic.
- 7.6 Income including grants, partnership funding, fee income and seconded officers' recharges is currently forecast to increase by £1,870k. £733k reflects the income due to off-set the EMSCU charges and £1,684k reflects the income from EMSOU CID for officers in kind contributions. The forecast also includes £179k off-sets costs of regional buildings and £161k additional income generated from investment interest which off-set loss of income from sporting events of £418k as a result of Covid-19.
- 7.7 The total gross Capital expenditure budget approved by the OPCC for 2020/21 was set at £34,589k. This has increased by £87k for CED (Conducted Energy Devices) purchase. A decision was made to reduce the Information Technology budget by £500k and increase the Estates budget by £500k to enable car park extension works (decision record 2020.050) Slippage of £1,169k from 2019/20 has also been added.
- 7.8 The review of capital expenditure shows a forecasted outturn position of £25,678k, which represents an underspend of £1,076k and anticipated slippage of £9,091k. Within the Estates projects are the three new build projects for Nottingham Custody Suite, new Joint HQ Build and the SARC (Sexual Adult Referral Centre). These three areas alone amount to a combined budget of £25,159k and also amount to the majority of the slippage figure currently being forecast of £6,133k.
- 7.9 Within the Assets/Estates projects are the three new build projects for Nottingham Custody Suite, new Joint HQ Build and the SARC (Sexual Adult Referral Centre). These three areas alone amount to a combined budget of £25,169k and also amount to the majority of the slippage figure currently being forecast of (£4,546k).
- 7.10 The multiyear custody project to deliver a new Nottingham Custody Suite at a new location within the City is now ahead of schedule. The in-year budget allocation is therefore at risk of overspending in 2020/21. A request will be made to bring forward budget allocated to 2021/22 into the current financial year.

7.11 The multiyear Joint Force HQ build for Nottinghamshire Police and Nottinghamshire Fire and Rescue is taking place on land currently owned by Nottinghamshire Police. The project is well underway and the build contract has recently been let to Henry Brothers. It is expected that the project will generate a reasonable underspend.

7.12 A new build Sexual Assault Referral Centre (SARC) is being developed close to the existing Centre which was deemed unsuitable, in need of reparation and without scope for extension. It is expected that design and planning fees will be incurred during the current financial year with a view to the build commencing April 2021. The capital budget is therefore slightly out of alignment with the planned works with potential for slippage into 2020/21.

Capital Projects 2020/21 As at Q12 2020/21

	Revised Budget	Out-turn	Under Spend	Slippage to 2021/22
	£'000	£'000	£'000	£'000
Estates				
Nottingham Custody Suite	12,400	13,003	0	603
New HQ Joint Build	11,959	5,229	(628)	(6,102)
Building Improvement, Renovation & Conversion Works	2,640	906	(66)	(1,668)
SARC New Build	800	166	0	(634)
Estate Improvements	582	186	(319)	(77)
Northern Control Room Conversion & Refurb.	362	2	0	(360)
Custody Improvements	166	101	0	(66)
West Bridgford Relocation	183	183	0	0
Hucknall EMAS	17	17	0	0
Operation Uplift - Estates	500	500	0	0
	29,608	20,292	(1,013)	(8,303)
Information Services				
Technology Services Refresh & Upgrades	2,573	2,573	0	0
Operation Uplift - IS	1,426	1,426	0	0
ESN	800	12	0	(788)
ANPR Camera Project	244	244	0	0
Command & Control	0	(2)	(2)	0
	5,043	4,253	(2)	(788)
Other Projects				
Operation Uplift - Fleet	572	572	0	0
Vehicle & Equipment Replacement	435	374	(61)	0
Operation Uplift - Other	100	100	0	0
Taser	87	87	0	0
	1,194	1,133	(61)	0
Total	35,845	25,678	(1,076)	(9,091)

7.1 ESN is a national programme to replace the current airwave service. The project has experienced a number of setbacks since its inception and the types of devices being deployed are yet to be determined. It is expected that the only costs to improve our firewall capability in preparation for the transition will be

incurred this financial year and that the project will slip further in 2022/23 where £800k is already allocated. The overall budget is likely to increase considerably and discussions at a national level are being held as to how the project will progress.

- 7.2 **Appendices B and C** contain the full finance revenue and capital reports submitted to the Strategic Resources and Performance Board on 4 November 2020 and provide more detail regarding the forecast 2020/21 position as at quarter 2.

8. Human Resources Implications

- 8.1 None - this is an information report.

9. Equality Implications

- 9.1 None

10. Risk Management

- 10.1 Risks to performance are identified in the main body of the report together with information on how risks are being mitigated.

11. Policy Implications and links to the Police and Crime Plan Priorities

- 11.1 This report provides Members with an update on performance in respect of the Police and Crime Plan.

12. Changes in Legislation or other Legal Considerations

- 12.1 The Commissioner publishes a horizon scanning briefing on a fortnightly basis which is widely accessed by OPCC, policing and other partner agencies nationally. The briefing captures information from a wide range of sources including emerging legislation, government publications, audits and inspections and significant consultations, statistics and research findings in order to help inform local strategic planning and decision making. The briefings can be accessed via the Commissioner's website¹.

13. Details of outcome of consultation

- 13.1 The Chief Constable has been sent a copy of this report.

¹ <http://www.nottinghamshire.pcc.police.uk/Public-Information/Horizon-Scanning/Horizon-Scanning.aspx>

14. Appendices

- A. Nottinghamshire Performance and Insight Report - Quarter 2 - 2020/21
- B. Finance Revenue Budget Position for Q2 2020/21 as presented to Strategic Resources and Performance Board on 4 November
- C. Finance Capital Budget Position for Q2 2020/21 as presented to Strategic Resources and Performance Board on 4 November
- D. Forward Plan of Key Decisions for the OPCC and the Force to October 2020

15. Background Papers (relevant for Police and Crime Panel Only)

- [Police and Crime Plan 2018-2021](#)

For any enquiries about this report please contact:

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NOTTINGHAMSHIRE POLICE AND CRIME PLAN PERFORMANCE AND INSIGHT REPORT 2020/21

QUARTER 2: PERFORMANCE TO SEPTEMBER 2020

Guidance notes:

1. The following performance indicators are taken from the Police and Crime Commissioner's (PCC) plan 2018-21. The information is structured according to the four strategic priority themes.
2. Wherever possible, performance information is provided for a 12 month rolling period compared to the equivalent 12 months of the previous year. This provides a more stable indication of trends over time. Where information provided is for an alternative period, this is stated.
3. Additional insight is included in the report in order to provide context in relation to performance exceptions only.
4. Data sources are specified at Appendix A, including details of any information supplied outside of the Nottinghamshire Police Management Information team.
5. Amendments and additions have been added to this edition of the P&I report, in line with the revised Police and Crime Plan Strategic Framework (2018-21)
6. Face-to-face fieldwork as part of the PCC's Police and Crime Survey was temporarily suspended during summer 2020 due to the Coronavirus Restrictions in place. Two consecutive waves of fieldwork were undertaken in September and October 2020 as the survey programme resumed.

Performance exceptions:

Performance exceptions, both positive and negative, are indicated within the report by the following markers:-

- Positive exception: Significant improvement in latest quarter, or improving trend over three successive quarters
- Negative exception: Significant deterioration in latest quarter, or deteriorating trend over three successive quarters

Summary of Key Performance Headlines and Exceptions

Theme 1: Protecting Vulnerable People from Harm – Pages 3 to 4

- Safeguarding referrals continue to increase, largely attributed to improved training and better Partnership working in relation to CSE, PPNs and Knife crime.
- Missing Persons Reports have continued to reduce, reflective of force investment in dedicated teams, new technology and use of ‘best practice’ to gather information from forces that have been inspected. Social distancing has increased ‘attendance’ at online meeting and improved information sharing.
- Recorded Modern Slavery offences increased markedly over the last year (+93.2%) partly due to the dedicated team & on-going training & awareness raising
- Police recorded Child Sexual Exploitation (CSE) offences continue to reduce, with a 16.4% reduction seen over the latest 12 month period
- Online crime has increased in the latest quarter, reflective of more online activity during COVID restrictions and national increases in phishing / scam emails.

Theme 2: Helping and Supporting Victims – Pages 5 to 6

- Overall satisfaction among domestic abuse victims surveyed (April – July 2020) has seen a slight reduction.
- Adult Serious Sexual Assaults have seen sustained reductions over the last year, with Child Assaults also seeing a reduction the latest quarter. These trends are indicative of the lockdown measures in place.
- The positive outcome rate has increased again this quarter; attributable to the positive measures and more robust identification and charging procedures of the Public Protection unit.
- VCOP compliance has seen further improvement this quarter.

Theme 3: Tackling Crime and Anti-social Behaviour – Pages 7 to 10

- Both the Police and Crime Survey and police recorded crime indicate reductions in levels of crime experienced by local residents over the last year.
- Crime in urban areas has continued to decrease at a more significant rate than that of rural areas of the force.
- Of the 23 Priority Areas, Basford and Arboretum once again recorded the highest severity scores in the 12 months to September 2020.
- Gun Crime saw noticeable decreases between March and May 2020 and then increases from June 2020 with a high rate of 22 offences in August 2020.
- Knife Crime positive outcomes reduced by 3.5% points over the 12 month comparison.
- Both Alcohol related Violence and ASB continued to see reductions in this period compared to the previous two years.

Theme 4: Transforming Services and Delivering Quality Policing – Pages 11 to 14

- PSD timeliness for complaint resolution has increased markedly over the last year as positive steps have been taken to clear historic cases
- Public confidence in the police has increased markedly over the last year, likely to have been impacted in part by the Coronavirus response
- Police Officer establishment continues to increase with a further 132 officers.
- Sickness across all staff has seen reductions this 12 month period when compared to the previous 12 months.
- 101 calls have continued to decrease, while abandoned 101 rates have increased.
- NCRS compliance has improved again this quarter and stands at 97.2%

Theme 1: Protecting Vulnerable People from Harm

Theme 1A: More Vulnerable People Safeguarded and Protected

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year		
							%	Actual	
1A.1	Adult and Child Safeguarding Referrals	Increase	6,401	6,739	7,056	7,450	● 7,804	+21.9%	+1,403
1A.2	Missing persons	Monitor	3,153	2,964	2,895	2,712	● 2,542	-19.4%	-611
1A.3	Missing: No apparent risk	Monitor	3,016	3,008	3,103	2,838	2,817	-6.6%	-199
1A.4	Mental health-related incidents	Monitor	18,456	18,416	18,818	19,249	18,722	+1.4%	+266

Safeguarding Referrals

Overall, safeguarding referrals continue to increase in Nottinghamshire during 2019-2020, and have continued the trend in the latest quarter. Overall, referrals increased by 21.9% during the year.

This positive trend provides the force and partner agencies with confidence that improvements are being made in the identification and recording of safeguarding concerns, enabling agencies to take appropriate safeguarding actions to minimise the risk of harm. Improved training and better Partnership working in relation to CSE, PPNs and Knife crime are believed to have impacted upon this positive trend.

Missing Person Reports

Missing Person reports have been falling since May 2018 following investment in a dedicated Missing Team to work collaboratively on safeguarding issues and investment in new technology in 2020 to assist in tracing missing people by processing telephone data more effectively. Saving time and resources in the search process, this represents a cost saving to the force while also increasing in performance.

The latest quarter has seen further reductions with average monthly reports falling from 262 to 211 in the last year. The MFH Team continue to gather information and learning from recently inspected forces, including for example, improving access to mental health support. Social distancing practices have also led to increased 'attendance' at (online) meetings and improved information sharing.

Reports of 'Missing with no apparent risk' increased sharply during February and March 2020 – reaching the highest monthly rate (302) since July 2018. The latest quarter, however, saw a reduction with the monthly average falling to 234.

Mental Health-Related Incidents

The last 12 months have seen a monthly average of 1,560 police recorded mental health reports, which is a slight increase on the previous year monthly average of 1,538. Police recorded mental health incidents had been in decline since Summer 2019, but saw a marked increase during the previous two quarters; most likely attributable to the emotional and mental impact of Covid-19 and lockdown measures. The latest quarter has seen a downturn in incidents, however, the yearly total to September 2020 1.4% higher than the previous 12 month period.

Theme 1: Protecting Vulnerable People from Harm

Theme 1B: Improved Response to Serious and Emerging Threats

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year	
							%	Actual
1B.1	Fraud Offences	3,049	3,006	3,013	2,877	2,834	-7.1%	-215
1B.2	Online Crime	3,504	3,556	3,641	3,813	4,053	+15.7%	+549
1B.3	Drug Trafficking and Supply Offences	890	947	908	959	946	+6.3%	+56
1B.4	Police recorded Child Sexual Exploitation	573	560	525	520	479	-16.4%	-94
1B.5	Police recorded Modern Slavery offences	73	102	116	132	141	+93.2%	+68

Drug Trafficking and Supply Offences

Recorded drug trafficking and supply offences have maintained an upward trend over the last year (+6.3%). Since July 2020, the Operation Reacher team has undertaken 17 individual drug seizures, conducted 9 warrants, made 27 arrests and seized over £200k of illegal money. Warrants executed in Calverton and Mapperley Plains yielded nearly 500 cannabis plants. October saw further Reacher teams launched across Nottinghamshire, with social media and TV exposure sending the clear message 'We're coming for you'.

Online crime

Online crime continues to represent a significant challenge to the force and a growing demand on resources. Recorded offences have increased by 15.7% over the last year, impacted in part by increased online activity during the period of Coronavirus Restrictions. There has also been a national increase in the number of Online phishing and scam emails relating to Covid-19, Track and Trace and HMRC etc.

Child Sexual Exploitation

The latest quarter has seen a further reduction in police recorded CSE, with a 16.4% decrease over the last year. There are no definitive factors that can be evidenced to explain this reduction, however, it should be noted that:-

- Increased public education and awareness raising of the risks relating to CSE is likely to have reduced opportunity and propensity to offend
- There has been a shift in priority focus from CSE to Child Criminal Exploitation (CCE) over recent months
- There remain opportunities to drive further increases in the identification of CSE via training and experience gained by our new recruits and further proactivity in the identification of hidden harm

Fraud offences

Recorded fraud offences saw a further reduction this quarter with a 7.1% reduction over the last 12 months.

Modern Slavery

The last financial year saw significant increases in recorded modern slavery offences. This has continued during the latest quarter, with reports showing a 93.2% increase on the previous year. This positive trend largely reflects on-going training and proactivity among officers and an increased awareness of the nature, risk, legislation and signs of slavery.

The force has a dedicated Modern Slavery and County Lines Team and continues to take a proactive approach to identifying and tackling modern slavery. This involves seeking out offences, ensuring survivors are protected and that offenders are brought to justice.

Theme 2: Helping and Supporting Victims

Theme 2A: Improved Reporting and Response to Domestic and Sexual Violence and Abuse

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year		
							%	Actual	
2A.1	Police recorded domestic abuse crimes	Monitor	14,871	15,124	15,119	15,176	15,150	+2.1%	+305
2A.2	Domestic abuse repeat victimisation rate	Monitor	34.4%	34.5%	34.1%	33.8%	33.4%	-1.0% pts	n/a
2A.3	Domestic abuse: Positive Outcome Rate	Monitor	13.8%	13.4%	13.7%	13.2%	13.3%	-0.5% pts	n/a
2A.4	% Domestic abuse victims satisfied (overall)	Monitor	90.0%	88.0%	88.8%	87.5%*	87.5%*	-2.5% pts	n/a
2A.5	Serious sexual offences: Adult	Monitor	1,439	1,466	1,431	1,340	● 1,310	-9.0%	-129
2A.6	Serious sexual offences: Child	Monitor	1,404	1,387	1,408	1,233	1,144	-18.5%	-260
2A.7	Sexual Offences: Positive Outcome Rate	Monitor	7.2%	7.3%	7.8%	8.2%	● 8.4%	+1.2% pts	n/a

Domestic Abuse

The area has seen an increasing trend in reporting over the last two years due, in part, to improvements in recording and a likely increase in survivor confidence to come forward and seek support from the force and partner agencies.

Domestic abuse crimes increased by 2.1% in the year ending September 2020. Levels in the latest quarter remain higher than average and could be attributable to the social and economic impact of Coronavirus restrictions. The proportion of victims that are repeats has reduced marginally during the year while positive outcome rates remain consistent at around 13%.

Levels of satisfaction with the police among survivors of domestic abuse began to reduce between April 2018 and December 2019, largely driven by reductions in satisfaction among victims with being kept informed. The Force devised an audit to review numerous crimes for VCOP compliance in keeping victims informed. This deals with non-compliance through a series of emails and later personal interventions from managers.

*** NB: Due to Covid-19 restrictions, survey data is only current up to July 2020 based on April surveys. There have been 3 new starters on the survey team who are in the process of being inducted, it is hoped that survey data will catch up in the coming month.**

Sexual Abuse

Both Adult and Child Serious Sexual Offences saw decreases of 9.0% and 18.5% respectively in the year ending September 2020 when compared to the previous 12 months.

Both Adult and Child offences recorded by police dropped markedly between March and May 2020, potentially attributable to the Covid-19 lockdown / restriction measures.

The positive outcome rate has continued to increase this quarter reaching 8.4%. This is in part attributable to the positive measures in place in the Public Protection unit and more robust identification and charging of suspects.

Theme 2: Helping and Supporting Victims

Theme 2B: Victims Receive High Quality and Effective Support Services

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year	
							%	Actual
2B.1	Victims Code of Practice Compliance	Monitor	90.0%	90.4%	91.4%	● 91.7%	+1.7% pts	n/a
2B.2	Victim Services: Closed Cases	Monitor	3,526	3,545	3,565	n/a	Pending	n/a
2B.3	Improved cope and recover outcomes (all)	Monitor	80.6%	79.5%	78.4%	n/a	Pending	n/a
2B.4	% crimes resolved via community resolution	Monitor	10.7%	10.4%	10.0%	● 8.9%	-1.8% pts	n/a

Victims Code of Practice

The Victims Code Of Practice (VCOP) requires that a VCOP assessment is made and recorded for every victim of a crime, and that victim services are offered to victims as part of this assessment. In order to be VCOP compliant, every victim-based crime should have a completed VCOP recorded and the officer should record that victim services have been offered.

Improvements in compliance have been made over the past year (+1.7% points), which are likely to have been affected by continued robust screening of rape and serious sexual offence (RASSO) offences and VCOP compliance. For Adult and Child public protection compliance, stringent reviews have been put in place since June 2020. Overall, compliance in these two areas has improved as more teams have been included in the mandatory review process while maintaining high compliance.

Victim Services

Ministry of Justice data return is currently in preparation. Results will be available in early November 2020.

Community Resolution

The proportion of crimes resulting in community resolution has seen a steady downward trend in the past 12 months, with a further 1.8% point reduction in the 12 months to September 2020.

Theme 3: Tackling Crime and Anti-social Behaviour

Theme 3A: People and communities are safer and feel safer

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year		
							%	Actual	
3A.1	Victim-based crime: Total	Monitor	92,350	92,076	90,797	83,899	80,796	-12.5%	-11,554
3A.2	Victim-based crime: Rural areas	Monitor	10,983	11,388	11,406	10,718	10,458	-4.8%	-525
3A.3	Victim-based crime: Urban areas	Monitor	80,463	79,532	78,351	72,279	69,315	-13.9%	-11,148
3A.4	Average Crime Severity: Force-wide	Monitor	163.34	163.01	159.06	158.23	162.07	-0.8%	-1.27
3A.5	Average Crime Severity: Priority areas	Monitor	165.87	164.22	164.99	164.52	165.69	-0.11%	-0.18
3A.6	Residents reporting experience of crime	Monitor	18.1%	18.9%	18.0%	17.5%	16.9%	-1.2% pts	n/a
3A.7	% residents feeling safe in area by day	Monitor	89.2%	88.7%	89.2%	89.9%	90.1%	+0.9% pts	n/a
3A.8	% residents feeling safe in area after dark	Monitor	61.1%	61.0%	61.5%	62.7%	64.0%	+2.9% pts	n/a
3A.9	% reporting drug use / dealing as an issue	Reduce	48.9%	43.3%	42.8%	37.5%	32.1%	-16.8% pts	n/a

Police recorded crime

Police recorded crime, decreased by 11,554 offences in the year September 2020, largely impacted by decreases between April and June 2020 coinciding with the stringent Coronavirus restriction measures in place. Notable reductions were seen in robbery (-20.5%) and theft offences (-23.3%) during this period. Reductions in police recorded crime have been more pronounced in the urban areas of the force.

Self-reported experience of crime, as captured by the Nottinghamshire Police and Crime Survey, has fallen markedly since April 2020. This mirrors trends in police recorded crime over this period and is likely to reflect the reduced opportunity for offending.

Crime Severity

The average crime severity score of offences recorded by police (based on weightings via the ONS Crime Harm Index) has increased in the latest quarter. This is likely to have been impacted by reductions in the volume of lower level offending recorded during the period of Coronavirus restrictions. Trends in crime severity will be closely monitored over the coming months as rates of recorded crime return to their new norm.

The 23 Priority Areas have seen a slight decrease in overall crime severity over the last year, following a reducing trend seen throughout 2019. Arboretum and Basford continue to record the highest severity scores this quarter (220.21/200.96).

Resident concerns regarding drug use and dealing

The proportion of residents reporting concerns relating to drug use and dealing in their area has declined significantly over the last year to the extent that this no longer represents the leading crime and community safety concern among local residents. These reductions coincide with extensive targeted enforcement activity linked to Operation Reacher.

Feelings of safety

The proportion of residents reporting that they feel very or fairly safe in their area after dark has been increasing April 2020. This may have been impacted by the Coronavirus restrictions in place during this period and increased levels of trust and confidence in the police (see page 11).

Theme 3: Tackling Crime and Anti-social Behaviour

Theme 3B: Fewer People Commit Crime and offenders are supported to rehabilitate

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year	
							%	Actual
3B.1	Violent knife crime	Monitor 803	812	762	739	768	-4.4%	-35
3B.2	Violent knife crime: Positive outcomes	Monitor 29.8%	29.6%	27.3%	26.9%	● 26.3%	-3.5% pts	n/a
3B.3	Gun crime	Monitor 153	175	163	149	165	+7.8%	+12
3B.4	Possession of weapons offences	Monitor 1,214	1,263	1,205	1,112	1,084	-10.7%	-130
3B.5	Stop and Searches	Monitor 4,608	5,405	5,487	5,377	5,103	+10.7%	+495
3B.6	Stop and Search: Positive outcomes	Monitor 42.4%	42.5%	40.4%	39.8%	39.6%	-2.8% pts	n/a
3B.7	Alcohol-related violence	Monitor 16.9%	16.4%	16.0%	15.4%	15.6%	-1.5% pts	n/a
3B.8	Alcohol-related ASB	Monitor 9.5%	9.4%	8.9%	7.8%	● 7.5%	-2.0% pts	n/a

Violent Knife Crime

There has been a steady reduction in the number of violent Knife Crimes recorded since 2018, with a further 4.4% reduction recorded in the last 12 months compared to the previous 12 months. However, levels in July and August 2020 were considerably higher than previous months (80 and 77 respectively). The proportion of offences resulting in a positive outcome, however, has also reduced by 3.5% pts over the last year – although a lag in the finalisation of unresolved crimes should be taken into consideration.

Gun Crime (see Appendix A for further detail)

Police recorded gun crime has decreased by more than 7% over the last year, with large monthly decreases being observed between January and May 2020. It should be noted, however, that August 2020 saw a marked increase (22 offences).

Stop Searches

There has been a significant increase in the number of stop searches conducted since January 2018, largely attributable to Operation Reacher. Levels have remained high throughout the year, with the trend likely to continue on account of new community teams being rolled out in September 2020.

Positive Outcomes improved steadily in 2019, although, small reductions have been seen in 2020. The consistent level of positive outcomes is primarily associated with targeted intelligence led operations which derive from local commanders identifying a specific crime issue in a given location that can be addressed through on-street proactive policing activity. The force continues to work with communities in our use of these powers.

Possession of Weapons

Police recorded Possession of Weapons offences decreased by 10.7% to September 2020 compared to the previous year; this reflects the continued positive proactive work of Op Reacher and the neighbourhood community teams in taking more weapons taken off the streets. For example, the City South Team recovered 12 weapons in a two-week period.

Alcohol-related violence and ASB

The force is working to develop an accurate picture of alcohol-related crime via use of an alcohol marker on the Niche crime recording system. The monthly rate has remained stable with alcohol-related violence continuing to see steady reductions over the previous two years. Alcohol-related ASB has also seen a steady downward trend over the previous two years.

Theme 3: Tackling Crime and Anti-social Behaviour

Theme 3B: Fewer People Commit Crime and offenders are supported to rehabilitate

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year	
							%	Actual
3B.9	IOM: Offenders subject to monitoring	Monitor 281	302	317	385	269	-4.3%	-12
3B.10	IOM: Offenders successfully removed	Monitor 108	96	78	61	93	-13.9%	-15
3B.11	IOM: Reduction in average re-offending risk	Monitor -44.9%	-45.1%	-45.3%	-46%	-56.3%	+11.4% pts	n/a
3B.12	Youth Justice First Time Entrants: City	Monitor 154	146	140	109	105	-31.8%	-49
3B.13	Youth Justice First Time Entrants: County	Monitor 141	129	123	116	115	-18.4%	-26
3B.14	Crimes with an identified suspect (average)	Monitor 2,829	2,882	3,039	3,095	3,120	+10.3%	+291
3B.15	Positive outcomes: All crime	Monitor 15.5%	15.4%	15.4%	15.6%	15.2%	-0.3% pts	n/a
3B.16	Positive outcomes: Victim-based crime	Monitor 11.9%	11.8%	11.7%	11.9%	11.8%	-0.1% pts	n/a

Integrated Offender Management (IOM)

The IOM scheme monitored reoffending risk among 93 offenders removed from the scheme during the previous year. Of these, the average reoffending risk scores (RRS) per offender fell 11.4% points giving a reduction rate of 56.3%.

A further 362 offenders have been actively engaging with the scheme over the last year.

DVIOM Scheme

A total of 152 offenders have been accepted onto the DVIOM programme since October 2017. They were identified using the Priority Perpetrator Identification Tool (PPIT) which requires key professionals to score each offender based on an assessment criteria. The highest risk score each offender can attain is 20.

Of the 93 offenders have been accepted onto DVIOM with a combined PPIT score of 1123, and were removed with a combined PPIT score of 570 equating to a 49.4% reduction. The Risk Re-offending Score of those offenders also reduced by 37.5% (from 15587 to 9909) following reductions in the frequency and severity of offending. IOM are further developing the IOM performance tool using Power BI to enable more interactive interrogation and extraction of data at individual cohort level.

Youth Justice – First Time Entrants

The latest City FTE figure sees further reductions on the previous quarter and a 31.8% reduction on the previous 12 month period.

The latest County FTE figure sees continuing reductions on previous quarters and an 18.4% reduction on the previous 12 months.

Identified Suspects

The number of Niche crime outcomes with a named suspect has been increasing steadily since April 2018, with a further 10.3% increase in the past year to September 2020.

Positive Outcomes: All Crime & Victim Based Crime

Positive outcome rates for both All Crime and Victim Based Crime remain relatively stable.

Theme 3: Tackling Crime and Anti-social Behaviour

Theme 3C: Build Stronger and More Cohesive Communities

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year		
							%	Actual	
3C.1	Police recorded hate occurrences	Monitor	2,357	2,320	2,351	2,379	2,395	+1.6%	+38
3C.2	Hate crime repeat victimisation rate	Monitor	15.3%	14.7%	14.4%	14.3%	15.4%	+0.1% pts	n/a
3C.3	% Hate crime victims satisfied (overall)	Monitor	84.2%	85.4%	84.0%	84.7%	83.8%*	-	-
3C.4	% feeling there is a sense of community	Monitor	51.1%	52.6%	54.0%	57.3%	59.6%	+8.5% pts	-
3C.5	% feeling different backgrounds get on well	Monitor	53.1%	53.4%	54.7%	58.1%	61.4%	+8.3% pts	-
3C.6	Anti-social Behaviour Incidents	Monitor	31,647	31,455	32,137	39,019	41,947	+32.6%	+10,300
3C.7	Anti-social Behaviour Incidents: % Repeats	Monitor	28.4%	28.4%	28.4%	26.9%	27.6%	-0.8% pts	n/a
3C.8	Alcohol-related ASB	Monitor	9.5%	9.4%	8.9%	7.8%	7.5%	-2.0% pts	n/a

Hate Crime

Recorded Hate Crime has remained relatively stable over the previous two years. The proportion of hate crime victims that are repeat victims has increased during the latest quarter following reductions earlier in the year. Despite this, repeat victimisation rates remain comparable to levels seen in 2019. Victim Satisfaction rates have remained relatively stable (84%).

NB: Hate Crime survey results are 2-3 months behind real time. The latest data shown is up to May 2020 occurrences, reflected in August surveys.

There have been 3 new starters on the survey team who are in the process of being inducted, it is hoped that survey data will catch up in the coming month.

Community Cohesion

The proportion of residents feeling that their area 'has a sense of community' and that 'people from different backgrounds get on well' has increased markedly over the last year. While an increasing trend was evident prior to the emergence of the COVID-19 pandemic, the collective experience of Coronavirus restrictions since April 2020 is likely to have contributed to an acceleration of this trend.

Anti-social Behaviour

ASB saw large increases from April to September 2020, marking a 32.6% increase on levels recorded during the previous year. This was largely impacted by concerns reported in the wake of Coronavirus restriction measures. The proportion of reports involving repeat victims remains broadly stable. Reports of alcohol related ASB have decreased over the previous year (-2%) mirroring trends in alcohol-related violence.

New questions introduced into the PCC's Police and Crime Survey in 2019 will continue to provide a consistent measure of self-reported experience of ASB and its impact in 2020, once Covid-19 restrictions have been lifted.

Theme 4: Transforming Services and Delivering High Quality Policing

Theme 4A: Further Improve Public Confidence in Policing

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year		
							%	Actual	
4A.1	Police are dealing with the issues that matter	Monitor	40.9%	42.0%	41.7%	42.5%	44.0%	+3.1% pts	n/a
4A.2	Residents feeling the Police do a good job	Monitor	47.9%	49.3%	50.0%	51.7%	53.4%	+5.5% pts	n/a
4A.3	Residence reporting confidence in the police	Monitor	53.6%	54.9%	55.4%	57.8%	59.3%	+5.7% pts	n/a
4A.4	% residents satisfied with the police	Monitor	60.4%	59.2%	58.4%	57.9%	56.9%	-3.5% pts	n/a
4A.5	PSD Recorded Complaints	Monitor	994	989	896	904	893	-10.2%	-101
4A.6	PSD Recorded Complaints: Timeliness (days)	Monitor	83.9	90.9	94.5	96.9	95.5	+13.8%	+11.6

Public Confidence in the Police

Marked increases have been recorded across all measures of public confidence in the police in Nottinghamshire over the last year. While an increasing trend was evident prior to the emergence of the COVID-19 pandemic, it is likely that the emergence of and response to the pandemic have contributed to an acceleration of these trends since April 2020.

Satisfaction with police

Around 24% of respondents to the Nottinghamshire Police and Crime Survey reported having had contact with the police over the last year, which marks a small reduction on levels recorded during the previous year (26%).

The proportion of those respondents reporting that they were very or fairly satisfied with the service they received has fallen by 3.5% points over the last year, largely due to an increase in the proportion stating that they were neither satisfied nor dissatisfied (up from 14.7% to 17.6%). The proportion reporting dissatisfaction with the police meanwhile has fallen marginally from 25.2% to 23.5%.

PSD Recorded Complaints: Timeliness

The average timeliness for the resolution of PSD complaints has risen from 83.9 days to 95.5 days in the past 12-month period. The year-end columns by quarter have altered and increased since the last iteration of this report, due to revised practices in PSD, a sustained overhaul of the Centurion system and historical complaints now being finalised. The benefits of the overhaul saw a reduction this latest quarter of 1.4 days when compared to timeliness up to June 2020.

See Appendix A for further detail.

Theme 4: Transforming Services and Delivering High Quality Policing

Theme 4B: Achieving Value for Money – Budget and Workforce

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Dec 2019	12 months to Jun 2020	12 months to Sep 2020	Change over last year	
							%	Actual
4B.4	Staffing vs Establishment: Officers	98.9% 1,939/1,960	98.2% 1,935/1,970	98.2% 1,935/1,970	98.66% 2,059.01/2,087	*99.32% 2,071.81/2,087	+0.42% pts	+132.81
4B.5	Staffing vs Establishment: Staff	96.9% 1,157/1,123	97.0% 1,166/1,131	97.0% 1,166/1,131	99.84% 1,198.89/1,138.67	103.83% 1,186.41/1,142.67	+6.93% pts	+29
4B.6	Staffing vs Establishment: PCSOs	87.7% 175/200	84.6% 169/200	84.6% 169/200	83.42% 166.83/200	80.85% 161.7/200	-6.85% pts	-13.3
4B.7	% Contracted days lost to Sickness: Officers	5.33% 20,311	5.29% 20,733	5.24% 20,718	4.83% 19,628	4.21% 20,718	-1.12% pts	+407
4B.8	% Contracted days lost to Sickness: Staff & PCSOs	5.11% 14,521	5.10% 14,225	5.13% 14,426	4.80% 13,741	4.50% 14,426	-0.61% pts	+95

Budget vs Spend: Revenue/Capital

In terms of budget vs actual spend for the first quarter (Apr-Jun) 2020/21, the Force was predicting a £143k overspend for the full year outturn ending 2020/21 for our revenue budget. The total outturn expected was £221,802k versus a budget of £221,659k.

For capital spend for the first quarter 2020/21 we spent a total of £3,305k and the full year outturn position was £28,241k versus a full year budget of £35,845k which is a difference of £7,604k which is split as slippage of £7,068k and an underspend of £536k.

Staffing: Officers / Staff / PCSOs

As of 30 August 2020, officer establishment levels were showing an increase of 132 officers when compared to the previous year. The number of Police Staff has also increased over the same period (+29), while the number of PCSOs has reduced by 13.

Sickness: Officers / Staff & PCSOs

Overall officers and staff sickness rates have been reducing over the previous two years. The Force has followed government guidelines in response to the pandemic and implemented self-isolation, shielding and in some cases, authorised absences through the Personal Assessment process. These cases are recorded outside of the standard sickness absence process. Nevertheless, absence levels do not appear to have been adversely affected by the pandemic. This may be a result of: greater flexibility and processes encouraging people to stay at home; gyms and sporting activities being restricted – leading to fewer injuries; the arrival new officers increasing overall staffing numbers; changing work practices and workloads reducing leading to reductions in pressure/stress; an increased motivation and sense of duty during a time of crisis.

Theme 4: Transforming Services and Delivering High Quality Policing

Theme 4C: Achieving Value for Money – Demand Management

	Aim	12 months to Sep 2019	12 months to Dec 2019	12 months to Mar 2020	12 months to Jun 2020	12 months to Sep 2020	Change over last year		
							%	Actual	
4C.1	Calls for Service: 999	Monitor	189,325	190,968	195,050	188,570	184,039	-2.8%	-5,286
4C.2	Abandoned Call rate: 999	Monitor	0.057%	0.111%	0.515%	0.70%	0.86%	+0.8% pts	n/a
4C.3	Calls for Service: 101	Monitor	406,989	400,047	388,671	372,991	358,777	-11.9%	-48,212
4C.4	Abandoned Call rate: 101	Monitor	2.0%	2.1%	5.1%	7.4%	10.9%	+8.9% pts	n/a
4C.5	Response times: Grade 1 Urban	Monitor	78.7%	79.3%	-	-	-	-	-
4C.6	Response times: Grade 1 Rural	Monitor	74.6%	74.2%	-	-	-	-	-
4C.7	Response times: Grade 2	Monitor	52.1%	52.5%	-	-	-	-	-
4C.8	Compliance with NCRS	Monitor	94.0%	94.0%	94%-96%*	96.1%	97.2%	+3.2% pts	-

Calls for Service: 999 and 101

999 calls saw successive increases over the last two years, however, the latest year to September 2020 has seen a reduction of over 5,000 calls compared to the previous 12 months. Abandoned call rates for 999 remain extremely low.

Calls to the 101 non-emergency service have also fallen markedly during the year (-12%) and appear to have been unaffected by removal of the nominal call charge. Abandoned call rates for the 101 service, however, have been increasing steadily, following marked decreases since 2018. The recent rise in abandoned call rates is largely attributable to the COVID-19 pandemic, turnover of staff and the impact of training new starters.

Response Times within Target

Response times for the latest full year to June 2020 continue to be affected by the introduction of SAFE and are not available at this time.

Compliance with NCRS

Force NCRS compliance remains strong at 97.2% overall. Priority incident types of Burglary, Robbery, Sexual Offences including Rape, Violence, Knife, Stalking/Harassment and Vehicle, have compliance in excess of 95%.

APPENDIX A

Gun Crime

A Force problem profile for Gun Crime was completed in July 2020; covering the date parameters of 1st January 2018 to 30th March 2020.

Key Insight and Inferences:-

- Recent gun crime increases in Nottinghamshire are attributed to non-lethal weapons and possession offences, assault with injury and criminal damage to dwellings.
- The increase in August 2020 primarily involved the use of air weapons/BB guns by under 18's in open spaces and has been flagged in the Firearms Control Strategy.
- The increase in possession offences is linked to improved proactive policing and intelligence.
- While lethal barrel discharges, namely shotguns, have increased over the past 3 years, organised crime group activity is linked to the majority of them, with a quarter of discharges on 2019/20 being linked to one series.
- While Ashfield saw the highest number of gun crime offences, the City had a greater ratio of serious offences.
- Nottinghamshire nominals appear to primarily source firearms from contacts in larger UK cities.
- There is a growing trend of using vulnerable people to store firearms.

PSD Timeliness

After the implementation of the new Schedule 3 complaints process in February 2020, it was decided that as the new reporting process was being imbedded it would be an opportunity to look at the outstanding complaints still on the Centurion system.

In June 2020 there were 14 complaint cases that were recorded prior to January 2019. By the end of September 2020, only 1 case remains recorded before January 2020. The knock on effect of these cases being cleared, is that the average number of days to complete a complaint case has been inflated significantly (for example in July 2020 a complaint was finalised that was recorded in December 2018 (completed after 411 working days). However, as most of these cases have now been cleared and a robust system to follow up outstanding complaint cases has been implemented, the average number of days to finalise a complaint case should now be stabilised and an improvement in the average number of days to complete is anticipated.

Further developments within PSD in the 6 months to September 2020 compared to the same 6 month period last year, saw significant improvement in the average number of working days to complete a conduct case; reducing from 214 days to 122 days.

The restructure also saw two local resolution Sergeants moved from the City and County into the PSD umbrella, meaning stronger supervision and more stringent scrutiny of historical complaints. As a result, local investigations have shown a large improvement in turnaround time from 199 days to 153 days in the 6 months to September 2020 when compared to the 6 months to September 2019.

Appendix B: Revenue Report presented to Strategic Resources & Performance

For Information Only	
Public	Public
Report to:	Strategic Resources & Performance
Date of Meeting:	10th September 2020
Report of:	Chief Constable
Report Author:	Tracey Morris
E-mail:	Tracey.morris@nottinghamshire.pnn.police.uk
Other Contacts:	Mark Kimberley
Agenda Item:	

*If Non Public, please state under which category number from the guidance in the space provided.

Quarter 1 2020/21 Revenue Year to Date Position.

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the forecast financial outturn position for revenue for the financial year 2020/21.

2. Recommendations

- 2.1 That the Force Executive Board and the Office of the Police and Crime Commissioner notes the outturn position as detailed in the report.

3. Reasons for Recommendations

- 3.1 To update the Office of the PCC on the Force's forecast outturn position for 2020/21 as at the end of quarter 1 and also to comply with good financial management and Financial Regulations.

4. Summary of Key Points

4.1 Summary

As reported in the 2020/21 budget £3m ring fenced Performance Grant in relation to the uplift of an extra 20,000 officers nationally was reported. The grant has been approved and the income is being received monthly this is to alleviate any cash flow issues that may have been caused through Covid-19.

At the end of Q1 the force has incurred additional costs/loss of income of £304k in relation to Covid-19 as well as £300k in relation to orders that have been delayed, the cost of which should have been incurred during 2019/20. These costs along with additional overtime spends would have resulted in a much larger overspend position than that being reported, however the considerable savings on vacant staff posts have off-set much of those costs.

- 4.2 The total net expenditure budget approved by the OPCC for 2020/21 was set at £221.6m, this is split between Police and OPCC as per the table below.

Net expenditure budget	Police £m	PCC £m	Total Base £m
Employee	142.9	0.9	143.7
Premises	6.1	0.0	6.1
Transport	6.1	0.0	6.2
Comms & Computing	8.9	0.0	8.9
Supplies & Services	9.8	-	9.8
Agency & Contract Services	12.9	5.6	18.4
Pension	34.5	0.1	34.6
Capital Financing	8.5	-	8.5
Income	(13.1)	(1.5)	(14.6)
Grand Total	216.5	5.1	221.6

4.3 Detail

The review of revenue expenditure shows a forecasted outturn position of £143k overspend for Police and an on budget position within the OPCC. This report will review each of the expenditure areas relating to the Police element of the budget.

Expenditure Type	Total Base £'000	Virements £'000	Revised Budget £'000	Q1 Outturn £'000	Variance Over/(Under) £'000
Employee	142,858	1,468	144,326	144,458	132
Premises	6,118	58	6,176	6,596	419
Transport	6,144	0	6,144	5,905	(238)
Comms & Computing	8,915	770	9,685	10,154	469
Supplies & Services	9,834	132	9,966	10,774	808
Agency & Contract Services	12,763	5	12,768	11,872	(895)
Pension	34,460	331	34,791	34,878	87
Capital Financing	8,482	1,000	9,482	9,448	(34)
Income	(13,054)	(3,729)	(16,784)	(17,389)	(605)
	216,519	35	216,554	216,696	143

Employee costs include pay, allowances and overtime but excludes pension contributions.

The current forecast is an overspend of £132k and this relates to an underspend on staff pay of (£605k) representing a higher number of vacant posts, an overspend on officer £145k and PCSO £150k pay reflecting a lower than planned natural attrition rate. Overtime is currently predicted to overspend at around £453k, this is partly due to the 2 hours self-approval process not yet being removed from the system.

The costs of the EMSCU (East Midlands Strategic Commercial Unit) who were budgeted within Agency & Contracted Services £859k, these costs are due to the delay on implementing the LLP transfer which are off-set by additional income, leaving the original net budget of £150k unchanged.

Premises costs include the running and upkeep costs of the estate.

The current forecast is an overspend of £419k. The overspend is due to retaining buildings for longer than expected, Worksop and Holmes House being the main costs at £110k. An additional £27k relates to additional cleaning costs due to Covid-19.

The force is now incurring costs for regional buildings which sit within our County, these costs are being recharged back to the region £208k.

Transport costs, includes the cost of running the force fleet and other travel costs.

Current forecast is an underspend of (£238k). (£155k) saving has been achieved reflecting the lower than planned cost of diesel and petrol and a reduced level of mileage claims made by employees. These reductions are off-set by an increase in vehicle repairs and tyres, reflecting a higher specification fleet. There has been a higher number of written off vehicles, some of the cost of these will be recouped through insurance claims in due course.

£240k of this relates to a decision by the Speed Camera Partnership no to replace some of the existing fleet, an opposite entry to reserves is shown in Capital Financing.

Communications and Computing costs includes the costs of the information technology estate incorporating call charges, software licences, upgrades, networking, airwave and postage costs.

Current forecast is an overspend of £469k and this relates to £308k increase of costs from the Home Office, a rise of 19% on previous years. £115k of orders that were delayed due to Covid-19 and now impact on the 2020/21 financial year; £96k of costs in relation to increase in airwave and Niche costs reflecting the growth in officer numbers. These costs have been off-set by savings of (£319k) in relation to closing of systems and phone/data lines no longer required. The balance of £200k relates to various contract renewals being higher than anticipated.

Supplies and Services costs includes all non-pay operational costs.

Current forecast is an overspend of £808k, the majority of this reflects an increase in insurance premiums of £310k. A fee of £219k has been incurred in respect of Avon and Somerset Police opting out of the MFSS (Multi Force Shared Services) Collaboration. £250k efficiency saving allocated here will be incurred in other areas, it is anticipated that this will be achieved in full across the force.

As a result of increase insurance premiums the contribution to the Insurance reserve will be reduced by £310k.

The force will incur an additional £230k of professional fees and consultant's fees re EMSCU which is off-set in income.

Agency and Contracted Services costs includes collaboration charges, partnership costs and mutual aid charges.

Current forecast is an underspend of (£895k). MFSS costs have reduced, £342k of this is a reduction in the GEN 2 costs with inflation and relative growth being £326k lower than expected.

A new delivery model was approved at the PCC board, resulting in a reduction in the regional charges for EMSOU (East Midlands Special Operations Unit) of £227k.

Pension costs include payments for employees along with pensions payrolls for ill health and injury pensions.

The forecast currently shows an overspend of £87k. An accrual for £150k has been made in respect of pension remedy compensation claims, which is off-set by a saving on staff standard pension contributions reflecting the current vacant posts in the organisation.

Capital Financing includes the transfers in and out of reserves, contributions to capital financing, MRP (Minimum Revenue Provision) charges and interest costs.

Current outturn position is (£34k) underspend. The MRP has been increased by £332k to reflect the shorter lifetimes of assets that have been funded by borrowing, capital receipt contributions are also expected to be lower. This is off-set by £327k transfer to general reserves which is mainly in respect of the £240k change in decision relating to the Speed Camera van replacements.

Income includes grants, partnership funding, fee income and seconded officers' recharges.

Currently forecast to increase by (£605k). (£1,218k) reflects the income due to off-set the EMSCU charges. (£213k) off-sets costs of regional buildings; (£174k) additional income generated from investment interest, this is off-set by £278k loss of income for sporting events and Speed Camera Team £297k as a result of Covid-19. A reduction of £320k income from the Speed Camera Partnership, mainly as the result of a decision not to replace vehicles is off-set by reduced contribution to capital financing.

5. Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within item 4.

6. Human Resources Implications

6.1 There are no immediate Human Resource implications arising from this report.

7. Equality Implications

7.1 There are no equality implications arising from this report.

8. Risk Management

8.1 Monitoring of the accounts is problematic and errors in the data continue to be reported.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 There are no policy implications arising from this report.

10. Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation or other legal considerations that are relevant to this report.

11. Details of outcome of consultation

11.1 The figures included in this report are presented to the Force Executive Board on monthly basis.

12. Appendices

12.1 None

Appendix C: Capital Report presented to Strategic Resources & Performance

For Information Only	
Public	Public
Report to:	Strategic Resources & Performance
Date of Meeting:	10th September 2020
Report of:	Chief Constable
Report Author:	Tracey Morris
E-mail:	Tracey.morris@nottinghamshire.pnn.police.uk
Other Contacts:	Mark Kimberley
Agenda Item:	

*If Non Public, please state under which category number from the guidance in the space provided.

Quarter 1 2020/21 Capital Year to Date Position.

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the forecast financial outturn position for capital for the financial year 2020/21.

2. Recommendations

- 2.1 That the Force Executive Board and the Office of the Police and Crime Commissioner notes the outturn position as detailed in the report.

3. Reasons for Recommendations

- 3.1 To update the Office of the PCC on the Force's forecast outturn position for 2020/21 as at the end of quarter 1 and also to comply with good financial management and Financial Regulations.

4. Summary of Key Points

- 4.1 Summary
The Capital Programme for 2020/21 to 2024/25 was presented and approved at the Police and Crime Panel meeting on 6th February 2020.
- 4.2 The total gross expenditure budget approved by the OPCC for 2020/21 was set at £34,589k; this has increased by £87k for CED (Conducted Energy Devices) purchase (decision record 2020.022). Slippage of £1,169k from 2019/20 has also been added. The programme is summarised in the table below:

	New Budget 2020/21 £'000	Slippage From 2019/20 £'000	In Year Approvals £'000	Revised Budget £'000
Assets/Estates	28,270	838	0	29,108
Information Technology	5,212	331	0	5,543
Other Projects	1,107	0	87	1,194
Total	34,589	1,169	87	35,845

- 4.3 The review of capital expenditure shows a forecasted outturn position of £28,241k. This is an underspend of (£536k) and anticipated slippage of (£7,068k). A breakdown of all the projects can be found in Appendix A.
- 4.4 Within the Assets/Estates projects are the three new build projects for Nottingham Custody Suite, new Joint HQ Build and the SARC (Sexual Adult Referral Centre). These three areas alone amount to a combined budget of £25,169k and also amount to the majority of the slippage figure currently being forecast of (£4,546k).
- The custody project is a multiyear project to deliver a new Nottingham Custody Suite at a new location within the City, work is now ahead of schedule, we are therefore at this point in time predicting that the budget allocated to this financial year is at risk of overspending. Should this momentum continue a review will be taken at Q2 with a view to requesting that budget allocated to 2021/22 be brought forward to this financial year. It is expected that the project will be delivered on budget in totality, but the phasing maybe a little out of line with costs being incurred. For a multi-million pound project, over multi years this is not unusual.
 - The new FHQ build is a multiyear project to deliver a new headquarters supporting the needs of Nottinghamshire Police and Nottinghamshire Fire and Rescue. The build is taking place on existing land, currently owned by Nottinghamshire Police; as such the difficulties experienced with the new custody suite have been avoided with this project. The project is well underway and the build contract has recently been let to Henry Brothers. It is expected that the project will generate a reasonable underspend, the full amount of this needs to be assessed in detail.
 - The current Topaz Centre is deemed as unsuitable; there is no scope for extending the building, and no opportunity for co-locating and integrating support services to provide a seamless support package for victims. In addition, the Topaz Centre is in need of reparation and improvement from a forensic perspective and requires urgent mitigation work to bring the building up to United Kingdom Accreditation Standards (UKAS) forensic standards. As a result of this assessment a new build is being undertaken close to the existing Centre. During this financial year it is expected that design and planning fees will be incurred with a view to the build starting April 2021. The capital budget is therefore slightly out of alignment with the planned works, hence the potential for slippage into 2020/21.
 - Other projects within the Assets/Estates area consist of building improvement, renovation & conversion works, this is an annual programme and reflects the risks identified within the building condition survey. The survey assessed each building in terms of mechanical, electric and fabric works that is required to keep buildings in top condition, the works have been prioritised and these form the basis for this element of the capital programme. Within the plans for this financial year are replacement windows and roof for Radford Road and Oxclose Lane police stations, this work needs to be completed during summer

months and due to covid this work is now delayed and will be undertaken next financial year. This is reflected in the slippage figure above.

4.5 The Information Technology host of projects includes refreshing and upgrading the existing IT suite of equipment, continuation of the roll out of ANPR (Automatic Number Plate Recognition), an uplift in equipment representing the increase in officer numbers and ESN (Essential Services Network) which is a National project to replace the current airwave system and devices.

- Technology refresh is a recurring project that has been developed to provide the financial support to refresh and upgrade existing equipment that has reached end of life. The plans for this financial year include the ongoing procurement of BWV (Body Worn Video) devices, replacement laptops, tough books and workstations, DIR (Digital Interview Recording) suites & laptops, nimble storage, Hyper V server hardware refresh, replacement multi-functional devices (printers) and archive storage expansion. Whilst some of these plans are in the early stages of planning and some purchases have been held back due to manufacturing issues delayed through Covid-19, at this stage it is anticipated that there could be an underspend from this project.
- ESN is a national programme to replace the current airwave service. The project started some years ago and has seen several setbacks, progress is still fragmented and types of devices have yet to be established. It is expected that the only cost this financial year will be to improve our firewall capability in preparation. It is expected that this project will slip again, with a further £800k already allocated to 2021/22, it is expected that this budget will slip into 2022/23.
- Replacement of static ANPR cameras around the County is the focus of this project. Existing cameras are old and the failure rate is high, a number of cameras were replaced last financial year, with the last instalment delayed due to manufacturing issues in relation to Covid-19. There is scope and plans for further cameras to be replaced this financial year.
- Operation Uplift includes the increase in BWV and airwave devices. There are also plans to increase the number of car parking spaces at several stations this is due to the increase in officers and whilst not an IT cost, this budget could be reallocated and split between estates and IT.

4.6 Other projects include vehicle replacement, increase in the fleet and more recently an increase in CED devices.

- Vehicle replacement is an annually recurring project that has been developed to provide the financial support to replace non-Venson vehicles that have reached end of life. There is a plan on which vehicles this will provide and progress is being made in delivery the plan which is expected to be on budget at the end of the year.

- Operation Uplift represents the impact on the force in relation to vehicles tied in with the increase in officers, costs currently attributed to this area are 11 Skoda Octavia's for operation Reacher, 3 Skoda Octavia's and introduction of the first 4 x electric vehicles for additional capacity across the force. The running costs for the vehicles have been reflected in the revenue element of the Transport budget.

5. Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within item 4.

6. Human Resources Implications

6.1 There are no immediate Human Resource implications arising from this report.

7. Equality Implications

7.1 There are no equality implications arising from this report.

8. Risk Management

8.1 Monitoring of the accounts is problematic and errors in the data continue to be reported.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 There are no policy implications arising from this report.

10. Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation or other legal considerations that are relevant to this report.

11. Details of outcome of consultation

11.1 The figures included in this report are presented to the Force Executive Board on monthly basis.

12. Appendices

12.1 Appendix A – Capital Projects

APPENDIX A

Capital Projects

	Revised Budget	Out-turn	Under Spend	Slippage to 2021/22
	£'000	£'000	£'000	£'000
Estates				
Nottingham Custody Suite	12,400	12,852	(0)	452
New HQ Joint Build	11,959	7,498	(139)	(4,322)
Building Improvement, Renovation & Conversion Works	2,640	801	(171)	(1,668)
SARC New Build	800	124	0	(676)
Estate Improvements	600	600	(0)	0
Northern Control Room Conversion & Refurb.	362	362	0	0
Custody Improvements	166	100	0	(66)
West Bridgford Relocation	165	165	0	0
Hucknall EMAS	17	17	0	0
	29,108	22,518	(311)	(6,280)
Information Services				
Technology Services Refresh & Upgrades	2,573	2,350	(223)	0
Operation Uplift - IS	1,926	1,926	0	0
ESN	800	12	0	(788)
ANPR Camera Project	244	244	(0)	0
Command & Control	0	(2)	(2)	0
	5,543	4,530	(225)	(788)
Other Projects				
Operation Uplift - Fleet	572	572	0	0
Vehicle & Equipment Replacement	435	435	(1)	0
Operation Uplift - Other	100	100	0	0
CED	87	87	0	0
	1,194	1,193	(1)	0
Total	35,845	28,241	(536)	(7,068)



Nottinghamshire

POLICE & CRIME COMMISSIONER

Decisions of Significant Public Interest: Forward Plan

November 2020

1.0 Business cases						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force

2.0 Contracts (above £250k)						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
2.1	November 2020	DEMS	Procurement Award	>£250k	Mark Kimberley	Force
2.2	October 2020	Middleware and Mobile ID	Procurement Award	>£250K	Mark Kimberley	Force
2.3	October 2020	SVA Hub	Contract signature	>£250K	Mark Kimberley	OPCC
2.4	TBC	Mansfield Custody Suite Improvements	Procurement Award	>£250K	Mark Kimberley	Force
2.5	November 2020	Technology procurement for Project Regain	Procurement Award	>£250K	Mark Kimberley	Force
2.6	October 2020	Multi-Functional Devices	Procurement Award	>£250K	Mark Kimberley	Force
2.7	TBC	Condition Survey Phase 4	Procurement Award	>£250K	Mark Kimberley	Force
2.8	TBC	Car Park Extensions and Improvements	Procurement Award	>£250K	Mark Kimberley	Force
2.9	December 2020	Cleaning Contract	Procurement Award	>£250K	Mark Kimberley	Force



Nottinghamshire

POLICE & CRIME COMMISSIONER

3.0 Estates, ICT and Asset Strategic Planning						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
3.1	TBC	Sale of Hucknall Police Station	New Training Centre is being constructed at Sherwood Lodge and the Hucknall Police Station site is to be marketed and sold.	TBC	Tim Wendels, Estates and Facilities	Force
3.2	TBC	Lease of Phoenix House, Mansfield	Lease renewal.	TBC	Tim Wendels, Estates and Facilities	Force
3.3	October/November, 2020	Neighbourhood Offices	Consider the outcome of consultation on the future of Neighbourhood Offices	TBC	Tim Wendels, Estates and Facilities	Force
3.4	TBC	Lease of part of lower car park at Burntstump Country Park	Lease of car park to become Visitors' car park for the Joint Police/Fire HQ.	TBC	Tim Wendels, Estates and Facilities	Force
3.5	TBC	Review of the future of Newark Police Station	The PCC will be asked to consider the future of Newark Police Station and the possible replacement with a more suitably sized alternative Station.	TBC	Tim Wendels, Estates and Facilities	Force
3.6	December	Replacement body-worn video cameras	October 2020: This project is complete and devices have been issued.	Excess of £900k	Julie Mansfield	Force
3.7	June	Refresh of the MFD Estate	The procurement for MFDs has been completed and the final contract details are being drafted. This audit resulted in a	Hardware £150k support and maintenance	Chief Superintendent Gerard Milano	Force



Nottinghamshire

POLICE & CRIME COMMISSIONER

			reduction in fleet and the procurement has identified significant savings to the Force.	contract £119,791.00 for 3 years or £183,651.00 for 5 years		
3.8	June – 18 months	National Enabling Programmes	National Enabling Programmes .Continued hardware refresh of the end user computers will form part of this project.	-	Chief Superintendent Gerard Milano	Force
3.9	Ongoing	DEMS	In accordance with the force procurement approach, and to ensure full compliance with relevant legislation, the project team, supported by EMSCU, have chosen to utilise the Value Added Reseller (VAR) framework as the most advantageous procurement route throughout the life of the project. As a result NICE have been invited to complete a Request For Quote (RFQ). This has been marked by the team (21/10/2020), with a number of clarifications being requested prior to potentially moving towards a Tender Award.		Chief Superintendent Gerard Milano	Force

4.0 Workforce Plan and Recruitment Strategies

Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
4.1	October	Operation Uplift	Potential additional costs. Work is being undertaken at pace to both secure the relevant services and clarify costs required, especially in consideration of COVID-19 challenges, which has required		Superintendent Suk Verma	Force



Nottinghamshire

POLICE & CRIME COMMISSIONER

			large parts of the training and assessments to be performed virtually.			
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5.0 Strategic Issues including Finance

Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
5.1	Each Meeting	Routine monthly monitoring reports in respect of capital and Revenue expenditure'	Approval of viraments and additional budget		Mark Kimberley	Force
5.2	February 2020	Setting a precept and approving the annual capital and revenue budgets and supporting financial strategies	Band D precept amount set		Charlie Radford	OPCC

6.0 Other OPCC Commissioning

Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
6.1	December 2020	Domestic abuse schools based prevention and professional development	To award the contract, following a City Council led compliant procurement process, to deliver a city based domestic abuse prevention and workforce development service.	Up to £967,500 (over up to 9 years)	Nicola Wade	OPCC



Nottinghamshire

POLICE & CRIME COMMISSIONER

6.2	November/December 2020	Domestic Abuse perpetrator work	To make various direct awards to deliver a safe domestic abuse perpetrator programme.	Up to £172,307	Nicola Wade	OPCC
6.3	November/December 2020	Domestic Abuse perpetrator work	To commission an independent evaluation of the domestic abuse perpetrator programme.	£35k	Nicola Wade	OPCC
6.4	March 2020	Community Safety Fund	To award various small grants following an open application process.	To be confirmed	Nicola Wade	OPCC
6.4	March 2020	Community Safety Partnerships	To award grants to the Safer Nottinghamshire Board and Crime and Drugs Partnership.	To be confirmed	Nicola Wade	OPCC

For Information	
Public	
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27th November 2020
Report of:	Deputy Chief Constable
Report Author:	Donna Lawton Leona Scurr
E-mail:	Donna.lawton@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	12

*If Non Public, please state under which category number from the guidance in the space provided.

Force Complaint and Misconduct Investigations

1. Purpose of the Report

- 1.1 To inform the Joint Audit and Scrutiny Panel (JASP) that reform to the police complaints and misconduct legislation commenced on 1st February 2020. The data supplied within this report is from 1st March 2020 until 30th September 2020.
- 1.2 To provide a final report, using data under the former legislation, of how the force compared nationally when dealing with complaints and misconduct matters.

2. Recommendations

- 2.1 It is recommended that the title/purpose of this report be revised by the Head of Professional Standards Directorate (PSD) and the OPCC Chief Executive to ensure scrutiny is provided to those key aspects of the complaints and misconduct system implemented by the 2020 legislation.

3. Reasons for Recommendations

- 3.1 To ensure that the JASP ensures the force and OPCC are compliant in their duty to record and investigate complaints and misconduct matters in accordance with the:
 - Police (Conduct) Regulations 2020
 - Police and Complaint and Misconduct Regulations 2020
 - Independent Office for Police Conduct (IOPC) Statutory Guidance 2020

4. Summary of Key Points

- 4.1 The force has been unable to provide a complete data set for this reporting period due to the change in legislation governing how complaints are recorded and handled. The new legislation listed in 3.1 was implemented on February 1st 2020. A six month review has been undertaken but a full 12 months is required for a new baseline to be established.

- 4.2 Changes to the national complaints database - Centurion, mean that the force will be able to provide more qualitative analysis regarding the type of complaints it receives. The force will be able to report more fully on the individual and organisational learning identified from complaints. However, it should be noted that Centurion is a complex system and not all data can be readily extracted and can be time consuming.

The revised reporting should ensure the legislative changes are delivered by Nottinghamshire Police and the OPCC. The ethos of change is to ensure:

- The definition of a complaint has changed to 'dissatisfaction with the service' in order break the assumption that officers and staff have done something wrong.
- Complaints are handled quickly and at the first point of contact by a new service recovery team to improve customer satisfaction.
- Where a complaint investigation is required it will be done in a reasonable and proportionate manner to improve timeliness.
- Organisational and individual learning will be identified from complaints and implemented for continuous improvements to the service.
- The OPCC will review unresolved complaints. Recommendations from these reviews will be considered by the force.
- The force will promote a learning culture, where practice requiring improvement is identified and dealt with outside of the discipline regime by line managers through a formal reflective practice review process.
- The discipline regime is reserved for serious misconduct where formal disciplinary proceedings are justified.

- 4.4 The headlines for the new regulations from 1st March 2020 to 30th September 2020 are as follows:

- Initial complaint handling-

The front-end service recovery team are staffed by X1 Sergeant, x4 Complaint Handlers and X2 Administration Support Officers.

In the reporting period the number of complaints received by the force was 583 in total. This has remained on average at 80 per month.

It is clear that a quick and professional conversation early is pivotal in resolving dissatisfaction with the service.

- Inside/outside schedule 3-

Inside Schedule 3- 400

Outside Schedule 3- 183

This shows an average of 31% of dissatisfaction with the service dealt with outside schedule 3 every month. These are reviewed by a supervisor to ensure consistency and the correct application of the regulations.

- Staff skills and knowledge-

Upon a review of the department, it was identified that staff required training and additional support to suitably assess incidents reported in. A skills gap analysis was completed linked to the officer/staff members PDR. Training was then identified for the individual. The Covid 19 pandemic has stopped attachments to other departments at this time but these will start as soon as it is safe to do so.

However bespoke training has been provided to all staff during this reporting period on:

- Centurion.
- Property management training.
- The role of a Local Authority Designated Officer (LADO) in cases involving children.
- Taser training.
- Investigatory Powers Act training
- MOPI training.
- Artemis/Airwaves/BWV.
- Sub Judice.

Staff have been given allocated individual learning time to also ensure they have a thorough understanding of the new regulations.

Training has been arranged (6th December 2020) at a cost, for officers and staff to undertake a letter writing session. This will ensure letters are written appropriately and professionally. This will in turn prevent appeals to appeal bodies and a duplication of work revisiting upheld appeals.

Training has also been arranged (7th December 2020) at a cost, for Senior Officers/staff who sit within panels to be trained in how to chair and write their findings correctly. This will prevent Judicial Reviews and appeals.

Two Reasonable Proportionate Handler (RPH) Sergeants previously working out on the two areas (City and County) but working for PSD were brought back into the department. It was clear that there were time delays in resolving public complaints and stronger supervision was required of these cases. This decision has subsequently seen timeliness improve from 199 days to 152 days on average. However, there are significant legacy matters that have been unearthed and work is a priority in this area.

- Organisational learning-

This is a key area for PSD going forward. The emphasis will be on learning. The meetings and hearing officer is responsible for collating organisational learning. There is learning from all matters dealt with at meetings and hearings and as such it is now captured.

Once captured it is recorded and actioned. This is to be reviewed quarterly and will include any learning from the IOPC/OPCC too.

A monthly PSD bulletin is underway. It will share appropriate cases and the learning identified. The staff associations and police Federation have all been consulted and have agreed this. This will ensure officers/staff do not make mistakes that could have been avoided.

- Inter Departmental links-

HR are now intrinsically linked into PSD. A monthly meeting is held to ensure HR are aware of individuals. There are multiple benefits to this including support for the officer/staff member and the investigation. Student officers from Operation Uplift have also come to the attention of PSD so DCI Sanders now attends the monthly student meeting held by CS Griffin and the Operation Uplift team.

- Reflective Practice-

Home Office Guidance states *'PRI means underperformance or conduct not amounting to Gross Misconduct or Misconduct, which falls short of the expectations of the public and the police service as set out in the Code Of Ethics'*.

The purpose behind the reformed system is to develop an approach to the handling of matters which fall short of the expectations set out in the Code of Ethics and are considered low-level conduct and mistakes.

During the reporting period we have had 9 officers subject to PRI. This is the highest number within our region and shows Nottinghamshire has taken the spirit of the regulatory changes in the way it was intended. This was positively commented upon at the National Complaints and Misconduct meeting.

4.5 The following areas of organisational level learning have been addressed in the reporting period:

- A review of Body Worn Video. This is currently under review and ultimately personal issue BWV is to be issued to all front line officers.
- Dog handlers are to be deployed with BWV.

- Internal processes during Operation Uplift have highlighted gaps surrounding sickness management. HR have taken the lead on this.

4.6 A comparison of performance data was taken from 1st April 2020 until 30th September 2020 in comparison to the same period last year. The headlines are documented below:

- Complaint cases recorded are down 3.4%. A decrease of 17 cases.
- Conduct cases have risen by 35% an increase of 7. Some of these have been Covid 19 related.
- Regulation notices have doubled. An increase of 12. This is to be expected with conduct cases rising.
- Restricted officers/staff has risen from 275%. An increase of 11. Again to be expected with a rise in conduct matters.
- Local investigations (RPH) have shown a large improvement.
-
- Previously 199 days it is now at 152 days. There are legacy cases in here and this figure should fall again in the next reporting period.
- Conduct cases that have been finalised has risen by 65%. An increase of 13.
- The average number of working days to complete a conduct case has dropped by 43%. From 214 days to 122 days. This is against a backdrop of bullet point 2 above as conduct cases have risen by 35%.

5. Financial Implications and Budget Provision

5.1 There are no financial implications arising from this report.

6. Human Resources Implications

6.1 Due to changes that are to take place around building a learning culture an additional staff member namely a Constable is to be appointed. This was approved at the recent ADA.

7. Equality Implications

7.1 Equality data is recorded in relation to recording, compliance and monitoring of complaints and misconduct matters. The Head of professional Standards provides a quarterly report to the Equality Diversity and Human Rights Board chaired by the Chief Constable.

8. Risk Management

8.1 Any risks associated with the recording and compliance of complaints and misconduct are reported on an exception basis to the Force Organisational, Risk, and Learning Board chaired by the Deputy Chief Constable.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The recording and monitoring of complaints and misconduct matters is linked with the Police and Crime Plan Priority, Transforming Services and Delivering Quality Policing.

10. Changes in Legislation or other Legal Considerations

- 10.1 There are no changes in legislation in relation to this report.

11. Details of outcome of consultation

- 11.1 There has been no consultation in relation to this report as it is an update for the JASP.

12. Appendices

- 12.1 None

For Information / Consideration / Comment (delete as appropriate)	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27th November 2020
Report of:	Deputy Chief Constable
Report Author:	Superintendent Donna Lawton
E-mail:	Donna.lawton@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	13

*If Non Public, please state under which category number from the guidance in the space provided.

IOPC Investigations, Recommendations & Actions

1. Purpose of the Report

- 1.1 To inform the PCC in respect of the complaint and conduct matters which have been referred by Nottinghamshire Police to the Independent Office for Police Conduct (IOPC) during the relevant period 01.03.2020 – 28.09.2020, together with relevant recommendations and actions

2. Recommendations

- 2.1 That the panel receive assurance that Nottinghamshire Police is transparent in referring itself to the IOPC in relation to all instances which meet the criteria defined at 4.1 and 4.2 of this report.
- 2.2 That the panel receive reassurance that Nottinghamshire Police consider and respond to IOPC recommendations.

3. Reasons for Recommendations

- 3.1 The data summary in 4.2 outlines those DSI matters referred to the IOPC during the period 1st March 2020 to 28th September 2020. In total 24 referrals were made compared to 21 in the last reporting period. Of the referrals made in this reporting period the IOPC have taken 2 as independent investigations. They took 3 within the last reporting period.
- 3.2 A total of 37 incidents were assessed in the reporting period to establish whether they met the criteria for referring to the IOPC. Where cases are not referred, the rationale is recorded and the matter reviewed to identify any personal or organisational learning. During the last reporting period there were 47 incidents recorded.
- 3.3 There have been no formal IOPC recommendations made in the reporting period. However a recommendation was received that all dog handlers should have BWV on their person during deployments and that it should be activated.

4. Summary of Key Points (this should include background information and options appraisal if applicable)

- 4.1 Death or serious injury matters (DSI) are not necessarily linked to a public complaint or any identified misconduct. The full definition of a DSI can be found in section 29 Police Reform Act 2002; in brief it is where there is/may be a causal link between a member of the public having contact with the police and death or serious injury occurring to that person. On receipt of a DSI referral the IOPC will determine the mode of investigation; usually an independent IOPC investigation or referred back to Force to investigate.
- 4.2 The data summary below outlines those DSI matters referred to the IOPC during the period 1st March 2020 to 28th September 2020.

Suicide following arrest	2
Injury following a collision during police pursuit	2
Suicide following investigation for sexual offence	3
Injury during arrest	1
Self – inflicted injury during arrest	1
Injury / death following police contact-other	12
Suicide while classified missing from home	1
Dog bite	2
Illness in custody	0

- 4.3 In addition to DSI's the Police must refer to the IOPC complaints and recordable conduct matters that include allegations of conduct which constitute:

- Serious assaults
- Serious sexual offences
- Serious corruption (includes Abuse of Position Trust for Sexual Gain)
- Criminal offence or behaviour aggravated by discrimination
- Relevant offence (where the sentence is fixed by law or 7yrs on first conviction)

The table below shows the number in each category recorded by Nottinghamshire Police in the reporting period 1st March 2020 to 28th September 2020. Serious assault is classed as actual bodily harm or above.

Type of conduct	Total
Serious assault	0
Serious sexual offences	1
Offence aggravated by discrimination	2
Relevant offence (Where the sentence is fixed by law or 7 years upon first conviction)	1

5. Financial Implications and Budget Provision

- 5.1 There are no specific financial implications in respect of this report.

6. Human Resources Implications

- 6.1 PSD resources are under constant review, ensuring that the department has both the capacity and capability to meet demand.

7. Equality Implications

- 7.1 No specific implications

8. Risk Management

- 8.1 It is essential the public have confidence in the service Nottinghamshire Police provide. Any risk identified is raised to the Organisational Risk and learning board.
- 8.2 Organisational learning is a whole organisation responsibility which helps to mitigate risk. Professional Standards Directorate contributes to risk management through the sharing of learning and encouragement of change across the organisation where appropriate.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 IOPC investigations ensure that the public can have confidence in the independence, accountability and integrity, of the most serious of cases, most notably Death or Serious Injury.
- 9.2 It is the responsibility of the force to ensure mandatory and voluntary referrals are made in a timely fashion and that appropriate support is given to IOPC investigators.

10. Changes in Legislation or other Legal Considerations

- 10.1 None

11. Details of outcome of consultation

- 11.1 None

12. Appendices

- 12.1 None

For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27th November 2020
Report of:	Deputy Chief Constable Barber
Report Author:	Superintendent Donna Lawton
E-mail:	Donna.Lawton@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	14

PROFESSIONAL STANDARDS CONFIDENTIAL REPORTING PROCEDURE (Whistle Blowing)

1. Purpose of the Report

- 1.1 The purpose of this report is to update the Joint Audit and Scrutiny Panel (JASP) regarding the above area of business.
- 1.2 Specifically, the update will outline how the organisation and the Professional Standards Directorate (PSD) identifies and deals with those members of the organisation who make reports concerning breaches of professional standards. In particular, how they can be provided with support and confidentiality, when appropriate and necessary.

2. Recommendations

- 2.1 It is recommended that the Panel receive assurance from the processes in place relating to confidential reporting as detailed within the report.
- 2.2 It is recommended that the panel receive assurance that Nottinghamshire Police Professional Standards Directorate actively seeks information and intelligence from a variety of sources in order to prevent corruption.

3. Reasons for Recommendations

- 3.1 The number of confidential referrals has reduced year-on-year from 2018 to 2020. This is a trend experienced across all five regional forces. In December 2019 Nottinghamshire Police identified the counter corruption strategic priorities for the following 12 months, these will be reviewed in December 2020:
 - Inappropriate associations
 - Abuse of position of trust for a sexual purpose
 - Disclosure of information

4. Summary of Key Points

- 4.1 Police officers, staff and volunteers, must be honest and act with integrity at all times. This is a principal and absolute standard of professional behaviour from which there can never be any departure. Without personnel possessing such attributes, public trust and confidence would be eroded, the Police would lack legitimacy and the service provided would become ineffective.

- 4.2 The reporting procedure for referring potential breaches in standards of professional behaviour, aims to create a climate where staff feel a genuine commitment to openness and transparency when reporting breaches of Professional Standards. Police personnel should be motivated with a desire to maintain the integrity of the Police service and feel assured that reporting misconduct and criminal transgression will be universally acknowledged as 'doing the right thing.'
- 4.3 The Force's 'Professional Standards Reporting Procedure' defines how Nottinghamshire Police will protect and support its officers, staff and volunteers, by both (a) providing a broad range of options for reporting breaches and (b) providing consistent and meaningful support to colleagues who report concerns.
- 4.4 The Code of Ethics as set by the College of Policing places a positive obligation on Police personnel to report suspected breaches in the standards of professional behaviour by their colleagues. Officers, staff and volunteers must be able to report such breaches openly, with the support of their peers and line managers and have the utmost confidence that in doing so, they will never be subject of victimisation, discrimination or disadvantage.
- 4.5 The reporting procedure identifies guiding principles and some examples of what activity or conduct should be reported, before outlining the different mechanisms and gateways for making such reports, which can be done anonymously, confidentially or in an open report.
- 4.6 The PSD have a key part to play in this procedure once a referral is made to the Directorate. Where open reports have been made, appropriate support will be given to the informant from the outset and proactive central and / or local management support and action will continue throughout the lifetime of the investigation and where necessary beyond that.
- 4.7 Confidentiality, when requested, will be given the highest priority. Nevertheless, relevant information will be subject of statutory rules governing disclosure. For misconduct cases that fall outside the scope of a criminal investigation, confidential information will be handled in a similar way to criminal intelligence. Where there can be no adverse effect on the person accused and a fair hearing can be guaranteed, immunity as to the disclosure of confidential information will always be sought.
- 4.8 For any officers, staff or volunteers who are concerned in coming forward to report any suspicion of corruption or misconduct the Force provides an anonymous and confidential digital reporting platform called 'Integrity Messenger.' This system allows two-way communication with the PSD Counter Corruption Unit (CCU) whilst still preserving the anonymity of the person reporting for as long as they feel the need. Two way digital dialogue allows for rapport and confidence building, which in turn can lead to the person reporting providing their personal details. This affords any linked investigation with an opportunity to pursue further lines of enquiry.
- 4.9 A confidential telephone reporting system, maintained by the CCU, is also available to all Officers and Staff. Telephone calls are taken in person

between the hours of 8am and 4pm and outside of these times, there is a voicemail facility. This facility operates on both an external and internal telephone number.

In the previous reporting period of 1st September 2019 to 29th February 2020 a total of 11 confidential referrals were received by the CCU. These are listed in accordance with National Counter Corruption categories as set by the National Crime Agency (NCA):

- X1 Drug use
- X1 Theft/Fraud

The following are those that fall outside of the NCA corruption categories:

- X1 Business Interest
- X2 In appropriate Social Media Use
- X1 Bullying/Grievance
- X3 Line management issues
- X2 Conduct issues.

In this reporting period of 1st March 2020 to 28th September 2020 a total of 17 confidential referrals were received by the CCU. All of these referrals fell outside of the National Counter Corruption categories as set by the NCA:

Non-counter corruption categories:

- X2 Business interest
- X2 inappropriate social media use
- X1 bullying/grievance
- X5 line management issues
- X2 conduct issue
- X2 Notifiable Associations
- X3 Other

No information exists within the Force to suggest that there has been a reduction in the confidence of the confidential reporting gateways provided to police officers, police staff and volunteers. The organisation appear comfortable reporting issues openly in person to PSD. The department still receive overt queries and give regular advice on how to deal with unsatisfactory performance.

The CCU Department has seen an increase in workload due to the Covid 19 pandemic and this continue to date. The reporting mechanism has been by phone call or in person to the CCU and generally by supervisors of the individual concerned.

The Head of department has visited all Senior Management team meetings and discussed PSD and the CCU. Identifying warning signs and what leaders should look for within their teams. Monthly meetings take place with all divisional heads of departments to discuss on going cases and learning that has been identified. All of this should build towards a healthier and professional workforce.

The Force achieved 'good' for its HMICFRS (Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service) inspection rating in relation to how well it maintains and ethical culture and lawful workforce behaviour.

- 4.10 The Force has an effective counter-corruption strategic threat assessment and control strategy. The Force makes good use of the integrity registers regarding notifiable associations and business interests.

5. Financial Implications and Budget Provision

- 5.1 No specific financial implications are noted.

6. Human Resources Implications

- 6.1 On 1st September 2020 PS Steve King replaced DS Asher as the CCU sergeant.
- 6.2 An additional staff member will join CCU in January 2021. This is the first civilian Investigating Officer to join CCU.

7. Equality Implications

- 7.1 This document has been drafted to comply with the general and specific duties in the Equality Act 2010; Data Protection Act; Freedom of Information Act; ECHR; Employment Act 2002; Employment Relations Act 1999 and other legislation relevant to policing.
- 7.2 This procedure is robust and the evidence shows there is no potential for discrimination and that all opportunities to promote equality have been taken.

8. Risk Management

- 8.1 It is essential the public have confidence in the service that Nottinghamshire Police provide.
- 8.2 The overwhelming majority of individual members of Police personnel including police officers, staff and volunteers within Nottinghamshire Police are dedicated, hard working, compassionate, and deliver policing services with a high degree of integrity. Regrettably, there are a small number of Police personnel that are guilty of and vulnerable to, unethical behaviour, dishonesty and corruption. The harm they do far outweighs the numbers they represent.

8.3 We all have a part to play in enhancing the integrity and reputation of the Force. This process starts with recognition that we are all individually accountable for our actions and responsible for our behaviour.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 By having a Professional Standards Reporting Procedure we are able to set out ways that staff can make reports concerning breaches of Professional Standards and ensure we support the Force vision and values.

10. Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation or other legal considerations relating to this report.

11. Details of outcome of consultation

11.1 No consultation has been undertaken in relation to this report as the purpose is to provide an update to JASP only.

12. Appendices

12.1 There are no appendices attached to this report.

Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	27 November 2020
Report Author:	Kayt Radford
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Other Contacts:	
Agenda Item:	15

Custody Record Review Quarterly Report

1. Purpose of the Report

- 1.1 The Custody Record Review report details the findings of 48 custody record reviews undertaken during quarter 2.

2. Recommendations

- 2.1 That the committee note the results of the report.
- 2.2 That the committee support the continuation of custody record reviews and that the results are published.

3. Reasons for Recommendations

- 3.1 To inform the committee of the results of the custody record reviews of the most vulnerable persons held in police detention (young people, vulnerable adults and detainees in poor mental health).
- 3.2 To provide reassurance to the public that police custody is a safe and dignified place for the community.

4. Summary of Key Points (this should include background information)

- 4.1 This is the first quarterly report submitted to this meeting, following the evaluation of the Independent Custody Observers Pilot which recommended that custody record reviews are rolled out across England and Wales. A formal decision is awaited by the Home Office within the next 12-24 months.

5. Financial Implications and Budget Provision

- 5.1 Costs incurred are covered in the current budget provision.

6. Human Resources Implications

- 6.1 None

7. Equality Implications

- 7.1 Custody record reviews can show due consideration for the public sector equality duty Section 149 of the Equality Act 2010. Reviews focus on

vulnerable detainees, including those of protected characteristics (gender, age and disability). The information extracted from custody record reviews also support the public sector equality duty by reporting on detainee's religious requirements.

8. Risk Management

Custody Record Reviews help to support safe police detention for the community.

9. Policy Implications and links to the Police and Crime Plan Priorities

Custody Record Reviews support the police and crime plan priority, transforming services and delivering quality policing.

10. Details of outcome of consultation

None

11. Appendices

Appendix 1 – custody record review report

Custody Record Review Results

July – September 2020

Introduction

The table below shows the number of custody records scrutinised during July – September 2020 (Q2).

Following discussions with Nottinghamshire Police Custody Inspector, it was decided to commence the review of adult detainees that have been defined as vulnerable by Nottinghamshire Police – 4 records were reviewed in September.

Young People	Detainees defined as Vulnerable Adult on Niche	Detainees with Mental Health	Total
24	4	20	48

Key findings

The key findings from this report are:

The reviews have highlighted that Appropriate Adult (AA) provision is good for young people, but a mixed picture for detainees in poor mental health. Commencing September 2020, custody records of 'vulnerable adults' will also be reviewed.

Half of records reviewed for young people were held in custody overnight to allow police investigation.

Over this quarter, records reviewed showed that an additional question has been added to Niche asking detainees if they have any religious requirements.

Detailed findings

General Requirements

- The majority of detainees were provided with an explanation of the use of the cell call button (42/48).
- Booking in times continue to be efficient with only 3 detainees experiencing minor delays; the longest of which was 25 minutes. All other detainees were processed within 20 minutes (45/48).
- The majority of female detainees were assigned a female officer as their point of contact during detention, were offered sanitary products and told that the toilet was pixelated (18/21).

Appropriate adults

- The force identified the need of an AA for all young people detained (24/24) and for vulnerable adults (4/4). Of the records reviewed of detainees in poor mental health, only 1 was found to have been allocated an AA (1/20).
- The force identified early on in the process that an AA was required for young people, vulnerable adults and one detainee in poor mental health.
- On average, young people waited 3.5 hours to see an AA, vulnerable adults waited up to 12 hours and detainees in poor mental health waited 11 hours.

Solicitors

- The force contacted solicitors in a timely manner and in 22/48 cases in less than an hour.
- Some detainees experienced delays over 8 hours before they consulted with a solicitor, and in some cases, lengthy waits of up to 20 hours (3/48). Adequate rationales for delays are not always recorded, but in several cases detainees were intoxicated and needed time to recover.
- This quarter saw an increase in solicitors attending interview in person following an easing of restrictions due to Covid-19. During lockdown solicitors were speaking with detainees on the telephone or using conferencing facilities.

Observation levels

- All custody records reviews showed that an appropriate observation level was set. There were some instances of detainees being heavily intoxicated with drugs, alcohol or both and there is no evidence in these records that rousals were required or being conducted (5/48).
- There was evidence of the force changing observations levels appropriately, responding to the changing needs of detainees.
- Most cell visits were conducted as prescribed. There were instances of cell visits being missed on some records (5/48) and in other cases late by more than 5 mins, although a rationale was recorded in these cases as to why the visit was delayed.

Liaison and Diversion

- Liaison and Diversion provision had continued throughout the pandemic, but has been a reduced service on some days. Most visits have been conducted in cells to maintain social distancing.

- Most young people saw an L&D representative whilst in custody (14/24). Some detainees in poor mental health received a mental health assessment and appropriate referrals were made to support services (7/20). In one case, mental health information was mailed to the detainee and in another, the detainee was already known to the service.

Young People Detained Overnight

- Half of records reviewed for young people were held in custody overnight to allow police investigation. Of these young people held overnight, only one young person was held in custody post charge for over 24 hours, but a satisfactory rationale recording the decision to detain the young person was recorded on the custody record.

Good Practice/Covid-19

- Detainees generally looked after well, being offered meals and drinks, rights and entitlements and risk assessments completed.
- There was only one record reviewed which evidenced that detainees are being provided with soap and access to hand washing facilities to prevent the spread of Covid-19. However, reports from ICVs who are telephoning the suites have confirmed that detainees are being provided with hand washing facilities.
- Evidence of L&D, MH clinicians and healthcare practitioners all undertaking visits with detainees in their own cell to manage social distancing.

Recommendations for change

- **Provision for AA for detainees in poor mental health has been discussed with custody and Inspectors are currently reviewing their definition of 'capacity' with advice provided by TAAS.**
- **To consider the average times for AA provision for all categories of detainee.**
- **To consider how rousals are allocated for intoxicated detainees.**