



Northamptonshire Police, Fire and Crime Commissioner

Single Entity & Group

Draft Statement of Accounts for the year 2021/22



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NARRATIVE STATEMENT

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FOREWORD BY CHIEF FINANCE OFFICER

These accounts are produced annually to give local taxpayers, employees and other interested parties clear information about Northamptonshire Police finances. They reflect the financial performance of the Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPFCC) and are in accordance with the Police Reform and Social Responsibility Act 2011.

They are prepared on a going concern basis, assuming that the Police, Fire and Crime Commissioner (PFCC) will continue in operation for the foreseeable future. They have been prepared in accordance with the Accounts and Audit Regulations 2015, the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice 2021/22.

The information provided also allows for an assessment of the Commissioner's performance in terms of stewardship and the management of the resources entrusted to him. The accounts are, therefore, necessarily detailed and technical and explanatory notes are included.

The purpose of this narrative report is to offer a guide on the most important matters reported in the accounts as well as providing information about the strategic direction of the Force. It provides an explanation of the financial position and assists in the interpretation of the financial statements. It contains information about the activities of the OPFCC and the main influences on the financial statements to provide a link between the Police activities; Police and Crime Plan; future challenges and how these impact on its financial resources.

It includes information on the budget preparation process, final accounts, performance information, medium term financial plans and other contextual information such as workforce numbers and strategic risks.



NORTHAMPTONSHIRE

The county of Northamptonshire covers an area of 913 square miles and has an estimated population of over 755,000 people. It is the southern-most county in the East Midlands region and its most populated towns are Northampton, Kettering, Corby and Wellingborough. There has been a notable increase in population in recent years with some major new housing development projects and more to come.

The county was serviced by seven borough/district councils for the 2020/21 financial year but these are now consolidated into two unitary authorities with a vesting day of 1st April 2021.



POLICE, FIRE & CRIME PLAN 2021-2026

One of the duties of the PFCC is to produce and publish a Police and Crime Plan for the Force Area. Fundamentally, this is a plan for the residents of Northamptonshire to make the County safer.

The PFCC's first Police and Crime Plan and the subsequent review covered the period to 2021. A new Police, Fire and Crime Plan was published in early 2022, following consultation and consideration by the Police, Fire and Crime Panel at their meeting in December 2021.

Vision and Values

The PFCC Vision as set out in the Police, Fire and Crime Plan is:

“Working with Communities to make Northamptonshire safer.”

The PFCC also set out the values:

“It is more important than ever that our emergency services are seen to embody the highest ethical standards as we work to make a difference for our communities.”



The Police, Fire and Crime Plan sets out the following priorities:

- Prevention that keeps the county safe
- Effective and efficient response
- Protect and support those who are vulnerable
- Effective justice
- Modern services that are fit for the future



THE CHIEF CONSTABLE'S STRATEGIC PLAN

Our Mission

Fighting Crime, Protecting People

Our Vision

Northamptonshire Police will provide an outstanding policing service, putting the public first in all that we do, and in doing so will support stronger, safer and sustainable communities.

Our Values

Public Service, Transparency, Impartiality and Integrity

5-Year Vision

As part of the service improvement plan, the FP25 (5-year strategic plan) was established and has now embedded across service delivery forming the force's strategic direction, underpinning the outcome deliverables for Northamptonshire Police that:

- Our communities across Northamptonshire are safer and better protected
- Victims and service users consistently report high satisfaction levels with our service
- We inspire public confidence

The FP25 plan cuts across every layer of the organisation, departmental objectives are set against it, PDRs (Performance Development Reviews) are aligned to it and it brings together the operational delivery and enabling functions to achieve the vision and mission to service the public of Northamptonshire.

Whilst every aspect of the FP25 plan is key to effective service delivery, there are some specific areas that will require more focus and priority in the next 1-5 years to ensure the success of the strategic plan and improvement in performance. These areas of focus are cross cutting fundamental pillars to our future success;

- Quality of Service
- Prevention and Intervention
- Effective Strategic Partnerships
- Releasing Capacity

Performance and Accountability

The plan is underpinned by a comprehensive performance framework, using considered and relevant indicators that will enable the organisation to assess its progress in delivery against the plan. Oversight and

scrutiny of delivery of the plan will take place through the Chief Constable's Strategic Planning Board.

STATUTORY FRAMEWORK

The PFCC and Chief Constable were established as separate legal entities under the Police Reform and Social Responsibility Act 2011. The Act sets out the statutory financial framework for both entities and is supported by the Financial Management Code of Practice, which sets out their financial relationships and responsibilities.

The PFCC has overall responsibility for the finances of the group in that he receives all external funding and sets the annual budget and precept. The Chief Constable has produced a separate set of accounts which explains how the resources provided by the PFCC have been used to deliver operational policing services.

The Policing and Crime Act 2017 provided legislation to:

- Place a statutory duty on the three emergency services to collaborate.
- Enable PFCC's (PCC's) to be represented on the Fire Authority.
- Enable PFCC's (PCC's) to make a local case to take on governance of the fire and rescue service as the Fire Authority.
- Further enable the PFCC to make a local case for fire and rescue and police to become a single organisation under a single chief officer.

The business case was approved by the Home Office in April 2018 for the governance of Northamptonshire Fire and Rescue Service (NFRS) to transfer to the PCC from the County Council. The transfer took place on 1st January 2019 and the PCC thereby became the Police, Fire and Crime Commissioner (PFCC) for Policing and the Northamptonshire Commissioner Fire and Rescue Authority for Fire.

GROUP BOUNDARY

The Police, Fire and Crime Commissioner for Northamptonshire (Fire and Rescue Authority) Order 2018 utilised existing legislation (Specifically Section 4A of the Fire and Rescue Services Act 2004) to create a new corporation sole NCFRA, a role which is held by the Police, Fire and Commissioner, but acting as NCFRA. This legislation outlines the key responsibilities for oversight and ensuring good governance within the NCFRA.



This reflects that the government provides funding to NCFRA and is ultimately responsible for the NCFRA.

Therefore, whilst there is some commonality within the OPFCC, Chief Constable and NCFRA, they are three separate corporations sole, with Fire and Police created under separate legislation and with the responsibility to set up and maintain separate “Funds” for each organisation; with separate legal responsibilities and no ability to vire funds between them. As set out by CIPFA, there is not a requirement for the NCFRA Accounts to be included within the OPFCC group accounts.

The business case for the governance transfer included maintaining separate management arrangements and operational functions for each service but working towards sharing of some support services and buildings where it makes sense to provide better value for money for the public of Northamptonshire. This direction of travel towards shared support teams continues. The accounts of Fire and Policing are operated separately in line with the legislation.

In line with the Home Office Financial Management Code of Practice, a collaboration agreement is in place between the three separate organisations (OPFCC, Northamptonshire Police and Northamptonshire Fire and Rescue) to set out the arrangements for working together where it would be advantageous to the parties to do so, mirroring such collaboration arrangements that Northamptonshire Police have with other police forces.

The arrangements outlined in the legislation result in a requirement to disclose the nature of the transactions between OPFCC and the NCFRA and this is provided within the related parties note within the statement of accounts. Most of this note relates to governance services provided by the Office of the PFCC to Fire, and charges for services and shared staff between Fire and Policing.

RESPONSIBILITIES

The Police Reform and Social Responsibility Act 2011 and the Financial Management Code of Practice for the Police (England) describe the high-level responsibilities and the working financial relationship between the PFCC and the Chief Constable, summarised as:

The Police, Fire and Crime Commissioner:

- Appoints the Chief Constable and may suspend him or require him to resign or retire
- Must maintain the Police Force and ensure that it is efficient and effective
- Must issue a Police and Crime Plan
- Must hold the Chief Constable to account for their actions and those of their officers and staff
- Receives all income from grants, precept and charges

The Chief Constable:

- Holds office as a servant of the crown and is not an employee
- Has direction and control over police officers and is the employer of police staff
- Is operationally independent
- Must have regard to the Commissioner’s Police and Crime Plan
- Holds no property, rights or liabilities
- May not borrow money



OPERATIONAL MODEL

Our People

At 31st March 2022 Northamptonshire Police Force and the OPFCC Budgeted establishment was 2,601 FTE. The analysis is shown in the table below:

Category of employee	2020/21	2021/22
Police Officers	1,372	1,447
PCSO	81	81
Police Staff*	813	1,025
OPFCC Staff	17	16
OPFCC Delivery - Complaints, Youth Work and Early Intervention	34	32
Total	2,317	2,601

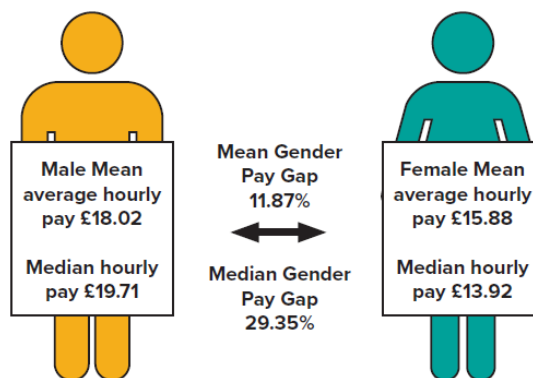
*This includes staff employed under by the Chief Constable but where costs are shared with NCFRS (Fire).

In addition to this the Force has officers and staff seconded to national and regional projects and employs a number of dedicated PCSOs, funded by local partners.

Gender Pay Gap

It is statutory for organisations with 250 or more employees to report annually on their gender pay gap. The gender pay gap shows the difference in the average pay between all men and women in a workforce. Based on the latest report, our mean average gender pay gap is 11.87% which lower than the national average of 15.4% and an improvement on the previous year.

Northamptonshire OPFCC and OCC support the fair treatment and reward of all staff, irrespective of gender. Our pay approach is based on the principles of consistency, fairness and transparency, supporting the fair treatment and reward of all staff, irrespective of gender.



Appointments

Helen King continued as Chief Finance Officer and Nicci Marzec continued as the Monitoring Officer for the PFCC and Northamptonshire Commissioner Fire and Rescue Authority (NCFRA).

Chief Constable, Nick Adderley and Deputy Chief Constable, Simon Nickless continued in post throughout the year. Paul Bullen continued as ACO Enabling Services during the year.

STRATEGY AND RESOURCES

2021/22 Budget

In 2021/22, in line with the response to the public consultation, the PFCC increased the precept by £13 rather than the full £15 available to him. These increases were used to invest in operational priorities and frontline policing requirements identified by the Chief Constable.

In 2022/23, the PFCC increased the precept by the maximum available - £10 and indicated the government's expectation that similar increases could be levied in 2023/24 and 2024/25.

Medium Term Financial Plan

The PFCC's medium term financial plan (MTFP) is regularly reviewed and updated in line with the following established principles:

- To make the best use of available resources.
- To maximise income and funding.
- To target expenditure and investments to priorities and value for money opportunities.
- To exploit fixed assets to deliver maximum value.
- To optimise delivery costs.



- To provide sufficient financial reserves in the context of unprecedented uncertainty, transformation and change.

The latest MTFP shows that the PFCC has produced a balanced budget for 2022/23, 2023/24 and 2024/25. There is also a plan to be able to balance the budget beyond 2025/26 but savings will need to be achieved.

However, there is uncertainty regarding future Police pension costs and potential increases in rates. If these are implemented from 2024/25 then this would place a financial pressure on the budget each year of between £3.2m and £6.4m if no additional funding is provided.

Medium Term Financial Plan

	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Group Expenditure	160.7	166.1	171.7	179.8	183.9
Anticipated Funding	(160.4)	(165.4)	(171.0)	(175.2)	(179.5)
Shortfall (pre-savings)	0.3	0.7	0.7	4.6	4.4
Savings Requirement	(0.3)	(0.7)	(0.7)	(0.7)	(0.7)
Shortfall Remaining	0.0	0.0	0.0	(3.9)	(3.7)

Reserves

The Reserves Strategy is reviewed each year as part of the budget and outlines a guideline level for General Reserves of 3% with a minimum level of 2.5%.

The PFCC maintains a General Reserve above this level and on current forecasts the General Reserve will remain within guideline levels until 2024/25. It is prudent to have such a reserve at this level to enable the organisation to withstand unexpected events which may have financial implications.

In addition to the General Reserve, the PFCC holds a number of earmarked reserves for specified purposes, and these are set out in the Reserves Strategy. The Strategy is then reviewed after the outturn position has been finalised.

Including reserves held on behalf of regional units, the level of all cash backed reserves as at 31st March 2021 totalled £17.951m, increasing to £19.350m at 31st March 2022.

Estates

The Police ‘estate’ suffered from years of under-investment and has been addressed in the Estates Strategy to provide investment and support the operational delivery. In March 2020, the PFCC produced a joint Police and Fire Estates Strategy for Northamptonshire to enable the rationalisation of both estates where it makes sense to do so and to ensure any efficiencies can be realised by both services. This strategy is well underway and the Fire, PFCC and Police joint building in Wellingborough became operational in March 2021.

Collaboration

The Home Office has actively encouraged collaborative working between Police Forces and Fire Authorities. The Forces and Police Authorities/PCC’s within the East Midlands Region (Northamptonshire, Derbyshire, Leicestershire, Lincolnshire and Nottinghamshire) have collaborated on a wide range of activities both formally and informally for over 10 years.

The collaboration agenda is underpinned by 5 guiding principles:

- that local policing remains local
- any collaboration helps deliver more efficient and/or effective policing for Northamptonshire
- all areas of business are considered
- decisions not to participate in a particular collaboration are reviewed regularly, as circumstances may change
- any cost and/or benefits are shared between participating Forces



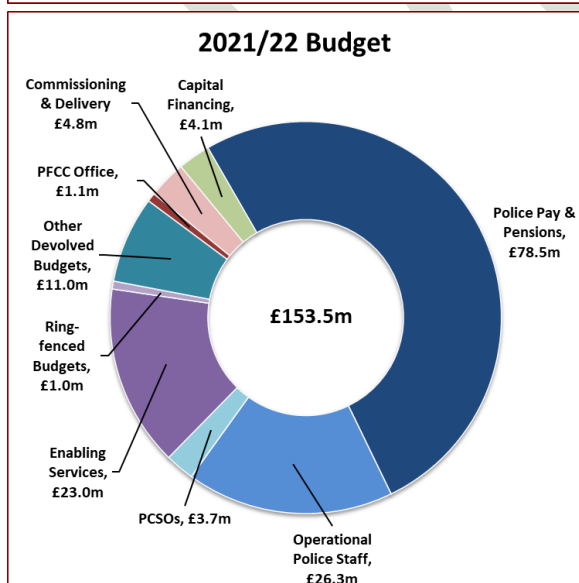
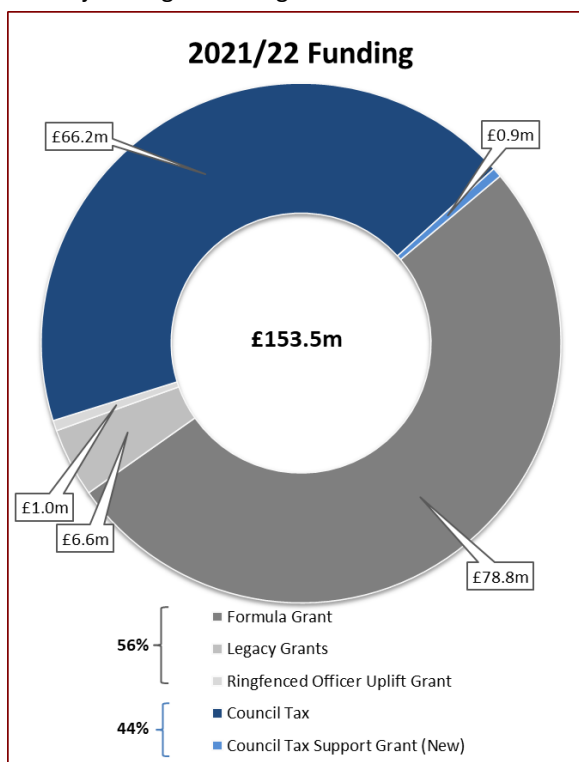
FINANCIAL PERFORMANCE

The Revenue Budget

Funding

Funding for the Police service is through a combination of government grant and precept (council tax). In 2021/22 the council tax element was based on a tax base of 249,412 properties at £268.04 at Band D. This was an increase of £13 per property compared to 2020/21.

A breakdown of this funding and its distribution across the major budget headings is as follows:



In 2021/22, the PFCC continued to invest in Northamptonshire Police and by 2023, officer numbers will have increased to over 1,500.

Despite the challenging circumstances experienced by COVID-19, recruitment continues at pace. In addition to the planned 140 extra officers in the year, the 2021/22 budget included:

- Ring-fencing the sum of £1m for the Chief Constable to support investment which will make a difference in local neighbourhoods.

Within the OPFCC Commissioning and Delivery Budget, the PFCC will continue to support and embed the investments made in previous years, which includes to:

- Prioritise work to support victims and the vulnerable,
- Take forward initiatives to reduce domestic violence,
- Work with partners to take forward initiatives to reduce re-offending,
- Continue to prioritise Early Intervention and engagement work,
- Continue to prioritise Youth intervention and engagement work,
- Continue to take forward work on crime prevention and
- Continue to take forward work with the Road Safety Alliance, including the roll out of Automatic Number Plate Recognition (ANPR) cameras and other initiatives.

Rigorous budgetary control arrangements are in place together with a devolved system of budgetary control, which ensured resources were allocated to priorities as required. Monthly control reports on budgetary performance for the group are considered.

Budget Outturn for the Group

The outturn positions of the Chief and PFCC are described individually below. Together, a balanced budget was achieved after residual underspends were transferred to reserves.

Budget Outturn of the Chief Constable

The PFCC allocated £142.67m for the Chief Constable and the table below shows the outturn position for the financial year:



Over/ (Under)spends	Budget £m	Outturn £m	Variance £m
Police Pay & Pensions	75.49	75.86	0.37
PCSOs	3.26	3.03	(0.23)
Chief Constable - Operational	32.51	32.39	(0.12)
Chief Constable - Enabling Services	24.23	24.43	0.20
Collaboration Units	7.18	6.91	(0.27)
Total Managed by the Force	142.67	142.62	(0.05)

Pay and Pensions

There was a net overspend on Police Officer pay of £0.37m which was the result of a higher than expected costs of public holiday working, maternity variances and unsocial hours allowances. These were partly offset by increasing officer attrition.

PCSOs

There was a £0.23m underspend on PCSOs due to fluctuations in estimated starter and leaver profiles.

Chief Constable - Operational

The net underspend of £0.12m was due to a number of factors including:

- Police staff vacancies and recruitment delays
- Lower Specials & Volunteers expenses costs
- Income generation

Offset by:

- Officer overtime required to cover abstractions and vacancies.
- Insurance premium increases.
- Legal costs

Costs relating to enforcing COVID-19 restrictions and personal protective equipment were met by government grants.

Chief Constable – Enabling Services

An overspend of £0.20m was due to fuel and supplies/uniform inflation partly offset by HR staffing underspends.

Collaboration Units

A net underspend of £0.27m was due to miscellaneous small underspends across a number of the

collaborations and lower than expected costs of the Emergency Services Network (ESN) project team and NPAS (National Police Air Service).

Budget Outturn of the OPFCC

The PFCC budget for 2021/22 was £5.868m.

Over/ (Under)spends	Budget £m	Outturn £m	Variance £m
OPFCC Office	1.12	0.97	(0.15)
Commissioning and Delivery - People	3.82	2.77	(1.05)
Commissioning and Delivery - Place	0.51	0.22	(0.29)
Joint Communications Team	0.17	0.11	(0.06)
Police & Crime Plan Delivery Fund	0.25	0.03	(0.22)
Total	5.87	4.10	(1.77)

The PFCC office and delivery budgets underspent by £1.761m. £0.75m of this balance was used as revenue contributions to support capital expenditure and the balance transferred to reserves.

PFCC Office and Joint Communications Team

The underspend related to a staff vacancy and office cost savings.

OPFCC Commissioning and Delivery - People

This underspend was mainly comprised of timing delays in recruiting staff to the Early Intervention and Youth Teams and expenditure which was not required in Reducing Reoffending as funds were provided by other government departments.

OPFCC Commissioning and Delivery - Place

There were also underspends in Crime Prevention as the PFCC successfully bid for and received Home Office Safer Streets Grant funding of almost £0.8m for the Hemmingwell estate in Wellingborough and Safer Women at Night initiatives in the county.

OPFCC Police and Crime Plan Delivery Fund

The impact of the COVID-19 impacted on the potential allocations the PFCC was considering for this fund in the year. The Fund continues in 2022/23 and the PFCC will consider allocations as the year progresses.



The Capital Programme

In addition to revenue expenditure, money is spent on assets such as buildings, computers and vehicles, which will be used by or on behalf of the PFCC to support policing requirements in the long term.

The Capital Programme underspent by £4.68m compared to the original approved budget. The table below provides a summary of the capital expenditure and funding for the year:

	Capital Programme £m	Actual £m	Variance £m
Programmes:			
Information Technology	9.92	4.95	(0.84)
Estates	2.33	1.49	(4.97)
Vehicles & Equipment	1.54	2.67	1.13
	13.79	9.11	(4.68)
Funding:			
Grants	(0.18)	(0.26)	(0.08)
Capital Receipts	(1.70)	0.00	1.70
Revenue Contributions	(1.00)	(4.81)	(3.81)
Borrowing	(10.91)	(4.04)	6.87
	(13.79)	(9.11)	4.68

Estates costs were lower than anticipated due to delays to some building renovations, and project slippage into 2022/23.

There was slippage on some of the Information Technology Projects which include the Emergency Services Network and mobile phone replacements.

Expenditure on vehicles was broadly in line with the programme, but in addition to planning spending, the ANPR expansion project was delivered during the year, funded from earmarked reserves.

Capital receipts were not realised due to delays in building disposals. Some revenue underspends described under Outturn above were used to increase Revenue Contributions to Capital.

Capital Financing

A total of £3.7m of revenue budget from across the group was used to fund capital expenditure which reduces the need to borrow and subsequent financing costs in future years.

Cash Flow

Total 'Cash and Cash Equivalents' at 31 March 2022 is £10.5m including a share of Joint Venture (Regional Collaboration) and Associates cash balances. The main factors that will affect cash in the future are:

- Acquisitions and disposals relating to the capital programme.
- The value of reserve balances, grants and contributions unapplied.

Borrowing

The Local Government Act 2003 provides the PFCC with the power to borrow and describes his duty to determine and keep under review how much borrowing is affordable. Controls on borrowing are contained within the CIPFA Prudential Code for Capital Finance in Local Authorities and, under the provisions of the 2003 Act, the PFCC must have regard to the Code when carrying out his duties under the Act.

The key objectives of the Prudential Code are to ensure, within a clear framework that capital investment plans are:

- Affordable
- Prudent
- Sustainable

The PFCC reviews his Treasury Management Strategy and Minimum Revenue Provision annually. The last update was undertaken in March 2022.

A 50-year loan of £10.0m was taken in March 2021 to fund investment in estate. This is in addition to existing long-term loans totalling £13.3m.

NON-FINANCIAL PERFORMANCE

Outcomes

The PFCC produces an annual report each year which was considered in full at the Police, Fire and Crime Panel in Summer 2022. This report details all key activities and areas of work undertaken by the PFCC, together with key performance areas.

The draft report when published will be available on the PFCC website and highlights of the report included:

- That despite the pandemic, a great deal of work has been delivered towards the Police and Crime Plan.



- The investment in new technology and equipment that will help the force ensure Northamptonshire becomes a hostile environment for criminals to operate in.
- The investment to increase the number of frontline officers which will also see a new focus on local policing which will more than double the number of neighbourhood police officers.
- The PFCC's commitment to investing in early intervention continued, helping to protect and support some of the most vulnerable people in our communities
- The PFCC has also highlighted the close working of the Force and Fire and Rescue Service and the PFCC office which has brought teams closer together, invested in new technology and reimagined how services are delivered; all of which is bringing massive benefits to the frontline.

Independent Custody Visitor Scheme

The Northamptonshire Police and Crime Commissioner has a statutory duty to operate an effective Independent Custody Visiting (ICV) Scheme. This scheme allows for volunteers to visit detainees in custody to check on their welfare. It offers mutual protection to detainees and police officers by providing independent scrutiny of the treatment of detainees and the conditions in which they are being kept.

Review of Complaints against the Force

All PCCs became the relevant review body for less serious complaints and were given additional oversight and accountability responsibilities in relation to the complaints process. Prior to the implementation of the Policing and Crime Act 2017, a complaint was only considered recordable where it related to the conduct of a specific officer. Post February 2020, the definition of a complaint has been updated to 'any expression of dissatisfaction'.

The OPFCC Customer Service Team is responsible for the receipt and recording of complaints against the Force, the informal resolution of low-level complaints and for ensuring that all reviews are appropriately processed and considered. By taking responsibility for recording complaints, I have a clearer overview of the issues that are causing concern to the public. Any lessons to learn are now captured on a force-wide basis and passed to the Chief Constable to support on-going improvements.

Since the implementation of the Customer Service Team in February 2020, there has been a significant increase

in the number of complaints received. The Customer Service Team has worked hard to increase the number that are resolved to the complainant's satisfaction. The monthly target is 60%, a figure which is now consistently met and sometimes exceeded.

Looking ahead for the next year, the Customer Service Team will be focussing on maintaining high levels of Service Recovery, implementing a new process for Fire and Rescue Service Complaints and implementing a new process to ensure that all learning and feedback identified by the Customer Service Team used to continue to improve the service Northamptonshire Police provides.

FORCE OPERATIONAL PERFORMANCE

The Chief set out 24 Strategic Outcomes for 2021/22 with 33 targets.

- 23 targets achieved
- 2 could not be assessed as data unavailable
- 2 saw no change
- 6 were not achieved

Northants saw some of the best performance nationally for all crime at a time when most other forces have experienced moderate increases.

This was the third consecutive year of reduction for home invasion burglary.

Service Improvement Plan

In 2019, the PEEL (Police Effectiveness, Efficiency and Legitimacy) assessment concluded that the force was unable to investigate crime effectively and putting victims at risk due to poor practice and procedures and an operating model that was not fit for purpose.

Since then, the Service Improvement Plan has delivered wholesale change across the force, including a new operating model, a new initial investigation team, investment in equipment to better deal with high tech crime and investment in leadership to ensure that change is sustainable and embedded.

The plan set out to stabilise demand, create capacity, focus on quality, create clear ownership, and improve service delivery.



In March 2021, Sir Tom Winsor endorsed the decision to take Northamptonshire Police out of police performance oversight, a decision that was not taken lightly by HMI CFS due to the force holding the longest record across all forces nationally for underperforming at 4 years. HMI Zoe Billingham described the service improvement plan as a challenge of hearts and minds, to tackle a culture problem that had gripped the Force for more than a decade.

The HMI CFS published their 2021/22 PEEL report in November 2021 and the HM Inspector made the following observations:

“I am satisfied with some aspects of the performance of Northamptonshire Police in keeping people safe and reducing crime, but there are areas where the force needs to improve. In our last inspection in 2019 we raised some concerns, and since then there has been a significant effort to review and change structures, processes, and workforce culture.

This has led to improvements in the force’s ability to investigate crime, identify the vulnerable and manage demand. I commend the progress made by Northamptonshire Police in improving the service it provides to the public and I have confidence in its plans for the future. These are the findings I consider most important from our assessments of the force over the last year.”

In summary:

- The force has got better at investigating crime after changes in processes and recruitment
- Neighbourhood policing, and working with communities and partners to prevent crime, is a priority for the force
- The force needs to get better at co-ordinating its community engagement and public scrutiny work
- The force is missing opportunities to secure meaningful outcomes for victims
- The force needs to make sure its operating practices can identify and support repeat victims
- The force has implemented new structures and processes that provide the foundations on which future improvements can be built

The Accountability Board

The accountability for performance and service delivery is undertaken through the Accountability Board. Members of the board are the Commissioner (the Chair), the Monitoring Officer, the Chief Constable and other Chief Officers. There is a formal agenda which will have a schedule of assurance in the form of standard agenda items. These will be discussed and agreed with the Force at an agenda setting meeting.

The records of the Accountability Board are published on the OPFCC website. Areas for discussion and accountability include:

- Focus on areas of concern in performance and service delivery at a strategic level.
- Discussions between the Force and the OPFCC in respect of the strategic budget setting and medium-term financial planning.
- Strategic consideration of key identified corporate level risks and scrutiny activity.

For 2021/2022, the Force was able to demonstrate delivery against the requirements of the PFCC’s budget letter.

Force Priorities

The Chief Constable has identified 4 ‘Matters of Priority’:

- Violence against women and girls
- Drug harm
- Serious and organised crime
- Serious violence

“We asked about the issues that worry you, and we’ve listened to your answers. As a result, we believe these are the four biggest crime challenges facing Northamptonshire today.

We understand these issues are complex. But over the next three years, we’re committed to making them our priority. We will invest extra resources. We will create fresh approaches. And we will work closely with all our communities to make the most positive difference we can.”

EXTERNAL FACTORS

National Perspective

One of the PFCC key roles is to lobby central Government on behalf of the public in



Northamptonshire. During the year, the PFCC continued to lobby for both a fairer funding settlement from the funding formula review and the opportunity to set a precept level based on local needs and circumstances. Whilst PCCs were given some local flexibility on the precept and high-level indications of 3-year funding levels, this needs to be considered in terms of affordability for local taxpayers and long term sustainable funding for policing in the future.

Central Government

The Home Secretary produces the Strategic Policing Requirement, which outlines the resources and capabilities that are required for Northamptonshire to support any national efforts to prevent and deter threats to National Security.

The PFCC has a statutory duty to have regard to this and continues to ensure that Northamptonshire contributes to the national agenda with appropriate levels of resourcing whenever required. This includes lobbying the Government (in particular, the Home Office and Ministry of Justice) for change that will make a difference to the safety of residents in Northamptonshire.

Local Perspective

The public ultimately hold policing to account. At local level ratepayers vote for the PFCC in each policing geographical area as well as paying rates for the police element of the council tax rates.

For the 2022/23 precept, the PFCC undertook as wide a range of consultation as possible to obtain the views of Northamptonshire residents. The survey was sent out to more than 200,000 contacts and received a response from 1,404 responses for Policing, the results of which were:

That around 50.3% of residents were prepared to pay £10 or more if they were able to for Police services. Around 45.3% were not prepared to pay any more than they do now and 4.4% said they did not know.

Respondents were also given the opportunity to comment on the consultation, together with stating how good a job the Police and the Fire and Rescue Service did. 1,379 residents replied. Approximately 42.9% of residents thought Police were doing a good or excellent role, 21.8% of residents advising poor or very poor. 27.6% of residents thought they were doing a fair job and 7.7% did not know.

OUTLOOK

Risks and Opportunities

There are some significant areas of uncertainty which include:

The Comprehensive Spending Review (CSR) 2021

This is a governmental process carried out by HM Treasury to set firm expenditure limits and, through public service agreements, define the key improvements that the public can expect from these resources. The 2021 spending review covered a three-year period to 2024/25 and set out the expectation of an annual precept increase of £10 per year over this time. The next spending review is anticipated in 2024.

COVID-19

As at 31 December 2019, China alerted the World Health Organisation (WHO) of several cases of an unusual form of pneumonia occurring in Wuhan. Following this and a substantial increase in infections, on 11th March 2020, the WHO declared the severe acute respiratory syndrome coronavirus (Covid-19) a pandemic. The number of infections within the UK increased during March 2020 and by late March 2020, the UK Government had declared a shutdown which impacted almost all UK operations in an unprecedented manner.

This has had a significant impact upon the UK and global economy.

Police Funding Formula

The police allocation formula (PAF) is essentially a calculation that uses various data sources (such as population density) to share money between police authorities in England and Wales. The PFCC is concerned that residents of Northamptonshire do not fare well from the current formula and continues to lobby locally and nationally on the important issue to secure the funding the police need to deliver the complex and changing requirements.

The funding formula for policing no longer reflects the challenges and demands of policing in the current climate.

A national review of the funding formula is underway.



Changing Demand

Northamptonshire is a very fast-growing county and the Joint Strategic Needs Assessment (JSNA) Demography Insight Pack 2020 described latest estimates put Northamptonshire's population at 753,278 people (all ages) in 2019, up from 747,622 in 2018. The county has had above (national) average population growth in recent decades. In the past 10 years the population of Northamptonshire has grown by an estimated 10.2% versus a 7.84% England average. Looking back over the past 30 years the growth gap is even greater with an estimated increase of 30.9% between 1989 and 2019 in Northamptonshire compared with 18.4% across England.

Increasing population and the demographics of those changes bring policing challenges. Together with the issue of more complex and changing demands on the police, it is essential that resources are prioritised to meet these challenges.

HMICFRS

The most recent inspection findings and improvements are outlined earlier in the narrative statement. There has been a great amount of focus by the Force on areas for improvement, and the latest inspection recognises the progress that has been made. Work to drive forward further improvements continues.

Estate

Northamptonshire Police operates within an ageing estate and there had been a history of limited investment.

The PFCC remains committed to bringing together the Estates Strategies for NCFRA and the PFCC to improve services for Northamptonshire across both Fire and Policing.

Investment

The PFCC has ring-fenced up to £1m on agreed areas for investment in 2022/23 and will work with the Chief Constable to identify investment which will make a difference in supporting the Police & Crime Plan:

- MOSOVO (Management of Sexual or Violent Offenders)
- Roads Policing
- Criminal Justice
- Hi-Tech Crime
- Firearms Licensing

This is in addition to the national recruitment uplift plan which increases the Force police officer establishment to over 1,500 by March 2023. This is part of a wider vision for the future of Northamptonshire Police to improve the effectiveness of the Force and provide a better response to key issues.

Medium Term Financial Outlook

Whilst the 2022/23 to 2024/25 budgets have been balanced, this is predicated on a level of savings and efficiencies and there are shortfalls identified from 2025/26. The force has already begun to identify savings to meet this challenge and work to identify further savings continues.

To ensure continuous investment in the force with uncertain funding streams in the future, the PFCC has set the force an annual 1% efficiency target. The PFCC has committed that efficiencies can be reinvested by the force into new opportunities and demands.

Enabling Services and Interoperability

Both the Police and Crime Plan and the Fire and Rescue Plan demonstrate the commitment of the PFCC, the CC and NCFRA to actively seek opportunities to work together to deliver more efficient and effective public services.

It is the PFCC's expectation that over time the following will be delivered:

- Shared Enabling Services
- Shared Estates Strategy
- Shared Prevention Approaches
- Interoperability

An Assistant Chief Officer for Enabling Services continued in role during the year and shared teams for HR, Finance, Estates, Digital and Fleet are in place and further opportunities continue to be explored.



THE FINANCIAL STATEMENTS

The accounts are prepared using International Financial Reporting Standards (IFRS). Although these are the same standards that a large company would use in preparing its financial statements, some adjustments to costs are applied where they are not a charge to local taxpayers.

This document contains two sets of accounts; the PFCC Single Entity accounts and the PFCC Group accounts, which incorporate the accounts produced by the Chief Constable and other group entities.

The key statements are as follows:

Annual Governance Statement

This statement explains how the PFCC complies with his Code of Corporate Governance. Preparation and publication of the Statement fulfils his statutory requirement under the Accounts and Audit Regulations 2011 to conduct a review at least once in each financial year of the effectiveness of his system of internal control and to include a statement reporting on the review with his Statement of Accounts.

Expenditure and Funding Analysis (EFA)

This reconciles the amounts reported internally in line with the General Fund and the amounts reported in the Comprehensive Income and Expenditure Statement.

Movement in Reserves Statement (MiRS)

This statement shows the movement in the year on the different reserves held by the PFCC. It shows how the deficit/(surplus) for the year in the Comprehensive Income and Expenditure Statement is adjusted by the costs that are not a charge to local taxpayers.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the income and expenditure accounting cost in the year of providing services under IFRS.

Balance Sheet (BS)

The balance sheet shows the PFCC's assets, liabilities and reserve balances at the financial year end date.

Cash Flow Statement

This statement shows the reason for changes in cash balances during the year and the balance held by the PFCC at the end of the financial year.

Notes to the Financial Statements

These include information required by the Code and additional material items of interest to assist the reader's understanding of the reported figures.

Events after the reporting period and authorised for issue date

This summarises any major events that happened between the year-end and the authorised-for-issue date. Events coming to light after the authorised-for-issue date will not be included in the financial statements.

Police Pension Fund Account

The Police Pension Scheme is unfunded and holds no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account.

Accounting Policies

These outline the principles used for how we account and prepare our financial statements.

Glossary of financial terms

The nature of this document means that technical words are unavoidable. The glossary is intended to simplify and explain such words.

Statement of Provisions

Provisions are made where an event has taken place that gives the PFCC a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. These accounts include a number of provisions, detailed in the Notes to the Financial Statements.

Pensions

The PFCC's staff, Police Staff and Police Officers are offered retirement benefits as part of their terms and conditions of employment. Although these benefits will



not actually be payable until employees retire, International Accounting Standard (IAS) 19 requires that the commitment to make future payments is disclosed at the time that employees and officers earn their future entitlement.

The PFCC and Chief Constable participate in two pension schemes:

The Police Pension Scheme (PPS)

This is an unfunded defined benefit final salary scheme for police officers administered by the Chief Constable on behalf of the PFCC. There are no investment assets built up to meet the pension liabilities and cash has to be generated from employee and employer contributions to meet actual pension payments as they fall due. Under the Police Pensions Fund Regulations 2007 if the amounts receivable by the pensions fund for the year is less than amounts payable, the PFCC must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. However, if the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the PFCC, who then must repay the amount to central government.

The Local Government Pension Scheme (LGPS)

This is offered to all staff employed by the PFCC and Chief Constable and is administered locally by Northamptonshire County Council. This is a funded defined benefit final salary scheme and both employers and employees pay contributions calculated at a level intended to balance the pension liabilities with investment assets.

Material and Unusual Charges

The accounts conform to proper practice and contain full and frank disclosures of all material sums.

SUMMARY AND CONCLUSION

Despite the tight financial climate and future challenges, the PFCC Group continues to demonstrate a strong track record of effective financial management and delivering outturn within the approved budget. However, the long-term financial impact of COVID-19, Brexit, the Ukraine conflict and the impact of inflation remains volatile, and the position will continue to be monitored very closely.

The budgeting process continues to develop with rigorous challenge from both the Chief Constable and the PFCC and improvements have been identified to refine this further in 2022/23.

The Chief Constable is committed to ensuring that improvements required as part of recommendations from HMICFRS do not lose momentum and ensure the best services can be delivered for the public of Northamptonshire. As described above, the progress so far is significant, and the building blocks are in place for the Force to become one of the most effective in the country.

The 2022/23 funding settlement has provided the PFCC with an opportunity to increase investment in policing in the areas highlighted by the public. The financial outlook remains challenging, but Northamptonshire are already well prepared in meeting these challenges. Fire and Police will continue to actively seek and implement opportunities to work together to deliver more efficient and effective public services.

We are confident that the PFCC, Chief Constable and their respective leadership teams will continue to deliver strong and effective financial management in order to maintain an appropriate level of funding for essential operational services in Northamptonshire.

Helen King
Chief Finance Officer (S151)
Date:

Stephen Mold
Northamptonshire Police, Fire and Crime Commissioner
Date:



STATEMENT OF RESPONSIBILITIES

The PFCC's Responsibilities

The PFCC is responsible for holding the Chief Constable to account to ensure financial management of the Police service is adequate and effective and that a sound system of internal control is in place including arrangements for risk management. The OPFCC must make arrangements for the proper administration of its financial affairs and to ensure that one of its officers, namely the CFO, has the responsibility for that administration.

The PFCC also has a specific responsibility to sign the Statement of Accounts following review by the Joint Independent Audit Committee meetings.

The CFO's Responsibilities

The CFO to the PFCC is responsible for the preparation of the OPFCC's Group Accounts in line with statutory best practice set out in the CIPFA/LASAAC Code of Practice on Local OPFCC Accounting in Great Britain ("The Code") and the Accounts and Audit Regulations 2005.

The accounts are required to present fairly the financial position of the OPFCC at the accounting date and its income and expenditure for the year ended 31 March 2022.

In preparing this Statement of Accounts, the Section 151 Officer:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
- Kept proper accounting records which are up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Role of the Chief Constable

The Chief Constable, assisted and advised by his Chief Finance Officer, is responsible for day-to-day financial management of the Force and for ensuring that the Force stays within its approved revenue and capital budgets, in accordance with the financial framework agreed by the Police and Crime Commissioner.

Northamptonshire Police Financial Services staff under the supervision of, and with the assistance of the PCCs Office, carries out the preparation of the accounts and liaises with the external auditors, EY LLP, during the audit process.

Chief Finance Officer (OPFCC) Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of the OPFCC and Northamptonshire Police Force as at 31 March 2022 and the income and expenditure for the year ended 31 March 2022.

Helen King
Chief Finance Officer (S151)
Date:

Stephen Mold
Northamptonshire Police, Fire and Crime Commissioner
Date:



EXPENDITURE AND FUNDING ANALYSIS (GROUP)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

2020/21			Group	2021/22		
Net Expenditure Chargeable to CIES	Adjustments	Net Expenditure as per CIES		Net Expenditure Chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
106,972	38,971	145,943	Policing Services	112,366	70,577	182,943
3,473	-	3,473	OPFCC & Commissioning	3,875	-	3,875
1,806	-	1,806	Non-Distributed Costs	771	-	771
112,251	38,971	151,222	Cost of Services	117,012	70,577	187,589
(7)	-	(7)	JV Outturn Surplus/Deficit Transfer Financial Statements	-	-	-
-	-	-	CC Surplus Transfer Financial Statements	-	-	-
(113,230)	-	(113,230)	Other Income and Expenditure	(118,411)	-	(118,411)
(986)	38,971	37,985	Surplus or Deficit on the Provision of Services	(1,399)	70,577	69,178
(16,967)			Opening Combined General Fund Balance	(17,951)		
(986)			Surplus or Deficit on the General Fund	(1,399)		
2			Transfers to/from other Reserves	-		
(17,951)			Closing Combined General Fund	(19,350)		

EXPENDITURE AND FUNDING ANALYSIS (OPFCC)

2020/21			Office of the Police, Fire & Crime Commissioner	2021/22		
Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES		Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
4,857	1,360	6,217	Policing Services	5,745	21,716	27,461
3,473	-	3,473	OPFCC & Commissioning	3,875	-	3,875
1,806	-	1,806	Non-Distributed Costs	771	-	771
10,136	1,360	11,496	Cost Of Services	10,391	21,716	32,107
134,447	-	134,447	Intra-Organisational Adjustment	138,520	-	138,520
(7)	-	(7)	JV Outturn Surplus/ Deficit Transfer Financial Statements	-	-	-
-	-	-	CC Surplus Transfer Financial Statements	-	-	-
(145,562)	-	(145,562)	Other Income and Expenditure	(150,310)	-	(150,310)
(986)	1,360	374	Surplus or Deficit on the Provision of Services	(1,399)	21,716	20,317
(16,967)			Opening Combined General Fund Balance	(17,951)		
(986)			Surplus or Deficit on the General Fund	(1,399)		
2			Transfers to/from other Reserves	-		
(17,951)			Closing Combined General Fund	(19,350)		



MOVEMENT IN RESERVES STATEMENT (GROUP)

This statement shows the movement in the year on the different reserves held by the OPFCC, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or deficit on the provision of services' line shows the true economic cost of providing the OPFCC's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The 'Net Increase or Decrease before Transfers to Earmarked Reserves' line shows the statutory General Fund balance before any discretionary transfers to or from earmarked reserves undertaken.

Group	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2021	(5,000)	(12,951)	(17,951)	1,488,277	1,470,326
Movement in reserves during 2021/22					
Surplus or deficit on the provision of services	69,178	-	69,178	-	69,178
Other Comprehensive Income / Expenditure	-	-	-	(92,233)	(92,233)
Total Comprehensive Income and Expenditure	69,178	-	69,178	(92,233)	(23,055)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(70,577)	-	(70,577)	70,577	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(1,399)	-	(1,399)	(21,656)	(23,055)
Transfers to / from Earmarked Reserves	1,399	(1,399)	-	-	-
Increase or Decrease in 2021/22	0	(1,399)	(1,399)	(21,656)	(23,055)
Balance at 31 March 2022	(5,000)	(14,350)	(19,350)	1,466,621	1,447,271

Group	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2020	(5,000)	(11,967)	(16,967)	1,348,542	1,331,575
Movement in reserves during 2020/21					
Surplus or deficit on the provision of services	37,985	-	37,985	-	37,985
Other Comprehensive Income / Expenditure	-	2	2	100,764	100,766
Total Comprehensive Income and Expenditure	37,985	2	37,987	100,764	138,751
Adjustments between accounting basis and funding basis under regulations (Note 6)	(38,971)	-	(38,971)	38,971	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(986)	2	(984)	139,735	138,751
Transfers to / from Earmarked Reserves	986	(986)	-	-	-
Increase or Decrease in 2020/21	-	(984)	(984)	139,735	138,751
Balance at 31 March 2021	(5,000)	(12,951)	(17,951)	1,488,277	1,470,326



MOVEMENT IN RESERVES STATEMENT (OPFCC)

Office of the Police, Fire & Crime Commissioner	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2021	(5,000)	(12,953)	(17,953)	(38,734)	(56,687)
Movement in reserves during 2021/22					
Surplus or deficit on the provision of services	20,317	-	20,317	-	20,317
Other Comprehensive Income / Expenditure	-	-	-	(29,022)	(29,022)
Total Comprehensive Income and Expenditure	20,317	-	20,317	(29,022)	(8,705)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(21,716)	2	(21,714)	21,714	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(1,399)	2	(1,397)	(7,308)	(8,705)
Transfers to / from Earmarked Reserves	1,399	(1,399)	-	-	-
Increase or Decrease in 2021/22	0	(1,397)	(1,397)	(7,308)	(8,705)
Balance at 31 March 2022	(5,000)	(14,350)	(19,350)	(46,042)	(65,392)

Office of the Police, Fire & Crime Commissioner	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2020	(5,000)	(11,967)	(16,967)	(41,548)	(58,515)
Movement in reserves during 2020/21					
Surplus or deficit on the provision of services	374	-	374	-	374
Other Comprehensive Income / Expenditure	-	-	-	1,454	1,454
Total Comprehensive Income and Expenditure	374	-	374	1,454	1,828
Adjustments between accounting basis and funding basis under regulations (Note 6)	(1,360)	-	(1,360)	1,360	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(986)	-	(986)	2,814	1,828
Transfers to / from Earmarked Reserves	986	(986)	-	-	-
Increase or Decrease in 2020/21	-	(986)	(986)	2,814	1,828
Balance at 31 March 2021	(5,000)	(12,953)	(17,953)	(38,734)	(56,687)



COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (GROUP)

This account summarises the resources that have been generated and consumed in providing services and managing the Group during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

Joint Associated Non-Entity (Joint Venture) accounting entries are consolidated in the Comprehensive Income and Expenditure service headings. Note 40 to the accounts gives a separate breakdown of these entries.

2020/21			Group	2021/22		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
182,584	(36,648)	145,936	Policing Services	222,246	(39,303)	182,943
5,329	(1,856)	3,473	Police, Fire & Crime Commissioner	5,194	(1,319)	3,875
3,177	(1,371)	1,806	Commissioning	2,537	(1,766)	771
-	-	-	- Non-Distributed Costs	-	-	-
191,090	(39,875)	151,215	Cost of Services	229,977	(42,388)	187,589
1,827	(240)	1,587	Other Operating Expenditure (Note 7)	1,633	(137)	1,496
31,344	(19)	31,325	Financing and Investment Income and Expenditure (Note 8)	30,752	(2)	30,750
-	(146,142)	(146,142)	Taxation and Non-Specific Grant Income (Note 9)	-	(150,657)	(150,657)
224,261	(186,276)	37,985	Surplus or Deficit on Provision of Services	262,362	(193,184)	69,178
			(351) Surplus or Deficit on Revaluation of Non-Current Assets			(27,733)
			101,109 Actuarial Gains/Losses on Pension Schemes			(64,500)
		100,758	Other Comprehensive Income and Expenditure			(92,233)
		138,743	Total Comprehensive Income and Expenditure			(23,055)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (OPFCC)

2020/21			Office of the Police, Fire & Crime Commissioner	2021/22		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
17,081	(10,871)	6,210	Policing Services	38,607	(11,146)	27,461
5,329	(1,856)	3,473	Police, Fire & Crime Commissioner	5,194	(1,319)	3,875
3,177	(1,371)	1,806	Commissioning	2,537	(1,766)	771
-	-	-	- Non-Distributed Costs	-	-	-
25,587	(14,098)	11,489	Cost of Services	46,338	(14,231)	32,107
134,447	-	134,447	Intra-Organisational Adjustment	138,520	-	138,520
371	(164)	207	Other Operating Expenditure (Note 7)	-	-	-
373	-	373	Financing and Investment Income and Expenditure (Note 8)	347	-	347
-	(146,142)	(146,142)	Taxation and Non-Specific Grant Income (Note 9)	-	(150,657)	(150,657)
160,778	(160,404)	374	Surplus or Deficit on Provision of Services	185,205	(164,888)	20,317
			(351) Surplus or Deficit on Revaluation of Non-Current Assets			(27,733)
			1,797 Actuarial Gains/Losses on Pension Schemes			(1,289)
		1,446	Other Comprehensive Income and Expenditure			(29,022)
		1,820	Total Comprehensive Income and Expenditure			(8,705)



BALANCE SHEET (OPFCC & GROUP)

This account shows the overall financial position of the Group at 31 March 2022. It therefore differs from the other financial accounts shown in this statement in that it deals with the position of the OPFCC at the end of the 2021/22 financial year instead of dealing with day-to-day transactions within that financial year.

OPFCC 31/03/2021	Group 31/03/2021		Note	OPFCC 31/03/2022	Group 31/03/2022
£000	£000			£000	£000
70,687	70,687	Property, Plant and Equipment	18	81,147	81,147
727	727	Intangible Assets	23	11	11
11	11	Long Term Investments		11	11
71,425	71,425	Long Term Assets		81,169	81,169
-	-	Short Term Investments		-	-
2,050	2,050	Assets Held for Sale	20	2,050	2,050
602	602	Inventories	27	605	605
17,426	17,426	Short Term Debtors	26	20,729	20,729
6,905	6,905	Cash and Cash Equivalents	33	10,504	10,504
26,983	26,983	Current Assets		33,888	33,888
(22,784)	(24,898)	Short Term Creditors	29	(22,502)	(24,838)
-	-	Short Term Borrowing	39	-	-
(1,728)	(1,728)	Provisions	28	(355)	(355)
(24,512)	(26,626)	Current Liabilities		(22,857)	(25,193)
(13,300)	(13,300)	Long Term Borrowing	39	(23,300)	(23,300)
(3,909)	(1,528,808)	Other Long Term Liabilities	37	(3,508)	(1,513,835)
(17,209)	(1,542,108)	Long Term Liabilities		(26,808)	(1,537,135)
56,687	(1,470,326)	Net Assets		65,392	(1,447,271)
(17,951)	(17,951)	Usable Reserves	16	(19,350)	(19,350)
(38,736)	1,488,277	Unusable Reserves	17	(46,042)	1,466,621
(56,687)	1,470,326	Total Reserves		(65,392)	1,447,271

Signed:

Helen King
Chief Finance Officer (S151)
Date:

Stephen Mold
Northamptonshire Police, Fire and Crime Commissioner
Date:



CASH FLOW STATEMENT (OPFCC & GROUP)

This statement shows a summary of the cash flowing in and out of the Group arising from transactions with third parties for revenue and capital purposes. Cash is defined for this statement as cash in hand and deposits repayable on demand.

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
374	37,985	20,317	69,178
6,879	(30,732)	(13,916)	(62,777)
-	-	-	-
7,253	7,253	6,401	6,401
(2,869)	(2,869)	(10,000)	(10,000)
-	-	-	-
4,384	4,384	(3,599)	(3,599)
11,289	11,289	6,905	6,905
6,905	6,905	10,504	10,504



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Note 1 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in the Accounting Policies section, the OPFCC has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Influences ongoing concern status, such as future levels of funding for central government departments
- Possible impairment of investments
- Whether other entities with which the OPFCC has a relationship are subsidiaries, associates or jointly controlled entities
- The potential outcome of legal claims by or against the OPFCC
- The condition of the local and national housing/industrial building market
- The economic standing of significant debtors and creditors

Based on our assessment of the financial and liquidity position of the PFCC/CC following the Covid-19 outbreak, there are no material uncertainties or concerns on the basis of preparing the 2021/22 financial statements as a going concern. A full assessment of Going Concern is provided in the Accounting Policies section.

Note 2 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the OPFCC's Balance Sheet as at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase £0.039m for every year that useful lives had to be reduced.</p>
Vehicles, Plant and Equipment and Intangible Assets	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The nature of the authority is that for example some equipment, eg. vehicles can be driven in extreme conditions, which could result in increased impairments or reduced useful economic lives, however, historically this has not been the case.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for vehicles would increase by £0.594m for every year that useful lives had to be reduced.</p>



Joint Venture	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The nature of the authority is that the joint assets could be used driven in extreme conditions, which could result in increased impairments or reduced useful economic lives, however, historically this has not been the case.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Provisions	The Authority requested an external expert assess its liability at the end of the 2021/22 financial year and has made a provision of £0.355m for the settlement of insurance claims, based on the number of known claims. As none of these claims have yet been settled the extent of the liability is still unknown.	An increase over the forthcoming year of 10% in either the total number of claims or the estimated average settlement would each have the effect of adding £0.36m to the provision needed.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two firms of consulting actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied.	The assumptions interact in complex ways. During 2021/22, the Authority's actuaries advised that the net pension's liability had decreased by £15.321m as a result of estimates being corrected. If laws and regulations surrounding the management of the Police Pension scheme were to change, the maximum additional liability the OPFCC could face would be £1,513.475m, being the total pension liability.
Arrears	At 31 March 2022, the OPFCC had a balance of sundry debtors for £1.631m. A review of balances given the likelihood of default suggested that a bad debts provision of £0.134m was appropriate.	If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £0.134m to set aside as an allowance.
Investments	At 31 March 2022, the OPFCC held a balance of investments of £10.504m, before IFRS accounting adjustments for cash & cash equivalents. A review of these investments showed they were all banking institutes were either within the top 30 most secure (rating completed by Building Society's Association, ranked by group assets), or other financial investment bodies are reviewed for credit worthiness via a stability assessment, based on short and long-term market forecasts provided by the three main credit rating agencies. In the current unprecedented economic climate financial institutes have a higher risk of failure.	If one of these institutes were to fail, the maximum liability the OPFCC could face would £4.0m for an internally managed fund.

Note 3 - Events After the Balance Sheet Date

Where events taking place before this date provided information about conditions existing as at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.



Note 4 - Officers' Remuneration

Employee Remuneration

In accordance with the Code of Practice, the number of employees whose remuneration was paid in year, excluding pension contributions, exceeded £50,000 or more in the year, were as follows:

2020/21		£'s	2021/22			
OPFCC Total	Group Total		OPFCC Staff	Group Officers	Group Staff	Total Employees
2	39	50,000 to 54,999	2	138	16	154
-	47	55,000 to 59,999	2	78	12	90
-	12	60,000 to 64,999	-	42	4	46
1	9	65,000 to 69,999	-	6	4	10
1	4	70,000 to 74,999	1	4	4	8
-	7	75,000 to 79,999	-	5	1	6
1	5	80,000 to 84,999	-	6	-	6
1	4	85,000 to 89,999	-	5	-	5
-	2	90,000 to 94,999	1	1	1	2
1	2	95,000 to 99,999	1	1	2	3
-	-	100,000 to 104,999	-	-	-	-
1	2	105,000 to 109,999	-	-	-	-
-	-	110,000 to 114,999	-	-	-	-
-	-	115,000 to 119,999	-	1	-	1
-	-	120,000 to 124,999	-	2	-	2
-	3	125,000 to 129,999	-	1	-	1
-	-	130,000 to 134,999	-	-	-	-
-	-	135,000 to 139,999	-	-	-	-
-	-	140,000 to 144,500	-	-	-	-
-	-	145,000 to 149,999	-	-	-	-
-	-	150,000 to 154,999	-	1	-	1
-	1	155,000 to 159,999	-	-	-	-
8	137		7	291	44	335

The disclosure above includes senior officers and requires the outlining of total taxable pay, including personal Additional Voluntary Contributions, whereas the Senior Officers table overleaf outlines the entire remunerations by post. Therefore, the two tables are not completely comparable which will result in differing bandings if the two are compared.

There is a significant change between 2020/21 and 2021/22, which is mainly a result of 2021/22 pay awards which took several pay grades into the £50,000 to £54,999. These managers and Police Officers who were previously not included within report have now been incorporated.

Furthermore, bands which were being reported have increased and therefore for example, groups who were within the lowest band have moved up to the second band.



Senior Officers of the organisation requiring disclosure by post or name were:

2021/22 Post Holder Information	Start Date	Leaving Date	Salary £	Bonus £	Expense Allowances (1) £	Loss of office £	Benefits in Kind £	Other (2) £	Total Excluding Pension £	Employers Contribution £	Total Including Pension £
Police, Fire and Crime Commissioner											
Stephen Mold - Police, Fire and Crime Commissioner	12/05/2016		74,400	-	92	-	-	-	74,492	15,103	89,595
Office of the Police, Fire and Crime Commissioner											
Director of Technology & Digital Transformation	22/11/2016	30/04/2021	8,750	-	-	-	-	-	8,750	1,776	10,526
Director for Delivery	21/11/2016		85,986	-	37	-	-	-	86,023	-	86,023
Chief Finance Officer	09/11/2017		101,955	-	75	-	-	-	102,030	20,697	122,727
Director and HOPS Monitoring Officer	17/12/2018		98,927	-	1,000	-	-	-	99,927	20,082	120,009
Voice Ltd											
Chief Executive	01/08/2017		64,008	-	-	-	-	-	64,008	12,610	76,618
Chief Constable											
Nick Adderley - Chief Constable	06/08/2018		157,594	-	-	-	-	3,688	161,282	48,854	210,136
Deputy Chief Constable	04/02/2019		123,696	-	-	-	-	4,304	128,000	38,346	166,345
Assistant Chief Constable 1	15/05/2017	30/04/2021	9,935	-	-	-	-	685	10,620	3,080	13,699
Assistant Chief Constable 2	15/05/2017		119,220	-	340	-	-	9,304	128,863	36,958	165,822
Assistant Chief Constable 3	30/12/2019	31/03/2022	115,882	-	1,239	-	-	-	117,121	35,923	153,045
Assistant Chief Officer	01/12/2020		111,131	-	-	-	-	-	111,131	22,560	133,690
Chief Superintendent	24/09/2018	26/09/2021	44,855	-	606	-	-	517	45,978	13,905	59,883
Chief Superintendent	01/10/2018		91,749	-	1,666	-	-	5,031	98,445	28,442	126,887
Chief Superintendent	11/03/2019	17/09/2021	42,561	-	812	-	-	2,102	45,476	-	45,476
Chief Superintendent	31/03/2020		89,763	-	1,239	-	-	1,793	92,795	27,876	120,671
Chief Superintendent	17/09/2021		82,837	-	1,803	-	-	585	85,224	25,679	110,904
Superintendent HR	22/06/2020	04/07/2021	20,733	-	324	-	-	297	21,353	6,427	27,780
Head of HR	14/12/2020		75,348	-	-	-	-	-	75,348	15,194	90,542
Chief Finance Officer	21/05/2018		82,131	-	564	-	-	-	82,695	16,673	99,368

(1) Expenses Allowances include taxable and non-taxable expenses

(2) Other includes Rent Allowance, Housing Allowance, Car Allowance, ACPO Med Allowance, Relocation Allowances and tax paid on Relocation Allowances.

2020/21 Post Holder Information	Start Date	Leaving Date	Salary £	Bonus £	Expense Allowances (1) £	Loss of office £	Benefits in Kind £	Other (2) £	Total Excluding Pension £	Employers Contribution £	Total Including Pension £
Police, Fire and Crime Commissioner											
Stephen Mold - Police, Fire and Crime Commissioner (4)	12/05/2016		74,400	-	137	-	-	-	74,537	15,103	89,640
Office of the Police, Fire and Crime Commissioner											
Director and Monitoring Officer	17/12/2018	30/11/2020	66,593	-	147	-	-	-	66,740	13,518	80,259
Director of Technology & Digital Transformation (6)	22/11/2016		105,000	-	-	-	-	-	105,000	21,315	126,315
Director for Delivery	21/11/2016		83,172	-	39	-	-	-	83,211	-	83,211
Chief Finance Officer	09/11/2017		98,662	-	387	-	-	-	99,049	20,028	119,077
Director and Monitoring Officer	17/12/2018		89,136	-	1,101	-	-	-	90,237	18,095	108,331
Voice Ltd											
Chief Executive	01/08/2017		63,357	-	-	-	-	-	63,357	14,319	77,675
Chief Constable											
Nick Adderley - Chief Constable	06/08/2018		155,992	-	-	-	-	3,688	159,680	48,358	208,038
Deputy Chief Constable	04/02/2019		122,392	-	-	-	-	4,304	126,695	37,941	164,637
Assistant Chief Constable 1	15/05/2017		118,009	-	414	-	-	8,215	126,638	36,583	163,220
Assistant Chief Constable 2	15/05/2017		118,009	-	113	-	-	8,791	126,913	36,583	163,496
Assistant Chief Constable 3	30/12/2019		104,526	-	1,239	-	-	-	105,765	32,403	138,168
Chief Superintendent	24/09/2018		98,123	-	1,376	-	-	2,860	93,359	27,628	120,987
Chief Superintendent	01/10/2018		90,817	-	1,635	-	-	5,489	97,940	28,153	126,093
Chief Superintendent	11/03/2019		89,535	-	1,610	-	-	4,051	95,197	20,645	115,842
Chief Superintendent	31/03/2020		86,558	-	1,239	-	-	791	88,589	26,708	115,297
Superintendent HR	22/06/2020		60,035	-	960	-	-	2,100	63,095	18,611	81,706
Joint Head of HR (5)	14/12/2020		22,103	-	-	-	-	-	22,103	4,487	26,589
Head of HR (5)	01/07/2019	30/06/2020	21,703	-	-	26,300	-	-	48,003	11,866	59,869
Chief Finance Officer (OCC) (4)	21/05/2018		79,503	-	-	-	-	-	79,503	16,139	95,642
Assistant Chief Officer (3)	01/12/2020		37,969	-	-	-	-	-	37,969	7,708	45,676

(1) Expenses Allowances include taxable and non-taxable expenses

(2) Other includes Rent Allowance, Housing Allowance, Car Allowance, COT Medical Allowances, Relocation Allowances and tax paid on Relocation Allowances.

(3) The Director of Enabling Services was permanently appointed to the role of Assistant Chief Officer on 1st December 2020.

(4) The Chief Finance Officer replaced the Head of Finance role and took on statutory responsibilities previously undertaken by the ACO Finance and Resources.

(5) The Head of HR was replaced with a Joint Head of HR during the year with a Superintendent acting as interim whilst the new post was developed.

(6) The Director of Technology role continued to be paid by the OPFCC, but their costs were recovered through a secondment.



Note 5A - Note to the Expenditure and Funding Analysis

2021/22 - OPFCC	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(21,084)	(540)	(59)	(21,683)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(21,084)	(540)	(59)	(21,683)
Joint Venture & Associates	(33)	-	-	(33)
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	(21,117)	(540)	(59)	(21,716)

2020/21 - OPFCC	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	-	(219)	-	(219)
OPFCC & Commissioning	(132)	-	(1,057)	(1,189)
Net Cost of Services	(132)	(219)	(1,057)	(1,408)
Joint Venture & Associates	48	-	-	48
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	(84)	(219)	(1,057)	(1,360)

2021/22 - Group	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(21,084)	(49,179)	(281)	(70,544)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(21,084)	(49,179)	(281)	(70,544)
Joint Venture & Associates	(33)	-	-	(33)
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	(21,117)	(49,179)	(281)	(70,577)

2020/21 - Group	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	-	(37,830)	0	(37,830)
OPFCC & Commissioning	(132)	-	(1,057)	(1,189)
Net Cost of Services	(132)	(37,830)	(1,057)	(39,019)
Joint Venture & Associates	48	-	-	48
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	(84)	(37,830)	(1,057)	(38,971)



Note 5B - Segmental Analysis of Income and Expenditure

2021/22 - OPFCC	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(11,432)	-	80	-
OPFCC & Commissioning	(3,085)	-	-	27,399
Total	(14,517)	-	80	27,399

2020/21 - OPFCC	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	-	-	41	-
OPFCC & Commissioning	(3,227)	-	-	6,158
Total	(3,227)	-	41	6,158

2021/22 - Group	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(39,726)	(2)	80	-
OPFCC & Commissioning	(3,085)	-	-	27,399
Total	(42,811)	(2)	80	27,399

2020/21 - Group	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(22,504)	(19)	41	-
OPFCC & Commissioning	(3,227)	-	-	6,158
Total	(25,731)	(19)	41	6,158



Note 5C - Expenditure and Income Analysed by Nature

2020/21		Nature of Expenditure or Income	2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
Expenditure				
2,346	131,405	Employee Benefit Expenses	13,564	148,467
5,692	38,787	Other Services Expenses	5,642	54,377
7,051	7,051	Depreciation, amortisation, Impairment	27,399	27,399
41	31,012	Interest Payments	80	30,485
-	1,456	Precepts and Levies	-	1,634
208	208	Gains/losses on the Disposal of Non-Current Assets	-	-
15,338	209,919	Total Expenditure	46,685	262,362
134,447	-	Intra Company Adjustment (Expenditure)	138,520	-
149,785	209,919	Total Expenditure (Including Intra Company)	185,205	262,362
Income				
(3,473)	(25,977)	Fees, Charges and Other Service Income	(14,345)	(42,639)
-	(19)	Interest and Investment Income	-	(2)
(63,542)	(63,542)	Income from Council Tax & Non-Domestic Rates	(66,428)	(66,428)
(82,396)	(82,396)	Government Grants and Contributions	(84,115)	(84,115)
(149,411)	(171,934)	Total Income	(164,888)	(193,184)
-	-	Intra Company Adjustment (Income)	-	-
(149,411)	(171,934)	Total Income (Including Intra Company)	(164,888)	(193,184)
374	37,985	Surplus or Deficit on the Provision of Services	20,317	69,178

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Note 6 - Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the OPFCC, to meet future capital and revenue expenditure.

2021/22	OPFCC		Group	
	General Fund Balance	Movement in Unusable Reserves	General Fund Balance	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustment to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements	-	-	-	-
Pension Cost (transferred to (or from) the pensions reserve)	(540)	540	(49,179)	49,179
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-	-	-
Council Tax and NDR (transfers to or from the collection Fund)	(50)	50	(50)	50
Holiday Pay (transferred to the Accumulated Absences Reserve)	(9)	9	(231)	231
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)	(16,977)	16,977	(16,977)	16,977
Total Adjustments to Revenue Resources)	(17,576)	17,576	(66,437)	66,437
Adjustments between Revenue and Capital Resources				
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	-	-	-	-
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(4,140)	4,140	(4,140)	4,140
Total Adjustments between Revenue and Capital Resources	(4,140)	4,140	(4,140)	4,140
Other Adjustments	-	-	-	-
Total Adjustments	(21,716)	21,716	(70,577)	70,577



2020/21	OPFCC		Group	
	General Fund Balance	Movement in Unusable Reserves	General Fund Balance	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustment to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements	-	-	-	-
Pension Cost (transferred to (or from) the pensions reserve)	(219)	219	(37,830)	37,830
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-	-	-
Council Tax and NDR (transfers to or from the collection Fund)	(1,049)	1,049	(1,049)	1,049
Holiday Pay (transferred to the Accumulated Absences Reserve)	(8)	8	(8)	8
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)	(6,158)	6,158	(6,158)	6,158
Total Adjustments to Revenue Resources)	(7,434)	7,434	(45,045)	45,045
Adjustments between Revenue and Capital Resources				
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	857	(857)	857	(857)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,217	(5,217)	5,217	(5,217)
Total Adjustments between Revenue and Capital Resources	6,074	(6,074)	6,074	(6,074)
Other Adjustments	-	-	-	-
Total Adjustments	(1,360)	1,360	(38,971)	38,971

Note 7 - Other Operating Expenditure

Other Operating Expenditure includes:

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
-	1,456	-	1,634
207	207	-	-
-	(76)	-	(138)
207	1,587	-	1,496

Note 8 - Financing and Investment Income and Expenditure

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
332	332	267	267
41	31,012	80	30,485
-	(19)	-	(2)
373	31,325	347	30,750



Note 9 - Taxation and Non-Specific Grant Income

2020/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
(63,542)	(63,542)	Council tax income	(66,428)	(66,428)
-	-	- Non-domestic rates income and expenditure	-	-
(82,396)	(82,396)	Non-ringfenced government grants	(84,115)	(84,115)
(204)	(204)	Capital grants and contributions	(114)	(114)
-	-	- Other tax or non-specific grant income / expenditure	-	-
(146,142)	(146,142)	Total	(150,657)	(150,657)

Note 10 - Material Items of Income and Expense

Where items are not disclosed on the face of the Comprehensive Income and Expenditure Statement or within Notes 5-9, such as the disposals of Fixed Assets and Investments or reversals of provisions, the nature of these material amounts are set out below:

2021/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
(1,728)	(1,728)	Insurance Provision	(355)	(355)
(1,728)	(1,728)	Total	(355)	(355)

Note 11 - Trading Operations

The Group does not have any trading operations. All commercial activities have been outsourced.

Note 12 - Members' Allowances

Payments to members of the Joint Independent Assurance Committee (JIAC) were as follows:

2020/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
17	17	Allowances and Re-imburements	15	15
17	17	Total	15	15

Note 13 - External Audit Costs

During the year the group incurred direct external audit fees for EY. The planned audit fees of £35k in 2021/22 and £35k in 2020/21 relate to the audit work for the Statement of Accounts, which is a statutory requirement.

2021/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
12	24	Scale fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	23	35
12	24	Total	23	35



Note 14 - Grant Income

The OPFCC credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22.

Grant Income Credited to Taxation and Non-Specific Grant Income and Expenditure

2020/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
(74,480)	(74,480)	Revenue Support Grant	(77,471)	(77,471)
(7,917)	(7,917)	Council Tax Burden Grant	(6,644)	(6,644)
(204)	(204)	Capital Grants and Contributions	(114)	(114)
-	-	Section 31 Grants	-	-
82,600	82,600	Total	(84,229)	(84,229)

Credited to Services

2020/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
-	(148)	ACPO (TAM)	-	(128)
-	(15,731)	Pension Top Up Grant	-	(13,951)
-	-	Uplift Grant	-	(953)
-	-	Pensions Grant	-	(39)
-	-	Safer Streets Grant	(842)	(842)
(874)	(874)	Ministry of Justice	(1,202)	(1,202)
-	(164)	Proceeds of Crime	-	(197)
(874)	(16,917)	Total	(2,044)	(17,312)



Note 15 - Related Parties

IPSAS20 Related Party Disclosures, based on IAS24, requires the OPFCC to disclose material transactions and outstanding balances with related parties – bodies or individuals that have the potential to control or influence the OPFCC or to be controlled or influenced by the OPFCC.

Central Government has effective control over the general operations of the OPFCC. It is responsible for providing the statutory framework within which the OPFCC operates and provides the majority of funding in the form of general or specific grants. Details of government grants are set out in Note 14 to the Core Financial Statements.

The OPFCC has direct control over the OPFCC's financial and operating policies. Chief Officers might also be in a position to influence significantly the policies of the OPFCC. During the year, "Voice for Victims and Witnesses" (Voice) continued to operate as a company limited by guarantee to deliver support services to victims (these services were some years previously provided by Victim Support and Sunflower).

In 2021/22, funding of over £1.5m was provided to Voice from the OPFCC budget and the Victims reserve. Over £1m was provided to the PFCC in a grant from the Ministry of Justice towards this. At year-end, the sum of almost £40k was returned to the PFCC in line with the contract and transferred to the PFCC Victims reserve. Furthermore, an additional £156k in MOJ grants was passed to Voice, of which there was a year-end underspend of almost £50k which was returned to MOJ.

The PFCC is the chair of the Voice Board which is comprised of the Voice Chief Executive and during the year, the Chief Constable and a number of other directors. Voice produces an annual statement of accounts which is separately audited.

The PFCC contract with Voice is managed by the Criminal Justice Manager in the OPFCC and the and the Monitoring Officer and Chief Finance Officer continued to advise Voice in a professional capacity where appropriate during the year. Advice was also provided by specialist Estates, HR and ICT staff within the Force. As the OPFCC staff can provide advice to Voice, they may have an opportunity to significantly influence the policies of Voice. Measures are in place to mitigate this influence and

an annual contract is in place, together with regular monitoring, Board meetings, Voice's Corporate Governance Framework and Ministry of Justice Grant conditions.

During 2021/22 the PFCC instructed a review of the company "Voice for Victims and Witnesses". The outcome of the review is anticipated in Summer 2022.

In October 2020, together with the then PCC for Nottinghamshire, the PFCC established a Limited Liability Partnership, "Mint Commercial Services LLP" to deliver procurement services and solutions to the two PCCs and Police Forces and organisation and for the East Midlands Strategic Commercial Services Unit (EMSCU) Section 22 collaboration to terminate. This was intended to reduce the cost of procurement services for both Nottinghamshire and Northamptonshire Police Forces, and generate additional income for the PCCs to be used on policing services from the establishment of procurement frameworks.

In 2021, both forces raised concerns with the contract for delivery of the procurement services and when a new PCC was appointed in Nottinghamshire in May 2020, they determined to cease procurement services. As such, Northamptonshire ceased the procurement services in October 2021 and a joint procurement team for Police and Fire was established in-house. The annual contract for Mint in 2021/22 was £125k, and £52k was refunded on termination of the contract.

Furthermore, the new PCC in Nottinghamshire expressed a wish to exit the company and as a partnership, the company could not continue to operate with only one member. Agreement to terminate the company took place in October 2021 and Mint ceased trading in March 2022.

A formal project team was established to facilitate the termination arrangements and an internal audit was undertaken in April 2022 to review these which assessed the assurance of these arrangements as "Significant."

The PFCC provided working capital of £200k which under the revised business plan was due to be repaid in 2023/24. Based on current estimates, it is



envisaged that the sum of £66k will be paid back on termination and as the frameworks have novated back to the PCCs, the future income streams will meet the £134k remaining in line with the previous Mint timescales.

In January 2019, the Police Fire and Crime Commissioner (PFCC) took on Governance for the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA). The Director of Delivery (and Monitoring Officer) and Chief Finance Officer of the OPFCC undertake these roles in NCFRA. All OPFCC Directors and OPFCC staff support the governance of NCFRA and a joint Communications Team for OPFCC and Fire was also in place during the year. The costs are reviewed annually and in 2021/22, the sum of £362k was charged to NCFRA for this support.

Furthermore, the OPFCC agreed to fund a post in Fire of up to three years to support Youth engagement, the LGA subscription and a contribution to the acorn demography tool. These costs equated to £51k.

In 2021/22, NCFRA paid the OPFCC the third and final contribution of £63k towards Fires share of the set-up costs.

NCFRA and Northamptonshire Police work together on a number of collaboration activities or where one organisation provides services for another. A separate collaboration agreement is in place which

sets out the governance arrangements for existing and future collaborative activities between OPFCC, the Chief Constable (CC) and NCFRA. This agreement was reviewed in December 2021.

NCFRA and Police collaborate on operational and non-operational activities. Enabling services for shared support services teams were further embedded for Finance, Estates, Commercial Procurement, Fleet, HR, ICT and Stores during the year and Fire moved into the shared Darby House accommodation. During 2021/22, net charges of £1.208m were charged by Police to NCFRA for these services.

Both the OPFCC and the Police maintain a register of business interests, and the OPFCC has a Business Interest Policy which sets out the criteria for deciding whether the Business Interest is compatible with the individual's role within the organisation.

Key members of staff in the OPFCC, JIAC and Police are required, at the end of each year, to declare whether they, or any member of their immediate family have any related party transactions (ie. significant financial dealings) with the OPFCC during the financial year. All returns and disclosures were received and reviewed by both S151 officers.

Northamptonshire Police and the PFCC work closely with Regional and National and other public sector partners in the course of their business.

Note 16 - Transfers to/from Earmarked Reserves

This note sets out the Group amounts set aside from the General Fund and Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet the General Fund requirements in 2022/23 onwards.

The adequacy of reserves is assessed as part of the annual budget process where the strategic, operational and financial risks facing the OPFCC are considered. The Reserves Strategy is published annually in the Budget Report where the rationale for each Reserve is clearly stated.

On 31st March 2022, the total Earmarked Reserves balance stood at £19.350m (£17.951m in 2020/21). This includes a General Fund balance of £5.000m in both years.



OPFCC/ Group	Balance at 31 March 2020 £000	Transfers in 2020/21 £000	Transfers out 2020/21 £000	Balance at 31 March 2021 £000	Transfers in 2021/22 £000	Transfers out 2021/22 £000	Balance at 31 March 2022 £000
Insurance	(1,829)	-	105	(1,724)	(1,986)	-	(3,710)
Operational Equipment	(200)	(100)	-	(300)	(100)	-	(400)
Earmarked Funding	(669)	-	15	(654)	(293)	-	(947)
Victims	(550)	-	550	-	-	-	-
Pensions	(500)	-	70	(430)	-	70	(360)
S106 Reserve	(769)	-	250	(519)	-	113	(406)
Initiatives Fund	(1,996)	(949)	-	(2,945)	(817)	-	(3,762)
Invest to Save	(488)	(2,134)	-	(2,622)	(436)	-	(3,058)
Enabling Services	(400)	-	400	-	-	-	-
Safer Roads	(1,672)	-	496	(1,176)	-	643	(533)
Additionality Reserve	(2,201)	-	190	(2,011)	-	1,333	(678)
Capital	-	-	-	-	(77)	-	(77)
Collaboration	(693)	-	123	(570)	-	151	(419)
Total Earmarked Reserves	(11,967)	(3,183)	2,199	(12,951)	(3,709)	2,310	(14,350)
General Fund	(5,000)	-	-	(5,000)	-	-	(5,000)
Total Reserves	(16,967)	(3,183)	2,199	(17,951)	(3,709)	2,310	(19,350)

The key purposes of these reserves are as follows:

Insurance Reserve

To cover the potential and contingent liabilities of uninsured risks as assessed annually by our insurers based on claims outstanding.

held until the OPFCC can allocate them against an appropriate purpose.

Operational Equipment

To smooth the impact of operational equipment purchases on the revenue budget such as replacement body armour and bodyworn video equipment.

Initiatives Fund

To deliver funding for specific initiatives and radical solutions in order to deliver against the Police and Crime Plan.

Earmarked Funding

To cover specific areas of potential future financial impact, particularly in relation to Covid-19.

Invest to Save

To fund specific agreed schemes that will deliver long term efficiency savings for the Force and OPFCC.

Victims

To fund specific programmes or schemes to support victims services.

Enabling Services

To meet additional costs of the programme in the short-term which will support the delivery of joint shared services across Fire and Policing.

Pensions

To meet the costs of any ill-health or injury retirements which are unbudgeted and any significant overspend on the employer pension contributions account.

Safer Roads

For surpluses of fines and speed awareness course income that is to be reinvested in replacement equipment and road safety initiatives.

S106 Reserve

This holds developer contributions, received when the legal conditions have been met, but they are

Additionality Reserve

This is held to mitigate future costs from areas of agreed investment and growth, allowing for multi-year investment plans.



Capital Reserve

The reserve was set up to fund the future capital spending to ensure the OPFCC can continue to fund its capital programme at the planned levels. Historic balances were used to reduce external borrowing by funding the capital programme. The balance will be used to fund appropriate short life assets..

Regional Reserve

Transfers in relate to our share of underspends on regional collaboration. Transfers out represent

contributions towards costs arising from regional decisions.

General Fund

This is held for exceptional circumstances to maintain a degree of in-year financial flexibility, to deal with unforeseen circumstances and incidents, and to provide an operational contingency at service level. It is maintained at recommended levels and reviewed annually to ensure it doesn't fall below 2.5% of net budget requirement. It is currently above the guideline requirement of 3% as set out in the Reserves Strategy.

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Note 17 - Unusable Reserves

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
(16,297)	(16,297)	(32,997)	(32,997)
(27,397)	(27,397)	(17,301)	(17,301)
1,004	1,004	1,054	1,054
3,897	1,528,796	3,148	1,513,475
57	2,171	54	2,390
(38,736)	1,488,277	(46,042)	1,466,621

Revaluation Reserve

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
(17,527)	(17,527)	(16,297)	(16,297)
(859)	(859)	(24,117)	(24,117)
1,209	1,209	7,417	7,417
350	350	(16,700)	(16,700)
-	-	-	-
-	-	-	-
880	880	-	-
-	-	-	-
(16,297)	(16,297)	(32,997)	(32,997)

The Revaluation Reserve contains the gains made by the OPFCC and Group arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation
- Disposed of and the gains are realised



Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting, for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the OPFCC as finance for the costs of acquisition, construction and enhancement.

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
(25,993)	(25,993)	(27,397)	(27,397)
	Balance 1 April		
5,972	5,972	1,221	1,221
	Charges for depreciation and impairment of non-current assets		
(4,094)	(4,094)	19,987	19,987
	Revaluation gain/losses on non-current assets		
741	741	716	716
	Amortisation of intangible assets		
-	-	-	-
	Revaluation Reserve written out		
-	-	3,239	3,239
	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		
2,619	2,619	25,163	25,163
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
(1,209)	(1,209)	(7,417)	(7,417)
	Adjusting Amounts written out of the Revaluation Reserve		
1,410	1,410	17,746	17,746
	Net written out amount of the cost of non-current assets consumed in the year		
-	-	(1,254)	(1,254)
	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing		
(857)	(857)	(1,179)	(1,179)
	Statutory provision for the financing of capital investment charged against the General Fund		
(1,957)	(1,957)	(5,217)	(5,217)
	Capital expenditure charged against the General Fund		
(2,814)	(2,814)	(7,650)	(7,650)
	Capital financing applied in year:		
-	-	-	-
	Other movements		
(27,397)	(27,397)	(17,301)	(17,301)
	Balance 31 March		

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 & 6 provides details of the source of all the transactions posted to the Capital Adjustment Account, apart from those involving the Revaluation Reserve, which is directly transferred between the two reserves.



Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The OPFCC accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the OPFCC makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve, therefore, shows a substantial shortfall in the benefits earned by past and current employees and the resources the OPFCC has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2020/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
1,895	1,389,871	Balance 1 April	3,897	1,528,796
1,782	101,109	Re-measurements of the net defined benefit (liability)/asset	(1,743)	35,074
(320)	(33,917)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1,301	(44,059)
540	71,733	Employer's pensions contributions and direct payments to pensioners payable in the year	(307)	(6,336)
3,897	1,528,796	Balance 31 March	3,148	1,513,475



Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
(44)	(44)	1,044	1,044
	Balance 1 April		
	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	10	10
1,088	1,088		
1,044	1,044	1,054	1,054
	Balance 31 March		

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. For example, annual leave entitlements carried forward as at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
121	2,235	57	2,171
	Balance 1 April		
(121)	(2,235)	(57)	(2,171)
	Settlement or cancellation of accrual made at the end of the preceding year		
57	2,171	54	2,390
	Amounts accrued at the end of the current year		
57	2,171	54	2,390
	Balance 31 March		



Note 18 - Property, Plant and Equipment

Movements to 31 March 2022	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation				
at 1 April 2021	53,222	19,679	16,839	89,740
Additions	1,492	7,647	-	9,139
Revaluation increases/(decreases) recognised in the Revaluation Reserve	28,082	-	-	28,082
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(20,638)	-	-	(20,638)
Derecognition – disposals	-	(56)	-	(56)
Depreciation Eliminated on Revaluation	(5,396)	-	-	(5,396)
Reclassifications and transfers	16,456	315	(16,771)	-
Reclassifications to Assets Held for Sale	-	-	-	-
at 31 March 2022	73,218	27,586	68	100,871
Accumulated Depreciation and Impairment				
at 1 April 2021	(4,362)	(14,691)	-	(19,053)
Depreciation charge	(1,221)	(4,847)	-	(6,068)
Depreciation Eliminated on Revaluation	5,396	-	-	5,396
Reversal of Depreciation on transfer to AHFS	-	-	-	-
Derecognition – disposals	-	-	-	-
at 31 March 2022	(187)	(19,538)	-	(19,725)
Net Book Value				
at 31 March 2022	73,031	8,048	68	81,147
at 31 March 2021	48,860	4,988	16,839	70,687



Movements to 31 March 2021	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation				
at 1 April 2020	55,414	16,960	6,691	79,065
Additions	1,552	5,506	10,211	17,269
Revaluation increases/(decreases) recognised in the Revaluation Reserve	350	-	-	350
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(4,094)	-	-	(4,094)
Derecognition – disposals	-	(2,850)	-	(2,850)
Reclassifications and transfers	-	63	(63)	-
Reclassifications to Assets Held for Sale	-	-	-	-
at 31 March 2021	53,222	19,679	16,839	89,740
Accumulated Depreciation and Impairment				
at 1 April 2020	(2,966)	(11,672)	-	(14,638)
Depreciation charge	(1,396)	(3,019)	-	(4,415)
Depreciation written out to the Revaluation Reserve	-	-	-	-
Reversal of Depreciation on transfer to AHFS	-	-	-	-
Derecognition – disposals	-	-	-	-
at 31 March 2021	(4,362)	(14,691)	-	(19,053)
Net Book Value				
at 31 March 2021	48,860	4,988	16,839	70,687
at 31 March 2020	52,448	5,288	6,691	64,427

The 31st March 2021 figures have been restated following the 2020/21 audit. The restatement workings can be found in Note 42.

The figures contained within this note are represented by the OPFCC assets, Joint Venture assets & the assets held for sale.

Note 19 - Impairment Losses

There were no impairment losses in 2021/22.

Note 20 - Assets Held for Sale

As the 31 March 2022, the OPFCC held 2 assets that are classified as Assets Held for Sale. These are properties at Kettering and Corby. No properties were sold in 21/22 (one in 20/21).

2020/21		2021/22	
OPFCC £000	Group £000	OPFCC £000	Group £000
2,421	2,421	2,050	2,050
Balance at Start of Year			
(371)	(371)	-	-
Assets disposed of in year			
-	-	-	-
Assets newly classified as Held for Sale			
2,050	2,050	2,050	2,050
Total			



Note 21 - Investment Properties

The OPFCC does not hold any investment property interests that could be classified and accounted for as investment properties, therefore, no adjustments or disclosures are required.

Note 22 - Leases

As at the end of 31st March 2021 and 2022, the group had no Finance Leases.

The OPFCC holds premises and some equipment on an Operating Lease basis, made payments of £0.362m for the year and was committed to making the following lease payments:

2021/22	Future Years Committed Expenditure			
	Land £000	Buildings £000	Equipment £000	Total £000
Leases expiring in 2022/23	39	53	-	92
Leases expiring between 2023/24 and 2026/27	112	152	-	264
Leases expiring 2027/28 and after	3	4	-	6
Total	153	208	-	362

2020/21	Future Years Committed Expenditure			
	Land £000	Buildings £000	Equipment £000	Total £000
Leases expiring in 2021/22	7	10	-	17
Leases expiring between 2022/23 and 2025/26	47	63	9	119
Leases expiring 2026/27 and after	99	134	-	233
Total	153	207	9	369

Note 23 - Intangible Assets

The Group accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period in which the software is expected to be of use to the Group.

The carrying amount of intangible assets is amortised on a straight-line basis over three years or where appropriate over the asset life. Amortisation of £0.716m was charged to revenue in 2021/22.



The movement on Intangible Asset balances during the year is as follows:

31 March 2021			31 March 2022	
OPFCC	Group		OPFCC	Group
Total	Total		Total	Total
£000	£000		£000	£000
Balance at start of year				
7,532	7,532	Gross carrying amounts	3,143	3,143
(6,064)	(6,064)	Accumulated amortisation	(2,416)	(2,416)
1,468	1,468	Net carrying amount at start of year	727	727
-	-	- Additions	-	-
(4,389)	(4,389)	Disposals	0	0
-	-	- Reclassifications and transfers	-	-
(741)	(741)	Amortisation for the period	(716)	(716)
4,389	4,389	Amortisation written off on disposal	(0)	(0)
727	727	Net carrying amount at end of year	11	11
Comprising				
3,143	3,143	Gross carrying amounts	3,143	3,143
(2,416)	(2,416)	Accumulated amortisation	(3,132)	(3,132)
727	727	Total	11	11

Due to the nature of some of the key operational equipment within Intangible Assets, all lines above the (Surplus)/Deficit on the Provision of Services line from Local to National Policing include elements of Amortisation of Intangible Assets.



Note 24 - Capital Expenditure and Capital Financing

The capital financing requirement measures the OPFCC's need to borrow for a capital purpose. The following statement shows the effect of the OPFCC's capital investment decisions in 2021/22 upon the capital financing requirement. The minimum revenue provision increased to £1.075m, which ensures that all capital expenditure is fully funded over the natural lifecycle of the asset.

31 Mar 2021		31 Mar 2021		Capital Expenditure and Capital Financing		31 Mar 2022		31 Mar 2022	
OPFCC	Group					OPFCC	Group		
£000	£000					£000	£000		
18,978	18,978	Opening Capital Financing Requirement				30,070	30,070		
<u>Capital Investment</u>									
17,166	17,166	Property, Plant and Equipment				9,139	9,139		
-	-	- Intangible Assets				-	-		
-	-	- Assets Held for Sale				-	-		
-	-	- Revenue Expenditure Funded from Capital Under Statute				-	-		
-	-	- Other Capital Expenditure				-	-		
17,166	17,166	Total Capital Spending				9,139	9,139		
<u>Sources of Finance</u>									
-	-	- Capital receipts				-	-		
-	-	- Government Grants and other contributions				(114)	(114)		
<u>Sums set aside from revenue</u>									
(5,217)	(5,217)	Direct revenue contributions				(4,988)	(4,988)		
(857)	(857)	Minimum revenue provision				(1,179)	(1,179)		
(6,074)	(6,074)	Total Sources of Finance				(6,281)	(6,281)		
30,070	30,070	Closing Capital Financing Requirement				32,928	32,928		

Note 25 - Construction Contracts

At 31 March 2022, the OPFCC has the following Capital Commitments. The previous year, the only commitment was £2.553m remaining for the Darby House refurbishment.

Capital Commitment	Remaining Commitment £000
Robert Street	1,066
Replacement Command & Control	208
Hyperconverged Infrastructure	252
Network Core	427
Total	1,953



Note 26 - Debtors

These amounts represent sums falling due within one year to the OPFCC from various sources, together with bad debt provision and prepayments.

Total 31 March 2021 £000		OPFCC and Group	Total 31 March 2022 £000
2,124	Council Tax		2,229
573	System Debtors		1,462
9,236	Income Accruals		13,156
2,999	Prepayments		1,543
2,596	VAT		2,473
(102)	Bad Debt Adjustment		(134)
17,426	Total Debtors		20,729

Note 27 - Inventories

The following stocks were held as available for issue as at 31 March 2022:

Group	Vehicle Fuel		Operational		Uniforms		Total	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£000	£000
Balance outstanding at start of year	82	331	130	212	334	59	546	602
Purchases	331	186	212	141	59	278	602	605
Recognised as an expense in the year	(82)	(331)	(130)	(212)	(334)	(59)	(546)	(602)
Balance Outstanding at Year End	331	186	212	141	59	278	602	605

Each total represents both Group and OPFCC balances.



Note 28 – Provisions

An independent evaluation of the Insurance Provision as at 31 March 2022 has identified a requirement of £0.355m for future year's potential claims, an reduction of £1.373m, with a large proportion of this value being transferred into the Insurance Reserve.

OPFCC and Group	Insurance Provision	Total
2021/22	£000	£000
Opening Balance	(1,728)	(1,728)
Increase in provision during year	(355)	(355)
Utilised during year	1,728	1,728
Unused in Year	-	-
Closing Balance	(355)	(355)

OPFCC and Group	Insurance Provision	Total
2020/21	£000	£000
Opening Balance	(1,516)	(1,516)
Increase in provision during year	(1,728)	(1,728)
Utilised during year	1,516	1,516
Unused in Year	-	-
Closing Balance	(1,728)	(1,728)

The Insurance provision provides financial resources for Motor, Property, Public and Employers Liability claims. Costs outside of the known and expected provision will be met by the Force's legal revenue budget or reserves.

The main assumptions and methodologies are:

This report uses the Chain Ladder actuarial method for forecasting ultimate mature loss levels from the last available data point for a given risk and year. The Chain Ladder method has been applied to the progression of incurred losses, plotted at annual intervals. This assumes that the development profile of historic mature underwriting (policy) years will be repeated as the more immature years' run-off. However, in applying the development factors, any anomalies are first excluded before calculating average development factors. If the assumptions underlying the Chain Ladder method are not borne out then the future development of claims will differ from the predictions in this report, but we believe this forecasting method is robust, evidenced by the fact that it is used extensively by insurance companies.

The recommended fund injection for future losses is based on the projected ultimate claims under the Chain Ladder Method with a margin added for prudence.



Note 29 - Creditors

These amounts represent sums owed by the Group to various sources, together with receipts in advance.

31 March 2021		Creditors	31 March 2022	
OPFCC £000	Group £000		OPFCC £000	Group £000
(5,734)	(5,734)	System Creditors	(1,360)	(1,360)
(11,149)	(11,149)	Expenditure Accruals	(18,469)	(18,469)
(999)	(999)	Receipts in Advance	(1,392)	(1,392)
(4,589)	(4,589)	Goods Received Not Invoiced	(721)	(721)
(313)	(2,427)	Payroll Creditors	(560)	(2,896)
(22,784)	(24,898)	Total Creditors	(22,502)	(24,838)

Note 30 - Capitalisation of Borrowing Costs

The OPFCC elected not to capitalise its new borrowing costs.

Note 31 - Contingent Liabilities

Insurance

The professional opinion of the Group insurance consultants, Gallacher Heath, suggested the OPFCC do not have any contingent liabilities resulting from our insurance portfolio for 2021/22.

Note 32 - Contingent Assets

The OPFCC have no contingent assets for 2021/22.

Note 33 - Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements, which includes £1.178m within Note 40:

2020/21			2021/22	
OPFCC £000	Group £000		OPFCC £000	Group £000
6,905	6,905	Cash and Bank Balances	10,504	10,504
6,905	6,905	Total	10,504	10,504



Note 34 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2020/21		2021/22	
OPFCC	Group	OPFCC	Group
£000	£000	£000	£000
-	(19)	-	(2)
332	332	267	267
332	313	267	265
	Total		

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2020/21		2021/22	
OPFCC	Group	OPFCC	Group
£000	£000	£000	£000
6,260	6,260	10,460	10,460
0	0	-	-
(741)	(741)	(716)	(716)
63	63	282	60
2,015	2,015	3,303	3,303
56	56	2	2
(218)	(37,829)	(1,236)	(49,875)
(351)	(351)	(27,733)	(27,733)
(205)	(205)	1,722	1,722
6,879	(30,732)	(13,916)	(62,777)
	Total		

Note 35 - Cash Flow from Investing Activities

The cash flows for investing activities include the following items:

2020/21		2021/22	
OPFCC	Group	OPFCC	Group
£000	£000	£000	£000
(369)	(369)	-	-
-	-	-	-
(2,500)	(2,500)	(10,000)	(10,000)
(2,869)	(2,869)	(10,000)	(10,000)
	Net cash flows from investing activities		



Note 36 - Termination Benefits

Exit Package Cost Band (including Special Payments)	Number of Compulsory Redundancies				Number of Other Departures Agreed				Total Number of Exit Packages by Cost Band				Total cost of Exit Packages in each Band			
	2020/21		2021/22		2020/21		2021/22		2020/21		2021/22		2020/21		2021/22	
	OPFCC FTE	Group FTE	OPFCC FTE	Group FTE	OPFCC FTE	Group FTE	OPFCC FTE	Group FTE	OPFCC FTE	Group FTE	OPFCC FTE	Group FTE	OPFCC £000	Group £000	OPFCC £000	Group £000
£0 - £20,000	-	1	-	-	-	1	-	-	-	2	-	-	-	22	-	-
£20,001 - £40,000	1	1	1	1	-	2	-	1	1	3	1	2	28	77	26	52
£60,001 - £80,000	-	-	-	-	-	-	-	1	-	-	-	1	-	-	-	70
£160,001 - £180,000	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	179
Total	1	2	1	2	-	3	-	2	1	5	1	4	28	99	26	301

Note 37 - Pension Schemes Accounted for as Defined Contribution Schemes

a) Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the OPFCC offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the OPFCC has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Group participates in pension schemes for both Police Staff and Police Officers, as follows:

- The Local Government Pension Scheme for police staff; this is administered by Northamptonshire County Council. This is a funded scheme, meaning that the OPFCC, OCC and Voice for Victims and Witnesses employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The Actuary to the fund is Hymans Robertson LLP. These schemes are all pooled under one LGPS pension group.
- The Police Pension Scheme for police officers, which includes the following pension schemes; the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and Police Pension Scheme 2015 (PPS). All schemes are administered by XPS on behalf of the OPFCC. These are unfunded, meaning that there are no investment assets built-up to meet the pension's liabilities, and cash has to be generated to meet actual pension's payments as they eventually fall due. These are defined benefit schemes (lump sum payments and periodic pension). New funding arrangements commenced on 1 April 2006 that required a police pension fund account to be created. This account is credited with employer contributions, and any shortfall over retirements benefits paid is met by a contribution by the OPFCC. However, the OPFCC's contribution is met by Home Office Pensions Top Up Grant. If there is a surplus, it is paid to the OPFCC in the first instance before being recouped by the Home Office. The levels of pension contribution rates are set nationally by the Home Office, following a review by the Government Actuary's Department (GAD).

(b) Transactions Relating to Retirement Benefits

Under IAS 19, the cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Account when employees earn them, rather than when the benefits are actually paid as pensions. However, the charge that is required to be made against the precept is based on the cash payable in the year, by reversing the real cost of retirement benefits out of the Statement of Movement in Reserves in the General Fund Balance.



Pensions liabilities and future considerations

The current service costs contained in the table, below, are within the following values contained within the Comprehensive Income and Expenditure Statement.

- Local Government Pension Scheme; within Police Staff Pay and Allowances.
- Police Pension Scheme; within Police Officer Pay and Allowances

Group Pensions Revenue Items

Comprehensive Income and Expenditure	Local Government Pension Scheme				Police Pension Scheme		TOTAL			
	2020/21		2021/22		2020/21	2021/22	2020/21		2021/22	
	OPFCC £000	Group £000	OPFCC £000	Group £000	Group £000	Group £000	OPFCC £000	Group £000	OPFCC £000	Group £000
Net Cost of Services										
Current service cost	(499)	(9,145)	(767)	(15,548)	(31,420)	(38,450)	(499)	(40,565)	(767)	(53,998)
Unfunded	0	0	0	0	0	0	0	0	0	0
Past service cost	0	(1)	0	(174)	(170)	(180)	0	(171)	0	(354)
Net Operating Expenditure										
Interest Costs**	(131)	(5,229)	(190)	(6,559)	(29,300)	(27,980)	(131)	(34,529)	(190)	(34,539)
Expected return on employers assets**	90	3,517	110	4,054	0	0	90	3,517	110	4,054
Net Charge to the Income and Expenditure Account	(540)	(10,858)	(847)	(18,227)	(60,890)	(66,610)	(540)	(71,748)	(847)	(84,837)
Movement in Reserves										
Movement on Pensions Reserve (Reversal of net charges made for retirement benefits in accordance with IAS 19)	(2,017)	(44,640)	(749)	(25,108)	(94,300)	(26,180)	(2,017)	(138,940)	(749)	(51,288)
Actual amount charged against Council Tax (General Fund Balance) for pensions										
Contributions to the Scheme	320	6,287	307	6,339	8,432	(21,618)	320	14,719	307	(15,279)
Additional Contributions to the Pension Fund					12,684	13,951				

** The net of interest costs and return on assets reconciles to the amount included within financing and investment income and expenditure on the face of the CIES

In addition to the recognised gains and losses included in the CIES, actuarial gain of £64.5m (loss of £101m in 2020/21) were included within other Comprehensive Income & Expenditure.

The estimated 2021/22 pension scheme contributions are £128m for the Police Pension Scheme and £5.38m for the Local Government Pension Scheme.

In accordance with the Code of Practice and the Police Service Expenditure Analysis the items within the table above are credited / debited to the CIES in the following ways:



- Current Service Costs & Employers contributions to the scheme and additional contributions to the Police Pensions Fund Account are all apportioned across the Local Policing to National Policing headings by officer numbers; and
- Past Service Costs are wholly included within the heading Non-Distributed Costs;
- Interest Costs and Expected Return on Employers Assets are included within Financing & Investment Income & Expenditure.

Defined Benefit Pension Schemes

Assets and Liabilities in relation to Retirement Benefits

Reconciliation of the Present Value of the Schemes Liabilities:

	Funded Liabilities Local Government Pension Scheme				Unfunded Liabilities Police Pension Scheme	
	OPFCC	Group	OPFCC	Group	Group	Group
	31 Mar 21 £000	31 Mar 21 £000	31 Mar 22 £000	31 Mar 22 £000	31 Mar 21 £000	31 Mar 22 £000
Opening Defined Benefit Obligation 1st April	(5,396)	(224,631)	(8,874)	(314,041)	(1,300,250)	(1,394,550)
Current Service Cost (net up for employee contributions)	(499)	(9,145)	(767)	(15,548)	(31,420)	(38,450)
Interest Cost	(131)	(5,229)	(190)	(6,559)	(29,300)	(27,980)
Contributions by Scheme Participants	(121)	(1,841)	(113)	(2,010)	(6,170)	(6,500)
Actuarial (Gains)/ Losses	(2,753)	(77,640)	1,010	27,071	(61,040)	11,110
Past Service (Costs)/ Gains	0	(1)	0	(174)	(170)	(180)
(Losses)/ Gains on Curtailments			12	415	0	0
Transfers in	0	0	0	0	0	0
Estimated Unfunded Benefits Paid		3		3	0	0
Estimated Benefits Paid	26	4,443	38	4,518	33,800	35,820
Closing Defined Benefit Obligation 31st March	(8,874)	(314,041)	(8,884)	(306,325)	(1,394,550)	(1,420,730)



Reconciliation of the Fair Value of the Schemes Assets

Pension Asset – Local Government Pension Scheme Only:

	OPFCC 31 Mar 21 £000	Group 31 Mar 21 £000	OPFCC 31 Mar 22 £000	Group 31 Mar 22 £000
Pensions Asset 1st April	3,697	151,196	5,158	195,966
Expected Return on Assets	90	3,517	110	4,054
Contributions by Members	121	1,841	113	2,010
Employers Contributions (Incl Injuries) - excluding Top-Up Grant	320	6,284	307	6,336
Pension Fund Asset Split (Group to Single Entity)	0	0	(181)	(181)
Contributions in Respect of Unfunded Benefits	0	(3)	0	(3)
Actuarial Gains	956	37,571	267	9,913
Estimated Unfunded Benefits paid	0	3	0	3
Estimated Benefits Paid	(26)	(4,443)	(38)	(4,518)
Fair Value of Pensions Asset 31 March	5,158	195,966	5,736	213,580

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying 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 estimated return on scheme assets in the year was £4.054m (£3.517m in 2021/22).

The OPFCC's total pension liability of £1,513.475m reconciles to the Unusable Reserves within the Balance Sheet of £1,466.621m, by adding back the figures within the Movement in Reserves Statement of the Capital Adjustment Account, the Collection Fund Adjustment Account, the Revaluation Reserve, to the Unusable Reserves total and then subtracting the Employee Benefit Reserve (Note 17).

The OPFCC did not elect to restate fair value of scheme assets for 2005/06 as permitted by IAS 19.

The liabilities show the underlying commitments that the OPFCC has in the long run to pay retirement benefits. The total liability has a substantial impact on the net worth of the OPFCC as recorded in the balance sheet, resulting in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of the OPFCC remains healthy.

- Local Government Pension Scheme (LGPS)
The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
- Police Pension Schemes
Finance is only required to be raised to cover police pensions when the pensions are actually paid. Any deficit on the Pensions Fund Account for the year is funded by the OPFCC with Home Office Top-Up Grant payable to cover the OPFCC's contribution

Basis for Estimating Assets and Liabilities



Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Pension Scheme liabilities are assessed by the Government Actuary's Department (GAD) and the Local Government Pension Scheme by Hymans Robertson LLP, an independent firm of actuaries. The main assumptions used in their calculations are as follows. Assumptions are the same for both OPFCC & Group:

	2020/21	2021/22	2020/21	2021/22
	Local Government Pension Scheme		Police Pension Scheme	
	%	%	%	%
Expected Return on Assets				
Investments	26.9	7.1	n/a	n/a
Mortality Assumptions	yrs	yrs	yrs	yrs
Longevity at 65 for current pensioners				
Men	21.70	21.70	21.90	22.10
Women	24.10	24.00	23.60	23.80
Longevity at 65 for future pensioners				
Men	22.80	22.70	23.60	23.80
Women	25.80	25.80	25.20	25.40
Financial Assumptions	%	%	%	%
Rate of Inflation	2.80	3.15	2.40	3.00
Rate of Increase in Salaries	3.30	3.65	4.15	4.75
Expected Return on Assets	5.00	5.00	n/a	n/a
Rate for Discounting Scheme Liabilities (Gross)	2.05	2.75	2.00	2.65
Rate of Revaluation for CARE Pensions	n/a	n/a	3.65	4.25
Take up Option to Convert annual Pension into retirement Lump Sum	50	50	n/a	n/a

Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries, we have assumed that 50% of employees retiring after 6 April 2006 will take advantage of this change to the pension scheme. Our actuaries have advised that this will reduce the value of the OPFCC's pension liabilities and this has been included within Non-Distributed Costs on the face of the Income and Expenditure Account.



The Police Pension Scheme has no assets to cover its liabilities. Assets in the Local Government Pension Fund are valued at fair value, principally market value for investment, and consist of the following categories by proportion of the total assets held by the Fund:

31 Mar 21	Description	31 Mar 22
%		%
0	Debt Securities	10
0	Private Equity	4
81	Equity Investments	63
10	Bonds	9
7	Property	7
0	Infrastructure	6
2	Cash and Liquidity	1
100	Total	100

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Note 38 - Defined Benefit Pension Scheme

Police Pension Fund Account

This statement shows movements of funds related to police officer pensions. The Group and OCC are required to operate a Police Officer Pension Fund from 1 April 2006, under the Police Pension Fund Regulations 2008. The regulations specify the transactions that are paid into and out of the fund.

The Pensions Fund combines the accounting transaction of four pension schemes. These are the Police Pensions Scheme which was set up in 1987, 2006 Police Pensions Scheme, which was created under the Police Pension Regulations 2006, which applies to new recruits from 1 April 2006 and the 2015 Police Pension Scheme, which was created on 1 April 2015 and involved transfers in from the 1987 and 2006 schemes, based on length of service. The fourth scheme is the injury award scheme.

Following the Sargeant and McCloud High Court ruling to ensure that there is no further possibility of age discrimination within the pension arrangements, from 1st April 2012 all members will be moved to the 2015 scheme.

The Police Officer Pension Schemes are unfunded, which means there are no investment assets. Under these arrangements the Pension Fund Revenue Account balances to nil at the year-end by receiving a grant directly from the Home Office under the Top Up Grant arrangements. There are certain exceptions to these arrangements such as injury awards, which will continue to be charged directly to the CC's and Group's Income and Expenditure Account.

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		Police Pension Scheme	
		2020/21	2021/22
Contributions Receivable			
Group			
From Employer			
	Normal	(14,263)	(15,110)
From Members			
	Early Retirements	(6,176)	(6,508)
Transfers In			
Individual Transfers in from other schemes			
		(163)	0
Benefits Payable			
Pensions			
		26,648	29,960
Commutations and lump sums retirement benefits			
		6,638	5,174
Other			
		0	241
Payments to and on account of leavers			
Refunds of Contributions			
		0	0
Individual Transfer Out from other schemes			
		0	194
Account to meet deficit/amount to the local policing body/Policing Operating Account in respect of the surplus for the year.			
		0	0
Sub-total for the year before transfer from CC of an amount equal		12,684	13,951
Additional funding payable by the CC to fund the deficit for the year			
		N/A	N/A
Net amount payable/receivable for the year		0	0

Details of the long-term pension obligation can be found within Note 17.

Net Asset Statement

There were no unpaid pensions due or recoverable overpayments of pensions as at 31 March 2022.



Notes to the Police Pension Fund Account

A. Employer and Officer Contributions to the Pension Fund

These are based on percentages of pensionable pay set nationally by the Home Office and subject to a three yearly review by the Government's Actuary's Department. The current percentages of pensionable pay are:

Employer Contributions:	2021/22	31.0%
	2020/21	31.0%

Contributions by Police Officers:

Contributions by Police Officers			
	1987	2006	2015
Tier 1	14.25%	11.00%	12.44%
Tier 2	14.25%	12.05%	13.44%
Tier 3	15.05%	12.75%	13.78%

B. Transfer Values

These are received or paid in respect of officers changing employer and taking or bringing their accrued pension benefits with them.

C. Pensions Fund Liabilities

The Pension Fund does not take account of liabilities to pay pensions and other benefits after the period end. There are no IAS19 adjustments in this statement; they are part of the Group and CC Core Financial Statements and can be referred to in notes 37 to 38.

D. Accounting Policies

Accounting Policies conform to those in the Statement of Accounts.

E. Home Office Pensions Top-Up Grant

The Home Office Grant is received by the Group and CC to cover the Group and CC's deficit contribution to the Pension Fund Account. On the other hand, if the Pension Fund Account was in surplus, resulting in a contribution being made to the Group and CC, an equivalent amount is recouped by the Home Office.

The funding arrangements for the police pension scheme in England and Wales changed on 1 April 2006. Before then the scheme did not have a percentage of pensionable pay type of employer's contribution; rather each OPFCC was responsible for paying pensions on a pay-as-you-go basis.

Under the current arrangements the scheme remains unfunded but is no longer on a pay-as-you-go basis as far as individual Police Officers are concerned. The Group and CC's no longer meet the pension liability directly. Instead, the Force pays an employer's contribution based on a percentage of pay into the Pension Fund. Each OPFCC is required by legislation to operate a pension fund and the amounts that must be paid into and paid out of the pension fund are specified by regulation.

At the end of the financial year the pension fund is balanced to nil by a financial transfer from or to the police fund, made by the Secretary of State. Any payment from or to the Secretary of State in relation to the transfer is paid into or out of the police fund.



Note 39 - Financial Instruments

Northamptonshire Police has implemented a seven-step approach to considering financial instruments, as illustrated in the recommended practice, and has updated its accounting policies in recognition of the introduction of the three new reporting standards. The OPFCC is satisfied that it has no premiums or discounts for early settlement attached to its debt arrangements, no overhanging premiums or discounts, no unrecognised financial guarantees and no contracts to forward purchase financial assets. The OPFCC has reviewed its contractual arrangements and it has no contracts that could be classified as derivatives.

The OPFCC has reconsidered its treatment of its managed portfolio of investments following clarification of the recommended practice and consultation with its fund managers. The investments are considered to be part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. They are, therefore, held for trading and treated as Fair Value through Profit and Loss. The managed portfolio funds have been recalled during the year into the OPFCC bank accounts for internal borrowing purposes.

The OPFCC has the following financial instruments held in its balance sheet as at 31 March 2022:

OPFCC & Group	2020/21		2021/22	
	£000 Long Term	£000 Current	£000 Long Term	£000 Current
Financial Liabilities				
Amortised Cost				
Borrowing	13,300	-	23,300	-
Fair Value through Profit and Loss				
Borrowing				
Creditors		23,596		20,727
Amortised Cost				
Financial Assets				
Fair Value through Profit and Loss				
Loans and Receivables				
Debtors and Prepayments		16,543		19,608
Cash in Hand				
Money Market Investments		10,677		-
Joint Venture Cash Balance		1,080		1,178

Gains on Financial Assets at Fair Value through the CIES were £0.0m during 2021/2022.

The OPFCC manages its debt portfolio through a combination of short (between 1 and 5 years) and long term (five years plus) borrowing, in order to manage its liability to interest and repayment costs. All of the borrowings as at 31 March 2022 are held by the Public Works Loans Board and, therefore, represents negligible risk to default of the debt holder. As approved within the OPFCC's Treasury Management Strategy, the authorised limit for the fixed and variable debts is £31.5m.



Group Income, Expense, Gains and Losses Statement

	2020/21		2021/22	
	Assets and Liabilities at Fair Value through Profit and Loss	Total	Assets and Liabilities at Fair Value through Profit and Loss	Total
	£000	£000	£000	£000
Interest expense	332	332	267	267
Total expense in Surplus or Deficit on the Provision of Services	332	332	267	267
Interest income	(19)	(19)	(2)	(2)
Total income in Surplus or Deficit on the Provision of Services	313	313	265	265
Surplus/deficit arising on revaluation of financial assets in Other CIES	351	351	-	-
Net gain/(loss) for the year	664	664	265	265

Fair Values of Assets and Liabilities

Financial liabilities, 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:

- Estimated interest rates at 31 March 2022 for loans through PWLB are between 1.80% and 4.875%, based on new lending rates for equivalent loans at that date.
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount less cost of collection by third party agency if applicable.

The carrying value of the liabilities is lower than the fair value amount because the portfolio of loans includes a number of fixed rate loans from the Public Works Loan Board (PWLB) where the interest rate payable is lower than the prevailing rates at the Balance Sheet date.

	2020/21		2021/22	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Loans	13,300	12,987	23,300	22,752



Available for sale assets, and assets and liabilities at fair value through profit or loss are carried in the Balance Sheet at their fair value. These fair values are based on public price quotations where there is an active market for the instrument.

Long term assets are held at face value as a reflection of a fair approximation of fair value as at 31 March 2022.

Short term investments and cash and cash equivalents, short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Interest rate exposure – the maximum percentage of borrowing at Fixed and Variable Rates

	2020/21	2021/22
Fixed Rate – maximum limit	100%	100%
Variable Rate – maximum limit	100%	100%

Liquidity Risk

Liquidity risk is the possibility that the OPFCC might not have funds to meet its commitments to make payments.

The OPFCC manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the Treasury and Investment Strategies reports), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

The OPFCC has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and whilst the Public Works Loan Board (PWLB) provides access to longer term funds, it also acts as a lender of last resort to OPFCC's (although it will not provide funding to an OPFCC whose actions is unlawful). The OPFCC is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is, therefore, no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity profile of loans raised is spread over a period of up to 38 years, to mitigate the risk of encountering difficulties in raising liquidity on favourable terms in any one year. The team monitor the maturity profile and amend it accordingly through either new borrowing or the rescheduling of the existing debt.

The maturity analysis of financial liabilities is as follows (NB this reflects loan principal, but not accrued interest):

Amount of fixed rate borrowing maturing in each period as a percentage of total fixed rate borrowing – prudential limits

Period	Upper Limit	Actual 2020/21	Lower Limit
Under 12 months	0%	0%	0%
12 months to 10 years	66%	54.51%	0%
10 years and above	95%	45.49%	0%



Credit risk is the possibility that other parties might fail to pay amounts due to the OPFCC.

Whilst the recent credit crisis in international markets has raised the overall possibility of default, the OPFCC maintains strict credit criteria for investment counterparties. No breaches of the OPFCC's counterparty criteria occurred during the reporting period and the OPFCC does not expect any losses from non-performance by any of its counterparties in relation to deposits.

In accordance with the Prudential Code, and as a result of the credit crisis, in order to minimise the OPFCC's risk to investments, the Treasury Management Strategy sets the limits to which principals are invested for greater than one year. However, the OPFCC is within these limits as no investment was greater than 364 days as at 31 March in either 2021/22 or 2020/21.

Money Market Investments are made with a spread of periods, from overnight to one year, using the creditworthiness service provided by Sector. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard & Poors - forming the core element. The minimum credit rating criteria for investment counterparties is Short Term F1, Long Term A, Support C and Individual 3 (Fitch or equivalent rating) with the lowest available rating being applied to the criteria. The OPFCC only invests in highly rated bodies, which hold smaller risk levels than some higher yield institutes. The maximum risk the OPFCC held in one institute within 2021/22 was £5m.

The managed portfolio is designed to achieve greater results than the OPFCC normally can achieve using standard investment strategies. The managed portfolio ensures a spread of investments and analysis to ensure appropriate limitation of risks, utilising;

5/10/40 rule – Good diversification

This refers to counterparty exposure and implies 40% of the fund can hold between 5%-10% in any one issuer, the balance (60%), must be below 5% in any one issuer, ensuring a good spread of risk.

Developed major government bonds – Seeking higher yielding assets

This offers potential exposure to other higher yielding sovereign governments, eg. Australia or New Zealand, where interest rates have already risen. These would be hedged back into Sterling with no currency exposure.

Short positions using derivatives

This is the ability to sell a market first, with a view to buying the asset back at a future date. This strategy would involve the use of highly liquid and commonly used derivatives, known as financial futures contracts, of the major developed markets. The Target Return Fund has further aspects including:

Corporate Bond Exposure

Strong diversification characteristics, typically no more than 1% will be held in any one corporate bond issuer for investment grade credits (BBB rated or better). For high yield corporate bonds, the issuer limit is less than 0.5%.

Emerging Market Sovereign Debt

Generally, no more than 2% is held in any one emerging market issuer eg. Brazil, Mexico, Turkey or Malaysia. Relative value strategies imply the fund would be short one market relative to another, thus reducing the overall risk to the sector.

Foreign Exchange

This is the active management of currency exposure.



The organisations maximum exposure to credit risk in relation to its investments in banks and building societies of £10.661m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all the organisation’s deposits, but there was no evidence at the 31 March 2022 that this was likely to crystallise.

Summary

The model has far greater exposure to AAA assets, which equates to the most secure Investments available on the market. Whilst it also has exposure to lower credit quality, which represents a potential risk, the positions would be very small and well diversified.

Debtors and Prepayments

Customers for the OPFCC’s goods and services are assessed for their ability to pay in accordance with parameters set by the OPFCC. The OPFCC does not allow credit for its trade debtors beyond the standard 30-day period and makes prudent financial provision for bad debts based on an assessment of each type of debt and the age of those debts.

Outstanding invoices can be analysed by age as follows:

Age of Trade Debts	2020/21 £000	2021/22 £000
0-14 Days	174	759
15-30 Days	332	153
31-60 Days	270	180
61-90 Days	8	2
91+ Days	269	368
Total	1,053	1,462

Whilst reviewing its debtor portfolio the OPFCC has provided against £0.134m within 2021/22 and £0.102m in 2020/21.

Cash In Hand

The OPFCC’s cash-in-hand position of £0.004m within 2021/22 and £0.004m at 2020/21 is as a result of the tight financial controls and positive cash management strategy in place. This deposit is held with a well-recognised financial institution with a high credit rating. The levels of risk are, therefore, negligible. However, the maximum level of risk would be the full cash-in-hand balance, which is monitored on a daily basis to maintain it is less than £100k at any given point, which would, therefore, represent the maximum liability faced by the OPFCC.

Interest rate risk

The OPFCC is exposed to interest rate movements on its borrowings which have a complex impact on the OPFCC, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Income and Expenditure Account would rise;
- Borrowings at fixed rates – the fair value of the borrowing would fall.



The OPFCC currently has no variable rate borrowings; therefore, changes in interest rates will have no impact on the carrying value of the OPFCC's borrowings.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement.

Price risk

The OPFCC, excluding the pension fund, does not invest in equity shares or marketable bonds.

Foreign exchange risk

The OPFCC has no financial assets or liabilities denominated in foreign currencies. It, therefore, has no exposure to loss arising from movements in exchange rates.

Nature and Extent of Risks Arising from Financial Instruments

Financial Liabilities

Financial liabilities are carried in the Balance Sheet at amortised cost. The OPFCC has carefully considered the nature of its borrowing activities in relation to the recommended practice. It is recommended that annual charges to the Income and Expenditure Account for interest payable be based on the carrying amount of the liability multiplied by the effective interest rate of the instrument. The OPFCC has fixed rate loans and some variable rate loans:

- For the fixed rate instruments, it is clear that the nominal interest rate (the coupon rate on the debt security) would be the same as the effective interest rate, as there are no premiums or discounts, and the instrument carries the same interest rate for the whole term.
- For the variable rate instruments, this would also be the case as again there are no premiums or discounts, or transaction costs included in the initial carrying amount.

Financial Assets

The fair value has been assessed as being the same as the carrying value due to the investments being short-term in nature, and the portfolio of investments are valued at market value (bid price).

Gains and Losses from Financial Assets and Liabilities

Gains and Losses on assets and liabilities are clearly shown in the Comprehensive Income and Expenditure Statement. Interest on Investments of £0.00m was earned during the year, and interest on loans of £0.267m was paid out.

Credit Risk Exposure

This is the risk that one party to a financial instrument will fail to meet their contractual obligations, causing a loss for the other party. Exposure to this risk is managed through the OPFCC's Treasury Management Strategy. The OPFCC only invests in approved institutions with secure credit ratings; there are also limits in place as to how much can be invested with counterparties.

Treasury Management Policy

The Treasury Management Strategy requires that the OPFCC monitors the credit ratings of the institutions it invests in on a regular basis to reduce credit risk exposure from both new and existing investments.



Liquidity Risk Exposure

The organisation has a comprehensive cash flow management system that seeks to ensure that cash is available as needed.

This is the risk that a party will be unable to raise funds to meet its commitments associated with financial instruments. As the OPFCC currently has ready access to borrowings from the Public Works Loan Board (PWLB), there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the OPFCC will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The financial liabilities, however, do mature at different times.

Market Risk Exposure

This is the risk that the value of an instrument will fluctuate because of changes in interest rates, market prices or foreign currency exchange rates. The OPFCC has limited risk. PWLB interest rates are a mix of fixed and variable rates. Investments are only temporarily invested (less than a year). The OPFCC does not invest in equity shares and has no financial assets or liabilities in foreign currencies.

The organisation has a Treasury Management policy and number of strategies for managing interest rate risk. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses. The risk of loss is reduced by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the organisations cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget monthly during the year. This allows any adverse changes to be accommodated and the analysis will also advise whether new borrowings taken out are fixed or variable.

2020/21 £000	2021/22 £000
0 Not more than 2 years	0
0 More than 2 years less than 5 years	700
12,700 More than 5 years less than 10 years	12,000
600 More than 10 years	10,600
13,300 Total Long Term Borrowing	23,300

A significant proportion of the OPFCC long-term borrowing matures between 5 to 50 years and the remainder after 2 years.



Note 40 - Joint Operations & Associate Entities

Joint Operations and Associate entities balances (below) are brought together and then amalgamated into the Group Accounts through all main statements

Joint Operations

The OPFCC's share of Joint Operations is as follows:

2020/21					2021/22				
Net Op Exp	Income	Surplus/ (Deficit)	Ownership	Arrangement	Ownership	Net Op Exp	Income	Surplus/ (Deficit)	
£000	£000	£000	%		%	£000	£000	£000	
289	(286)	3	14.80%	EM Legal Services	14.80%	278	(276)	2	
267	(267)	-	50.00%	EM Strategic Commercial Unit	0.00%	-	-	-	
127	(128)	(1)	14.80%	EM Major Crime	14.80%	114	(112)	2	
4,009	(4,004)	5	14.80%	EM Serious Organised Crime	14.80%	4,196	(4,176)	20	
124	(127)	(3)	18.90%	EM Criminal Justice	18.90%	90	(90)	-	
-	-	-	29.20%	EM Operational Support Services	29.20%	-	-	-	
291	(288)	3	14.80%	EM Occupational Health Unit	14.80%	308	(311)	(3)	
1,418	(1,513)	(95)	14.80%	EM Forensics	14.80%	1,500	(1,483)	17	
298	(297)	1	17.11%	EM Learning & Development	17.11%	237	(235)	2	
1,604	(1,604)	-	22.12%	Multi-Force Shared Services	22.12%	1,599	(1,599)	-	
263	(226)	37	50.00%	Mint	50.00%	452	(373)	79	
69	-	69	16.10%	ESN	16.10%	69	(1)	68	
310	(317)	(7)	29.20%	SOT	29.20%	359	(364)	(5)	
9,069	(9,057)	12	Total			9,202	(9,020)	182	

Associate Entities

The OPFCC's share of Associate Entities is as follows:

Voice for Victims and Witnesses (only)

2020/21					2021/22				
Net Op Exp	Income	Surplus/ (Deficit)	Ownership	Voice for Victims and Witnesses	Ownership	Net Op Exp	Income	Surplus/ (Deficit)	
£000	£000	£000	%		%	£000	£000	£000	
1,809	(1,814)	(5)	100.00%	Cost of Services	100.00%	2,006	(2,004)	2	
-	-	-		Remeasurement of the net defined benefit liability / asset					
1,809	(1,814)	(5)		Total Comprehensive Income & Expenditure		2,006	(2,004)	2	
		5		MIRS - CIES to Unusable Reserve				(2)	
		34		Balance Sheet - Debtors				20	
		(73)		Balance Sheet - Creditors				(244)	
		38		Balance Sheet - Cash and Cash Equivalents				224	
		193		Balance Sheet - Pension Liability				541	
		193		Net Assets				541	
		(193)		Balance Sheet - Pension Reserve				(541)	
		(193)		Net Reserves				(541)	



Joint Operations – Movement in Reserves

2021/22	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2021	(570)	-	(570)	(1,285)	(1,855)
Movement in reserves during 2021/22					
Surplus or deficit on the provision of services	184	-	184	349	533
Other Comprehensive Income / Expenditure	-	-	-	-	-
Total Comprehensive Income and Expenditure	184	-	184	349	533
Adjustments between accounting basis and funding basis under regulations (Note 6)	(33)	-	(33)	33	-
Net Increase or Decrease before Transfers to Earmarked Reserves	151	-	151	382	533
Transfers to / from Earmarked Reserves	-	-	-	-	-
Increase or Decrease in 2021/22	151	-	151	382	533
Balance at 31 March 2022	(419)	-	(419)	(903)	(1,322)

2020/21	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2020	-	(617)	(617)	(1,240)	(1,857)
Movement in reserves during 2020/21					
(Surplus) or deficit on the provision of services	7	-	7	-	7
Other Comprehensive Income / Expenditure	-	-	-	(5)	(5)
Total Comprehensive Income and Expenditure	7	-	7	(5)	2
Adjustments between accounting basis and funding basis under regulations (Note 6)	40	-	40	(40)	-
Net Increase or Decrease before Transfers to Earmarked Reserves	47	-	47	(45)	2
Transfers to / from Earmarked Reserves	(47)	47	-	-	-
Increase or Decrease in 2020/21	-	47	47	(45)	2
Balance at 31 March 2021	-	(570)	(570)	(1,285)	(1,855)

Joint Operations – Comprehensive Income and Expenditure Statement

2020/21			Joint Ventures	2021/22		
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
10,878	(10,866)	12	Policing Services	11,208	(11,024)	184
10,878	(10,866)	12	Cost of Services	11,208	(11,024)	184
-	-	-	- Other Operating Expenditure	-	-	-
-	-	-	- Financing and Investment Income and Expenditure	-	-	-
-	-	-	- Taxation and Non-Specific Grant Income	-	-	-
10,878	(10,866)	12	Surplus or Deficit on Provision of Services	11,208	(11,024)	184
			(5) Surplus or Deficit on Revaluation of Non-Current Assets			349
			Actuarial Gains/Losses on Pension Schemes			
			(5) Other Comprehensive Income and Expenditure			349
			7 Total Comprehensive Income and Expenditure			533



Joint Operations – Balance Sheet

31 Mar 21 £000	Note	31 Mar 22 £000
1,573 Property, Plant and Equipment	18	1,528
14 Intangible Assets	23	11
- Long Term Investments		-
1,587 Long Term Assets		1,539
- Short-term Investments		-
- Assets Held for Sale	20	-
- Inventories	27	-
883 Short Term Debtors	26	1,121
1,080 Cash and Cash Equivalents	33	1,178
1,963 Current Assets		2,299
(1,502) Short Term Creditors	29	(1,975)
- Short-term Borrowing	39	-
- Provisions	28	-
(1,502) Current Liabilities		(1,975)
- Long Term Borrowing	39	-
(193) Other Long Term Liabilities	37	(541)
(193) Long Term Liabilities		(541)
1,855 Net Assets		1,322
(570) Usable Reserves	16	(419)
(1,285) Unusable Reserves	17	(903)
(1,855) Total Reserves		(1,322)



Note 41 - Accounting Standards Issued, Not Adopted

Under The Code of Practice on Local Authority Accounting disclosure of the impact of accounting standards issued but not yet adopted is required. Following a review of the relevant standards it has been determined that there would be no material changes to the accounts if these were to have been adopted. The relevant standards being introduced for 2021/22 are:

- IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

There are therefore no Accounting Standards that have been issued but not yet adopted that need to be disclosed in the 2021/22 Statement of Accounts.

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Note 42 - Restatements

Whilst the audit of 2020/21 has not yet been concluded, there has been an adjustment to the Fixed Asset note as a result of an incorrect statement of balances between headings. This is the only adjustment to bought forward balances within the draft accounts. Therefore, all restatements are below and reflected in Note 18.

Movements to 31 March 2022	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation at 1 April 2021	55,414	16,960	6,691	79,065
Additions				0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	11,400			11,400
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	350			350
Derecognition – disposals	(4,094)			(4,094)
Reclassifications and transfers				0
Reclassifications to Assets Held for Sale				0
at 31 March 2022	63,070	16,960	6,691	86,721
Accumulated Depreciation and Impairment at 1 April 2021	(2,966)	(11,672)	0	(14,638)
Depreciation charge				(1,396)
Depreciation Eliminated on Revaluation	(1,396)			0
Reversal of Depreciation on transfer to AHFS				0
Derecognition – disposals				0
at 31 March 2022	(4,362)	(11,672)	0	(16,034)
Net Book Value at 31 March 2022	58,708	5,288	6,691	70,687
at 31 March 2021	52,448	5,288	6,691	64,427

Movements to 31 March 2021	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation at 1 April 2020	55,414	16,960	6,691	79,065
Additions				17,269
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,552	5,506	10,211	17,269
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	350	-	-	350
Derecognition – disposals	(4,094)	-	-	(4,094)
Reclassifications and transfers	-	(2,850)	-	(2,850)
Reclassifications to Assets Held for Sale	-	63	(63)	-
at 31 March 2021	53,222	19,679	16,839	89,740
Accumulated Depreciation and Impairment at 1 April 2020	(2,966)	(11,672)	-	(14,638)
Depreciation charge				(4,415)
Depreciation written out to the Revaluation Reserve	(1,396)	(3,019)	-	(4,415)
Reversal of Depreciation on transfer to AHFS	-	-	-	-
Derecognition – disposals	-	-	-	-
at 31 March 2021	(4,362)	(14,691)	-	(19,053)
Net Book Value at 31 March 2021	48,860	4,988	16,839	70,687
at 31 March 2020	52,448	5,288	6,691	64,427

Movements to 31 March 2022	Land & Buildings £000	Vehicles, Plant, & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation at 1 April 2021	(0)	0	0	(0)
Additions				0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	9,848	(5,506)	(10,211)	(5,869)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0
Derecognition – disposals	0	0	0	0
Reclassifications and transfers	0	2,850	0	2,850
Reclassifications to Assets Held for Sale	0	(63)	63	0
at 31 March 2022	9,848	(2,719)	(10,148)	(3,019)
Accumulated Depreciation and Impairment at 1 April 2021	0	0	0	0
Depreciation charge				(1,396)
Depreciation Eliminated on Revaluation	(1,396)	0	0	0
Reversal of Depreciation on transfer to AHFS	1,396	3,019	0	4,415
Derecognition – disposals	0	0	0	0
at 31 March 2022	0	3,019	0	3,019
Net Book Value at 31 March 2022	9,848	300	(10,148)	(0)
at 31 March 2021	(0)	0	0	(0)



ACCOUNTING POLICIES

1) Introduction

The financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2011. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). Any exceptions are disclosed below.

In applying the accounting policies, we have had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Influences on-going concern status, such as future levels of funding for central government departments
- Possible impairment of investments
- Whether other entities with which the OPFCC has a relationship are subsidiaries, associates or jointly controlled entities
- The potential outcome of legal claims by or against the OPFCC
- The condition of the local and national housing/industrial building market
- The economic standing of significant debtors and creditors

2) Recognition of Income and Expenditure

The OPFCC complies with IAS 39 in only recognising creditor liabilities when services are rendered or goods received. Debtors are recorded at historical cost, but the balance has been written down to fair value through a bad debt provision.

Both revenue and capital transactions are recorded on an accruals basis. This means that income and expenditure is accounted for in the year in which it becomes due regardless of whether cash has actually been received or paid in the year.

In particular:

- Fees, charges and rents due from the customers are accounted for as income at the date the organisation provides the relevant goods or services.
- The cost of supplies and services are accrued in that accounting period during which they were consumed or received, except for works which are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Interest payable and receivable on borrowings is accounted for in the year to which it relates; on a basis that it reflects the overall effect of the loan or investment.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to the income and expenditure account for the income that might not be collected.

3) Financial Instruments

Financial Liabilities

As per the recommended practice for local OPFCC's, loans and other liabilities are held at amortised cost.



Financial Assets

Although the OPFCC invests reserve balances and has actively managed financial instruments, they are held for re-investment by the OPFCC, not for speculative motives, they are not equity investments and are not, therefore, “available for sale”. The OPFCC recognises there is often evidence of short-term profit taking in its portfolio of managed investments and the value of the investments is reflected at market value (bid price) in the Balance Sheet, with accrued interest being reflected as part of the balance due to the OPFCC.

In accordance with the bank mandate with the OPFCC facility provider, the Force is able to net off all three bank accounts held to enable an ‘end of day’ position to be gained over the balance of these three accounts. The facility provider and the OPFCC take the view that there is one single balance for management purposes and as such, the net position is the position recognised within these statements.

4) Government Grants and Contributions

Revenue grants and contributions are credited to the Comprehensive Income and Expenditure Statement in the same period as the expenditure to which they relate. For the OPFCC, grants to support expenditure in general (eg. Revenue Support Grant) are credited to the foot of the Comprehensive Income and Expenditure Statement after Net Operating Expenditure, within the Group accounts, income is transferred to the CC through an intra-company adjustment within Taxation and Non Specific Grant income line.

5) Intangible Fixed Assets

Intangible assets include software licences and agreements that are capitalised at cost. These are amortised on a straight-line basis over the useful life of the asset. As the amortisation charge is not an allowable charge against Council Tax, it is neutralised by adjustment between ‘Accounting Basis and Funding Basis under Regulation’, with the corresponding entry in the Capital Adjustments Account.

Internally generated Intangible Assets are measured at cost during their construction (project staff, physical equipment and associated cost to bring the asset into its useful life) and when transferred are assessed for impairment against marketable value or use in service.

Additions to assets will be added to the carrying value of the asset and amortised over the remaining Useful Economic Life, where it meets the recognition criteria.

In accordance with IAS38, assets which are Police specific or that do not have a comparable active market for valuation purposes, will be measured at cost less accumulated amortisation, with the useful life being reviewed annually.

6) Tangible Fixed Assets Recognition

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised in accordance with IAS 16 (Recognition, Revaluation & Measurement of Tangible Fixed Assets). Subsequent capital expenditure is capitalised where it provides an enhancement of the economic benefits of the asset in excess of those previously assessed.

Where assets are bought into Fixed Assets from Assets Under Construction, these will be valued using the appropriate methodology, including componentisation as applicable.



The de minimis level policy is to capitalise all capital expenditure, £10,000 and over, on an individual asset basis (or a grouping of assets).

Measurement

The current property valuer for the OPFCC is Pygott & Crone, through the Perfect Circle consortium, at 36a Silver Street, Lincoln, LN2 1EW.

The Land and buildings portfolio is revalued over a five-year period as directed by the Northamptonshire PFCC.

In accordance with good practice a rolling programme of revaluation of at least one fifth of the property portfolio each year has been undertaken from 1 April 2017 and the programme is annually reviewed to ensure key properties of significance are included in the valuation if changes in policy have taken place which would make revaluation appropriate for that year.

All revaluations undertaken ensure that any changes to the use of assets within the portfolio are accounted for.

Surpluses arising from revaluations of land and buildings are taken to the Revaluation Reserve, with the corresponding entries against fixed assets. Any reductions in values are covered in impairment losses.

The latest revaluation was carried out on 31 March 2022. All valuations are in accordance with Royal Institute of Chartered Surveyors Appraisal and Valuation Standards ensuring compliance with the CIPFA Code as modified by IFRSs.

Depreciation and Amortisation

A depreciation or amortisation charge is made to the Comprehensive Income and Expenditure Statement for all fixed assets, which have a finite useful life. Depreciation is calculated on a straight-line basis as follows:

- Operational Buildings - Over the life of the asset (10-50 years)
- Vehicles - Over the life of the asset (2-10 years with some specialist vehicles over 3-20 years)
- IT Hardware - 3-10 years
- Other Plant & Equipment - 3-10 years

New Assets are depreciated in the first year of becoming operational asset and also not in the year of disposal.

In accordance with FRS 15, freehold land is not depreciated. Assets under construction are not depreciated/amortised until completion.

As the depreciation/amortisation charge is not an allowable charge against Council Tax, it is neutralised by adjustment between Accounting Basis and Funding Basis under Regulations, with the corresponding entry to the Capital Adjustment Account.

Impairment Losses

Besides identifying impairments at the five-year revaluation review, impairment reviews are carried out in the intervening periods but only if an event or circumstance indicates that the carrying amount of the fixed asset may not be recoverable. When an impairment loss is clearly due to clear consumption of economic benefit or takes the value of the asset below historic cost, the loss is recognised in the Comprehensive Income and Expenditure Statement. However, other impairment losses offset any balance held in the Revaluation Reserve, with any balance charged to the Comprehensive Income and Expenditure Statement. As these impairment adjustments are not an allowable charge against Council Tax, they are neutralised by an adjustment between



Accounting Basis and Funding Basis under Regulations, with the corresponding entry to the Capital Adjustment Account.

Disposals

The gain or loss on disposal is the amount by which the disposal proceeds are more or less than the carrying amount (net book value) of the fixed asset. The Comprehensive Income and Expenditure Account recognise this gain or loss.

In order that this gain or loss is excluded from the charge to Council Tax, it is neutralised in the Accounting Adjustments between Accounting Basis and Funding Basis under Regulation.

If, however, the asset is carried at current value, in addition to the entries above, the balance on the revaluation reserve in respect of asset disposals is written off to the Capital Adjustment Account. In most cases the asset will be re-valued to its carrying value at the point of disposal so there will be no profit or loss, unless there is an unamortised grant attached to the asset, which will be released to the Income and Expenditure account in full, resulting in a profit on disposal. In both 2020/21 and 2021/22, the OPFCC only recognises a profit on disposal if the value of the asset disposed of is more than £10,000.

Componentisation

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.

The criteria for componentisation are as follows:

- A de-minimis level on implementation is set at £600,000 on the net book value of any asset.
- Any single component must exceed £100,000 in value.

Provided that both of these criteria are met the asset will be split into the appropriate components based on its type.

7) Redemption of Debt

Outstanding loan debt relating to police services was transferred to Northamptonshire Police from Northamptonshire County Council on 1 April 1995. Instalments of principal are charged to revenue in accordance with the statutory minimum revenue provision. This is calculated at 4% of the Capital Financing Requirement at the beginning of the year and is charged to the Capital Adjustment Account with a corresponding adjustment in Accounting Basis and Funding Basis under Regulations.

Valuation is based upon amortised cost, with fair value based upon the cash flow over the remaining term of the debt.

8) Stocks and Stores

Stocks and stores are maintained covering such items as vehicle spares, uniforms, fuel and provisions. Stocks are valued at the lower of cost or net realisable value in line with the requirements of IAS 2.



9) Reserves

Reserves are maintained to finance expenditure on projects that will be carried out in future years and to protect the OPFCC against unexpected events. Certain reserves/accounts are kept to manage the accounting process for tangible fixed assets (Revaluation Reserve, Capital Adjustment Account) and retirement benefits (Pensions Reserve IAS 19). These do not represent usable resources for the OPFCC. A Reserves Strategy is in place and is reviewed at least twice a year.

10) Provisions

Provisions are made for liabilities or losses which are likely to be incurred, or certain to be incurred, but with uncertain amounts or dates on which they will arise by charging expenditure to the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met. When items of expenditure is incurred, they should be charged to the Provisions Account against their specific allocations.

11) Investments

Investments are shown in the Balance Sheet at cost, less any provision required for loss in value. Note 39 covers how the OPFCC's investments are disclosed in accordance with International Financial Reporting Standards covering Financial Instruments.

Valuation is based upon amortised cost, with fair value based upon the cash flow over the remaining term of the investment. Investments with a life below 12 months will be held at amortised cost.

12) Transactions relating to Retirement Benefits

As part of the terms and conditions of employment of its officers and other employees, the OPFCC and OCC offer retirement benefits. These benefits will not actually be payable until employees retire, but the OPFCC discloses the value of the payments that would need to be paid at the time that employees earn their future entitlement.

The group participates in two pension schemes:

The Police Pension Scheme for Police Officers

The Police Pension Scheme (PPS) is an unfunded defined benefit final salary scheme administered by XPS on behalf of OPFCC and is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976. The new Police Pensions Scheme (NPPS) is governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006) and the latest Pension Scheme (2015) is governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2015).

They are unfunded which means there are no investment assets built up to meet pension's liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The funding arrangements for police officer pensions changed on 1 April 2006, when an employer's contribution rate was set by the Home Office, which is charged to the Comprehensive Income and Expenditure Statement. This rate increased from 24.2% to 31% on 1st April 2019.



Also, from 1 April 2006, each OPFCC was required by legislation to operate a Pension Fund Account. The amounts that must be paid into and out of the account are specified by regulation. Officer's contributions and the employer's contribution are paid into the pension account from which pension payments are made. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year are less than amounts payable, the OPFCC must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If, however, the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the OPFCC, which then must repay the amount to central government.

The Local Government Pension Scheme for civilian employees

The Local Government Pension Scheme for civilian employees, administered locally by Northamptonshire County Council, is a funded defined benefit final salary scheme, meaning that the OPFCC and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Actuarial valuations of the fund are undertaken every three years to determine the contributions rates needed to meet its liabilities.

The accounts show the full implementation of IAS 19 (Retirement Benefits). IAS 19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable by the OPFCC to the pension fund during the year, an appropriation is made with the pension's reserve which equals the net change in the pension's liability, recognised in the Comprehensive Income and Expenditure Statement. The neutralising entry is within Adjustments made between Accounting Basis and Funding Basis under Regulations.

The Balance Sheet discloses the OPFCC's net liability in relation to retirement benefits. The figures are based on the actuary's latest estimate.

Notes 37 and 38 to the Core Financial Statements provide further information about the pension schemes.

13) Leasing

These accounts have been prepared in accordance with IAS 17. Rentals paid under operating leases have been accrued and accounted for in the period to which they relate. Further information on Operating Leases is available in Note 22.

The organisation assesses its position on operating leases and lessor arrangements on an annual basis. It recognises lessor arrangements as the minimum payments on the asset and the residual value of that asset. Operating leases are not recognised as assets but the associated repayments are recognised as expense costs within the Comprehensive Income & Expenditure Statement.

14) Joint Arrangements

The OPFCC has interests in a number of Joint Arrangements. All of these collaborations are governed by formal Section 22 Agreements and the OPFCC shares are fully incorporated in the Comprehensive Income & Expenditure Statement, Balance Sheet, Movement in Reserves Statement and the Cash Flow Statement, as required by the Code. Note 40 provides further details.



15) Value Added Tax

VAT is included in the Accounts of the OPFCC, whether of a capital or revenue nature, only to the extent that it is not recoverable.

16) Contingent Assets and Contingent Liabilities

These are not recognised in the accounting statements but disclosed in the Notes to the Accounts.

17) Exceptional Items and Prior Period Adjustments

Exceptional items are included in the cost of the service to which they relate or on the face of the Comprehensive Income and Expenditure Statement if that degree of prominence is necessary in order to give a fair presentation of the Accounts.

Extraordinary items are disclosed and described on the Comprehensive Income and Expenditure Statement after dealing with all items within the ordinary activities of the OPFCC.

Material adjustments applicable to prior years, arising from changes in accounting policies or from the correction of fundamental errors, are accounted for by restating the comparative figures for the preceding period in the Statement of Account and notes and adjusting the opening balance of reserves for the cumulative effect. The cumulative effect of the adjustments is at the foot of the statement of total movements in gains and losses of the current period.

18) Events After the Balance Sheet Date

Events after the balance sheet date are reflected up to the date when the Statement of Accounts is authorised for issue. The date when the Statement of Accounts was authorised for issue and who gave that authorisation is disclosed in the notes to the Statement of Accounts, including confirmation that this is the date up to which events after the balance sheet date have been considered.

19) Accounting Convention

The accounting convention adopted in these financial statements is historical cost modified by the revaluation of land and buildings.

20) Estimation Techniques Used

The Code distinguishes between accounting concepts and estimation techniques that have been used, when required. The techniques below describe the steps taken to arrive at key monetary values in the Statement of Accounts:

- Payroll Creditors i.e. overtime – average overtime rates
- IAS 19 Valuation – actuarial valuations of future pension liabilities are provided by independent actuaries
- Bad Debts are valued at the receivable value. Therefore, the cost of collection of debt assessed as recoverable are deducted from the outstanding value.



- Property assets are valued at Market Value (MV) and Depreciated Replacement Cost (DRC), but held in Fixed Assets at the depreciated cost assessed as MV/DRC less the cumulative depreciation over the Useful Economic Life of that asset.

21) Comparison with Previous Years

Comparative figures for the previous financial year are shown in the Accounts. The same items are treated alike from one year to the next, except where notes explain otherwise.

22) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition, and that are readily convertible to or change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the OPFCC's cash management.

23) Employee Benefits

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, annual leave and flexible working hours, leave for current employees, and are recognised as an expense for services in the year in which employees render service to the OPFCC. An accrual is made for the cost of holiday entitlements (or any form of leave, eg. time off in lieu, flexi-time or annual leave) earned by employees but not taken before the year-end that employees can carry forward into the next financial year.

24) Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the OPFCC has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses-out the amounts charged so that there is no impact on the level of council tax.

25) Actuarial Gains and Losses

Changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions are debited to Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

26) Termination Benefits

Termination benefits are amounts payable as a result of a decision by the organisation to terminate an officer or staff employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the OPFCC is demonstrably committed to



the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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

27) Interest in Companies and Other Entities

The OPFCC is required to produce Group Accounts alongside its own financial statements where it has material interests in subsidiaries, associates and/or joint ventures. The OPFCC has involvement with Voice for Victims and Witnesses, a company set up by guarantee in 2017/18 and has concluded that the requirement to produce Group Accounts applies in relation to it.

28) Opening balances

Where the conclusion of an audit on prior year balances has not yet been concluded, opening balances will be based upon the last published Financial Statements and any change to this will be included within the re-statement note.

29) Going Concern

These accounts have been prepared on a going concern basis.

The concept of a going concern assumes that the functions of the organisation will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in the United Kingdom 2021/22) in respect of going concern reporting requirements reflect the economic and statutory environment in which public section organisations operate.

These provisions confirm that, as an OPFCC or OCC cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Policing services carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an OPFCC or OCC were in financial difficulty, the prospects are thus that alternative arrangements might 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 therefore 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 the entity and group will continue to operate for the foreseeable future.



ANNUAL GOVERNANCE STATEMENT (OPFCC)

Background and Framework

In the financial year 2021/22, the focus for the two corporations sole has been to develop the governance arrangements and strategies in place and to drive forward performance improvements, continue to develop strategic management and close working arrangements following the transfer of Fire Governance.

The financial year 2021/22 was the third full year the PFCC also undertook governance of Northamptonshire Commissioner Fire and Rescue Authority (NCFRA). Throughout the year, NCFRA have remained a separate corporation sole to the PFCC and CC and with separate legislative responsibilities.

The organisational powers and arrangements in place within the police service, relating to governance, are unique and any governance framework needs to take this into account. This is clearly recognised in the Chartered Institute of Public Finance and Accounting (CIPFA) document - *“Delivering good governance – Guidance notes for policing bodies in England and Wales, 2016”*.

In 2007, CIPFA developed with the Society of Local Authority Chief Executives (Solace) a framework – *“Delivering good governance in local government”*. This was subsequently reviewed in 2015 and an updated edition was published in April 2016.

This framework recognises that no two organisations are the same and as such allows an organisation to test its governance structures against a set of principles which are:

- **Principle A:** Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- **Principle B:** Ensuring openness and comprehensive stakeholder engagement
- **Principle C:** Defining outcomes in terms of sustainable, economic, social and environmental outcomes
- **Principle D:** Determining the interventions necessary to optimise the achievement of intended outcomes
- **Principle E:** Developing Capacity and Capability
- **Principle F:** Managing Risks and Performance
- **Principle G:** Implementing good practices in transparency, reporting and accountability.

What is Governance?

Governance as defined in the 2016 framework is:

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and delivered.”

Good governance is not only about rules, policies and procedures but should also incorporate a spirit of good governance as an integral part of the culture of the organisation, its values and the expected behaviours.

Senior leaders have a significant responsibility not only to ensure that good governance arrangements are properly codified and documented but also that the proper culture exists so that the concept of good governance, including transparency and openness, is effectively conveyed throughout their organisation.



This statement explains how the Police, Fire and Crime Commissioner (PFCC) has complied with the CIPFA/SOLACE framework and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance Statement.

The Annual Governance Statement

It is a requirement on each public body to prepare an annual governance statement. This is intended to provide an assessment of how effectively it has complied with its own governance arrangements and the principles set out in the framework.

This governance statement provides a high-level overview. It comments on the effectiveness of governance arrangements over 2021/22 and makes proposals to improve processes, or mitigate issues or risks identified.

The Purpose of the Governance Framework

The Corporate Governance Framework comprises the systems and processes, and culture and values, by which the OPFCC is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the OPFCC to monitor that the achievement of its strategic objectives has led to the delivery of appropriate, value-for-money services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PFCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The PFCC and CC Joint Corporate Governance Framework was reviewed during the year.

The Governance Framework

Both the PFCC and CC continued to seek confirmation that appropriate management and reporting arrangements were in place to enable them to satisfy themselves that the approach to corporate governance was both adequate and effective in practice. These arrangements included:

- An Accountability Board forward plan seeking timely updates and assurances at appropriate times during the year. Minutes are publicly available on the PFCC's website
- A Risk Management Strategy, with regular OPFCC reviews by the Directors and PFCC
- An Annual Governance Statement produced by both the OPFCC and the CC
- A CIPFA Value for Money Assessment against the framework completed by the two S151 officers
- A Regional Annual Governance Statement for East Midlands Special Operations Unit (EMSOU) activities
- An effective Joint Independent Audit Committee (JIAC)
- Ensuring that there is an effective Internal Audit function
- Attendance by the OPFCC Directors, JIAC Chair and/or members at key meetings and briefings

The system of internal control is based on a system of financial, contractual, management and administrative controls and is reviewed by both internal and external audit. In addition to the arrangements above, the system includes:

- A Police and Crime Plan, reviewed and updated in February 2019 has now been replaced by a new Police, Fire and Crime Plan which was published in 2021/22.
- Updates to Police, Fire and Crime Panel meetings on the OPFCC Delivery Plan
- A Performance Management Framework, focused on achieving the objectives set out in the Plan



- Regular financial reporting for both the OPFCC and the CC
- Engagement in Value for Money benchmarking such as is conducted by HMICFRS
- Implementation of a Corporate Governance Framework for Voice for Victims and Witnesses
- Internal and External Audits of Voice for Victims and Witnesses
- To supplement the JIAC meetings, workshops are held during the year to focus on key areas of risk or internal control and supplement the lead member approach.
- HMICFRS Inspection in 2021/22 and the report was published in November 2021.
- An Enabling Services Board provides a structured approach to managing and monitoring collaboration opportunities between Fire and Policing.
- A Joint Assistant Chief Officer leads the Enabling Services programme and provides strategic leadership of support services across Fire and Policing.
- A collaboration agreement is in place in line with the Home Office Financial Management Code of practice.
- A well embedded Force meeting governance structure including Force Executive Meeting, Strategic Planning Board, Digital Strategy Boards and quarterly capital reviews, attended by key officers of the OPFCC.

Compliance with the Seven Principles set out in the CIPFA/SOLACE Framework

Principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

The Corporate Governance Framework provides guidance on expected behaviours to ensure integrity, transparency and excellent standards of ethical behaviour. This includes an agreement to adhere to the College of Policing (CoP) Code of Ethics as the basis for how the OPFCC and staff behave. The Force internal and external ethics committee is in place and values have been included as an overarching element of the Police and Crime Plan.

The Force Professional Standards Department (PSD) investigates all instances of Fraud, Corruption and Whistleblowing and the Chief Financial Officers for both the CC and the PFCC and the Monitoring Officer have specific responsibility in legislation for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements and for reporting any such instances to the PFCC, CC, JIAC or Police, Fire and Crime Panel. The OPFCC has its own whistleblowing policy and associated policies in relation to complaints.

For 2021/22, related party disclosures have been undertaken for all key staff in the OPFCC, CC and JIAC members. Additionally, the PFCC and all members of OPFCC staff complete a declaration of business interests. At the time of the draft accounts, all returns were received and reviewed by the two S151 officers and any disclosures required are included within the Statement of Accounts.

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

The Commissioner's purpose is set out in statute. The vision for Northamptonshire policing is set out in the Police and Crime Plan which sets out the strategic direction of the PFCC's activities. It is underpinned by a delivery plan and the PFCC provides an update at each Police, Fire and Crime Panel meeting.

The OPFCC website provides information on the PFCC. It is used to publish a wide range of policy and information, making this easily accessible to the public. The OPFCC website was awarded the independent CoPaCC Transparency Award.



All agendas, unrestricted papers and meetings of the JIAC are open to the public and unrestricted papers are available on the PFCC website. The minutes of the Accountability Board are also published to transparently demonstrate the PFCC holding the Chief Constable to account in line with his statutory role.

Papers, reports and decisions made by the PFCC are published on the website, together with consultation and details of future public events and public surveys.

The OPFCC undertakes regular council taxpayer, customer and victim survey activities, ensuring that these can be used to inform council tax levels, service delivery by the Force and services which the PFCC has commissioned. During 2021/22, the PFCC consulted on the new Police, Fire and Crime Plan separate to the consultation on the level of the precept.

Principle C: Defining Outcomes in Terms of Sustainable, Economic, Social and Environmental Outcomes

The public and internal consultation that took place in relation to the previous Police and Crime Plan and the Police, Fire and Crime Plan has secured support for the outcomes required by the PFCC. The Plan was informed by the strategic policing requirement and used to direct the resources of the PFCC and the CC through the revenue and capital budgets. It informs where resources are most needed and targets investment to priority areas.

The 2021/22 budget, council tax levels and Medium Term Financial Plan (MTFP), alongside the Reserves, capital and Treasury Management Strategies were considered by the PFCC in proposing and setting his level of precept.

Grants for financial support were advertised on the PFCC website and administered in 2021/22 via the OPFCC. This includes the Supporting Communities and Police and Crime Plan Delivery Funds as well as a Road Safety Grants process. All resources are allocated in line with the objectives of the Police and Crime Plan.

The Force and PFCC support a number of collaborative arrangements, in the East Midlands, cross-region and nationally, aimed at better delivering positive outcomes. A number of these relate to the national Strategic Policing Requirement. The PFCC has a statutory responsibility to consider the national requirement and collaborative working enables him to respond in an efficient and cost-effective manner. The Regional Governance Team continued to support the Regional PFCC's to drive and develop collaboration.

In the context of resource constraints, Regional PFCC and CCs continue to review the most appropriate balance of local and regional resource delivery.

General Reserves were maintained at a sustainable level of £5m during the year which is in keeping with the Northamptonshire Reserves Strategy.

Principle D: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes

Monitoring of the police officer establishment has developed over the year and the local and national increase of police officers under the national "uplift programme" has further outlined the importance of accurate and robust staffing information. A strong focus continued in this area during 2021/22 to ensure that local and national staffing recruitment levels were monitored regularly, and that reliance could be placed on the information and decisions made as a consequence.

The PFCC will continue to monitor closely the service improvement work being taken forward by the Chief Constable. Further details are available in the Narrative Statement.



In July 2020, three of the four partners to the Section 22 collaboration agreement for Multi Force Shared Services (MFSS) Project decided not to continue with the arrangements when it ceases in 2022. The PFCC and CC teams have worked with partners in this transition away from MFSS alongside implementing local arrangements. A newly established team has taken forward the transition and new systems were implemented on time and to budget by 1 April 2022. The two S151 officers instructed an internal audit review in order to gain assurance on the new finance system arrangements which was assessed as giving “Significant” assurance, and internal audit work will be undertaken in the coming year to provide further assurances. Whilst Police implementation took place in 2022/23, the systems are being established to encompass Fire by 2023/24.

Work to leave MFSS arrangements by all partners is well progressed and governance arrangements are in place at all levels. The system has a supplier final end-date for all partners of September 2022 and transition arrangements are in place to ensure all key activities can be completed before that date. The external auditors were made aware in 2021/22 of the system end date, and, given the delays experienced to Police external audit sign offs since 2018/19, it is highly likely that the 2021/22 external audit will not be completed by that date for at least two of the partners.

During 2021/22 the PFCC instructed a review of the company “Voice for Victims” which is a company limited by guarantee and which delivers services to Northamptonshire Victims, funded by the PFCC via PFCC budgets and Ministry of Justice Grant, together with contributions from local partners. The review is anticipated in Summer 2022.

In October 2020, together with the then PCC for Nottinghamshire, the PFCC established a Limited Liability Partnership, “Mint Commercial Services LLP” to deliver procurement services and solutions to the two PCC’s and Police Forces and organisation and for the East Midlands Strategic Commercial Services Unit (EMSCU) Section 22 collaboration to terminate. This was intended to reduce the cost of procurement services for both Nottinghamshire and Northamptonshire Police Forces, and generate additional income for the PCCs to be used on policing services from the establishment of procurement frameworks.

In 2021, both forces raised concerns with the performance of the contract for delivery of the procurement services and when a new PCC was appointed in Nottinghamshire in my 2020, they determined to cease procurement services. As such, Northamptonshire ceased the procurement services in October 2021 and a joint procurement team for Police and Fire was established in house. Furthermore, the new PCC in Nottinghamshire expressed a wish to exit the company and as a partnership, the company could not continue to operate with only one member. Agreement to terminate the company took place in October 2021 and Mint ceased trading in March 2022.

A formal project team was established to facilitate the termination arrangements and an internal audit was undertaken in April 2022 to review these which assessed the assurance of these arrangements as “Significant.”

The PFCC provided working capital of £200K which under the revised business plan was due to be repaid in 2023/24. Based on current estimates, it is envisaged that the sum of £66K will be paid back on termination and as the frameworks have novated back to the PCC’s, the future income streams will meet the £134K remaining in line with the previous Mint timescales.

Principle E: Developing Capacity and Capability

During 2021/22, the Statutory Finance Officer and the Monitoring Officer remained in post.

Nick Adderley and Simon Nickless continued in the role of Chief Constable and Deputy Chief Constable respectively and continued to take forward the operational delivery arrangements within the Force under the Force strategic plan. Simon Nickless announced his intention to retire in 2022/23 and the Chief Constable appointed Simon Blatchly as Temporary Deputy Chief Constable (previously Assistant Chief Constable). Pauline



Sturman has retired as Assistant Chief Constable and there are two Temporary Assistant Chief Constables in post at this time.

The PFCC continued with his commitment to Early Intervention and Youth Work by appointing people to focus on these roles, and also invested in additional Domestic Violence and Sexual Abuse support for the County.

Completion of the collaboration agreement between NCFRA, the PFCC and CC has provided a sound structure to move forward with future collaborative initiatives. The collaboration agreement was reviewed in December 2021 and all collaborative activities are governed via the Transformation Board

Principle F: Managing Risk and Monitoring Performance

During 2021/22, the PFCC and his office continued to demonstrate his commitment to transparency, sharing information and briefings with the Force, the Police, Fire and Crime Panel and the JIAC. The PFCC meets regularly with the CC, the Chair and Vice Chair of the Panel and holds regular briefings for councillors and attends numerous engagement events.

Performance forms a significant part of the Accountability Board and a representative of the OPFCC attends the regular Performance Force Executive Meeting (FEM) to discuss performance at a more operational level and identify the issues and challenges.

The PFCC and CC have similar risk management policies and manage and record risks in the same manner, through the same system. Risks are reviewed regularly and considered at JIAC meetings.

During 2021/22, Mazars continued as internal auditors for the Region. Regular review and planning meetings took place with Force and OPFCC officers (both locally and regionally) to update on progress. Mazars attended each JIAC meeting to routinely report and give assurance on the adequacy and effectiveness of internal control. In addition, they contribute to the JIAC forward plan and agenda setting to inform and highlight national and regional themes, considerations and practices.

The JIAC Chair and one JIAC member completed their extended second tenures and retired during the year. The new JIAC Chair was appointed from the wider JIAC membership and recruitment for two new members took place during the year. One member was appointed and commenced their role in May 2022. The JIAC has one vacancy for which further recruitment is anticipated to take place in 2022/23. JIAC members were offered and some attended CIPFA, EY (the external auditors), Public Sector Audit Appointments (PSAA) or other events. Additionally, EY and other circulars are shared with JIAC members and senior officers on a regular basis.

Principle G: Implementing Good Practices in Transparency, Reporting and Accountability

There are detailed delivery plans that support the achievement of the Police, Fire and Crime Plan objectives. Processes are in place to hold to account OPFCC staff internally for delivery. There are nominated leads for all areas.

External governance is managed through a system of assurance that relies on appropriate attendance at meetings and forums by OPFCC staff to fully understand activities and associated risks. There is a robust, formal Accountability Board meeting regularly between the PFCC and CC and this is supported by regular informal meetings between them. The Commissioner provides regular updates to the Police, Fire and Crime Panel as well as to elected Members, officials and members of the local community. The PFCC undertakes regular public engagement across the County that supports this.

Comparing Police and Crime Commissioners CoPaCC (the independent organisation set up to monitor policing governance in England and Wales), have previously awarded the Transparency Quality Mark to the



Northamptonshire PFCC for the way in which he provides public access to information about the PFCC and OPFCC.

The 2020/21 draft PFCC and CC statement of accounts were published on the OPFCC website within statutory timescale. However, by early July 2022, the audit for 2020/21 has still not concluded. Concerns have been raised both locally and nationally by the Home Office regarding the time taken to complete the external audit of Police accounts. Given the delays to date, it is likely that there will also be an impact on the audit of the 2021/22 accounts. Notice of public inspection, draft statement of accounts and notice of delays are published on the OPFCC website in line with statutory requirements and to ensure public transparency.

Review of Effectiveness

The OPFCC and OCC have a responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. The review of effectiveness is informed by the work of the JIAC and the senior managers within the OPFCC and OCC who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit’s annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The OPFCC and OCC continued to invest in an Internal Audit programme in 2021/22. This was prepared following discussion and consideration of the Risk Register, assurance requirements and informed by regional themes. Whilst the impact of Covid-19 has led to some delays in the audit programme, the scope and coverage of the audits has enabled the Internal Auditor to provide their annual report to give assurance for both corporation soles. The JIAC received updates in June, October and December 2021 and March 2022. Significant assurance was received for GDPR and New Finance System; Satisfactory assurance was received Core Financials, Seized Property, Health and Safety Follow Up, Data Management and Governance. However, Limited assurance was received for Released under Investigation, Cyber Security and Business Change.

It is important to recognise that the audit plan was informed by Management and the risk register and specifically targeted to identify any issues in those areas. As such, a number of recommendations have been made which will be progressed to improve internal controls and assurances in those areas. The outcome of the audit programme was as follows:

Audit Title	Assurance Level
Core Financials	Satisfactory
Seized Property	Satisfactory
Released Under Investigation	Limited
GDPR (Follow Up)	Significant
Health and Safety Follow Up	Satisfactory
Cyber Security	Limited
Business Change	Limited
Data Management	Satisfactory
Governance	Satisfactory
New Finance System	Significant

The Internal Audit Annual Report for 2021/22 has been produced and will be reported to and considered by the JIAC at their meeting in July 2022. Within it, the Internal Audit Opinion for the Police, Fire and Crime Commissioner and the Chief Constable is as follows:



On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Significant** in its overall adequacy and effectiveness. This opinion is provided on the basis that the framework of governance, risk management and control is adequate and effective.

It is noted that certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions during the period in respect of released under investigation, business change & cyber security.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as Priority 1 and Priority 2. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

There were four JIAC meetings during the year, a workshop in October 2021 on the draft 2020/21 Statement of Accounts and a workshop in February 2022 on the Joint Estates Strategy. The four meetings include as standard: Internal and External Audit updates and a review of the JIAC annual plan.

Specific further areas considered were as follows:

JIAC Meeting	Areas Covered
July 2021	<ul style="list-style-type: none"> • Meeting of members with auditors without officers present • Annual Report of the JIAC and Terms of Reference Review • External Audit Annual Audit letter 2019/20 • External Audit Plan 2020/21 • Internal Audit Annual Report 2020/21 • 2020/21 Treasury Management Outturn • Internal Audit progress against recommendations update
October 2021	<ul style="list-style-type: none"> • Attendance of PFCC • Budget and MTFP Processes, Plan and Timetable • MINT and Procurement update • Enabling Services update • Future New Systems update
December 2021	<ul style="list-style-type: none"> • Attendance of PFCC • Fraud and Corruption Controls and Processes • MINT Update • Risk Register Update
March 2022	<ul style="list-style-type: none"> • Internal Audit Plan 2022/23 • 2022/23 Treasury Management Strategy and 2021/22 mid-year update • HMICFRS Update • Enabling Services Update



During 2021/22 Northamptonshire Police were subject to a Police Effectiveness, Legitimacy and Efficiency (PEEL) Inspection. The inspection results were published in Autumn 2021, the assessment of which was as follows:

Northamptonshire Police has improved the service it provides to the public, but it needs to make further changes, the police inspectorate has said.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Northamptonshire Police's performance across 10 areas of policing and found the force was 'adequate' in four areas and 'requires improvement' in six areas.

HMICFRS said the areas requiring improvement included how the force protects vulnerable people and how it manages offenders.

Her Majesty's Inspector of Constabulary Roy Wilsher said:

"I am satisfied with some aspects of the performance of Northamptonshire Police, but there are areas where the force needs to improve.

"Northamptonshire Police has embarked on a major change programme since our last inspection and has addressed, or is addressing, most of the problems we found. By introducing new scrutiny and audit processes and recruiting more detectives, the force has made improvements in how it investigates crime. The force is also investing in neighbourhood policing to improve its ability to prevent crime.

"However, the force needs to get better at co-ordinating its community engagement and public scrutiny work. There is limited public scrutiny of its use of police powers, which needs to be addressed to make sure the force acts fairly and proportionately.

"The force is also missing opportunities to secure meaningful outcomes for victims, and it needs to make sure it can identify and support repeat victims so they can be properly safeguarded.

"Overall, I commend the progress made by Northamptonshire Police in improving the service it provides to the public. The force has clear plans for further improvements, which I will continue to monitor."

The CC has put in place an action plan and the PFCC will hold the CC to account for progress by requiring regular monitoring reports to the Accountability Board. An update on HMICFRS improvement action is also considered by JIAC during the year.

CIPFA Financial Management Code

The CIPFA Financial Management Code translates the principles of good financial management into a series of financial standards that comprise: leadership and accountability, governance and financial management, medium term financial planning to inform and ensure financial resilience, and monitoring financial performance to address emerging issues through to financial reporting. Taken together these financial management standards underpin the effective governance of the use and control of resources utilised by NCFRA in pursuance of its stated objectives.

The S151 Officers, together with the Joint Finance Team and Joint Assistant Chief Officer for Enabling Services have considered a self-assessment against this framework. This review highlighted that compliance has mainly been achieved in all significant areas of the framework and a small number of areas have been highlighted for further consideration in 2022/23, and this is captured in the Annual Governance Statement (AGS) action plan as a recommendation.

Significant Governance Issues

There were no formal reports issued by the Chief Finance Officer or Monitoring Officer during the year, outcomes of Monitoring Officer investigations, objections from local electors or ombudsman referrals.

The precept increases supplemented by identified efficiency savings and reserves are sufficient to provide a balanced budget in the medium term over the next 3 years, with minimal savings or reserves being required in 2022/23 and 2023/24. The PFCC will continue to actively seek a fairer funding settlement for Northamptonshire and support the Force in investing in ICT to facilitate the delivery of the efficiencies required.



Actions

Good progress has been made on implementing the recommendations to date identified in the governance statements for previous years as follows:

Progress on 2021/22 Internal Control Actions		
<p>PRINCIPLE C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes</p>	<p>Recommendation 1 (2017/18) Outstanding recommendations and subsequently agreed actions from the JIAC annual report taken forwards in respect of the JIAC content on the website.</p>	<p>Ongoing – The OPFCC website is being updated in 2022/23 and the JIAC content will be reviewed as part of that activity.</p> <p>Carried forward to 2022/23</p>
<p>PRINCIPLE D: Determining the interventions necessary to optimise the achievement of intended outcomes</p>	<p>Recommendation 2 (2019/20) Together with Fire, ensure an effective, orderly and robust transition from MFSS and LGSS to new arrangements in line with plans and proposals.</p>	<p>Partially Completed – the new systems have been implemented and are working. Full closure of MFSS will not be completed until September 2022.</p> <p>MFSS Closedown carried forward to 2022/23</p>
	<p>Recommendation 3 (2020/21) To consider the outcomes of the HMICFRS Inspection and take forward an action plan of any recommendations made.</p>	<p>Ongoing/Incorporated into Business as usual – an action plan and regular updates are in place and monitored through the Accountability Board and JIAC.</p>
<p>PRINCIPLE E: Developing Capacity and Capability</p>	<p>Recommendation 4 (2020/21) To implement the Joint teams for: Digital, Transport and HR in line with agreed timescales and to achieve agreed outcomes.</p>	<p>Completed/Incorporated into Business as Usual – All Joint Heads of Department are in place and Joint Teams established.</p>
	<p>Recommendation 5 (2020/21) To develop a commercial strategy in conjunction with Fire.</p>	<p>Completed – a joint post is in place and a commercial strategy has been approved.</p>
<p>PRINCIPLE G: Implementing good practices in transparency, reporting and Accountability</p>	<p>Recommendation 6 (2020/21) To take forward the recommendations of the Internal Audits that gave Limited Assurance</p>	<p>Ongoing/Incorporated into Business as Usual – regular monitoring in place for the recommendations and follow up audits scheduled.</p>



Recommendations for 2022/23

Following the assessment of internal controls, the following areas have been recommended to improve internal controls for 2022/23:

2022/23 Internal Control Action Plan	
<p>PRINCIPLE C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes</p>	<p>Recommendation 1 (2017/18) Outstanding recommendations and subsequently agreed actions from the JIAC annual report taken forwards in respect of the JIAC content on the website.</p>
<p>PRINCIPLE D: Determining the interventions necessary to optimise the achievement of intended outcomes</p>	<p>Recommendation 2 (2019/20) Ensure an effective, orderly and robust closedown and transition away from MFSS in line with plans and proposals.</p>
	<p>Recommendation 3 (NEW) Take forward the production of documentation and guidance notes for the new system arrangements in line with agreed timescales.</p>
<p>Principle E: Developing Capacity and Capability.</p>	<p>Recommendation 4 (NEW) Take forward the final year recruitment of additional uplift officers in line with recruitment plans and forecasts.</p>
	<p>Recommendation 5 (NEW) Review demand modelling to better align resource to demand.</p>
<p>Principle G: Implementing good practices in transparency, reporting and accountability.</p>	<p>Recommendation 6 (NEW) To take forward the Actions Identified from the self-assessment of the CIPFA Financial Management Code.</p>

Conclusion

We propose over the coming year to take steps to address the above matters to progress the actions and 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 and operation during the year and as part of our next annual review.

Signed:

Helen King
Chief Finance Officer (S151)
Date:

Stephen Mold
Northamptonshire Police, Fire and Crime Commissioner
Date:



ANNUAL GOVERNANCE STATEMENT (COLLABORATION)



ANNUAL GOVERNANCE STATEMENT FOR REGIONAL COLLABORATION 2021/22

I confirm that the relevant controls and procedures are in place to manage the following issues within the East Midlands Special Operations Unit, which includes the Regional Organised Crime Unit, Major Crime, Forensic Services, Counter Terrorism Policing East Midlands, and Legal Services.

1. The monitoring processes by which performance against operational, financial and other strategic plans are considered and key issues identified and tasked.

DCC (East Midlands) monitors performance. Exceptions are reported to the East Midlands Police & Crime Commissioners and Chief Constables' (EMPCC/CC) Board on a quarterly basis, with full performance reports reported twice a year.

2. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

Compliance is monitored by management review and supported by specialist professional advice where appropriate. Where areas for improvement are identified these are subject to action plans that are revisited to ensure that they have been attended to. Thematic inspections form part of the monitoring controls to ensure compliance with appropriate policies and regulations and demonstrate the effective and efficient use of resources.

3. That the appropriate controls are in place for the management of all resources deployed within Regional collaboration

A management structure is in place, with clear lines of accountability for both operational issues and use of resources. A budget is approved each year at the EMPCC/CC's Board which defines the expenditure targets for each area of policing within EMSOU. Each force actively supports the budget allocation and sets its own precept accordingly.

Management reports showing costs against budget are provided monthly. Unexpected variances are investigated and explained, ready for reporting to quarterly Management Boards and the EMPCC/CC's Board. Quarterly monitoring reports are shared across the region to provide each force with visibility over expenditure to date and projected outturn position.

4. Incorporating good governance arrangements in respect of partnerships.

The EMPCC/CC's Board provides a forum for all members of collaboration to feedback their experiences of the partnership work. All forces can discuss governance, performance and financial issues at the quarterly meetings. The collaboration builds on best practice from across the country and the region to improve performance as well as saving money.

Signed

Date 23/06/2022

Paul Gibson
Deputy Chief Constable (East Midlands)



GLOSSARY OF TERMS

Accounting Period

The period of time covered by the Accounts, normally a period of twelve months commencing on 1 April.

Accrual

The recognition, in the correct accounting period, of income and expenditure as it is earned and incurred, rather than as cash is received or paid.

Agency Arrangements

Services which are performed by, or for, another OPFCC or public body where the agent is reimbursed for the cost of work done.

Budget

A statement of the OPFCC's plans in financial terms. A budget is prepared and approved by the PFCC before the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds value to the life or value of an existing fixed asset.

Capital Financing Requirement

The Capital Financing Requirement represents capital expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or third -party contributions at the time of spending. It measures the OPFCC's underlying need to borrow for a capital purpose.

Capital Receipts

These are proceeds from the sale of capital assets.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public services.

Contingent Liabilities

A potential liability at the balance sheet date when the Accounts are submitted for approval. The liability will be included in the balance sheet if it can be estimated with reasonable accuracy otherwise the liability will be disclosed as a note to the Accounts.

Corporate Democratic Core

This includes the cost of the corporate infrastructure (eg. the Chief Executive and Treasury Offices, and external audit fees), and the cost of democratic representation.



Council Tax

The local tax levied on householders, based on the relative market values of property, which helps to fund local services.

Creditors

Individuals or organisations to whom the OPFCC owes money.

Current Assets and Liabilities

Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short-term.

Debtors

Individuals or organisations who owe the OPFCC money.

Deferred Liabilities

Liabilities which by arrangement are payable beyond the next year at some point in the future or paid off by an annual sum over a period of time.

Earmarked Reserves

Monies set aside that are intended to be used for a specific revenue or capital purpose.

Employee Costs

The salaries and wages of employees together with national insurance, superannuation and all other pay-related allowances. Training expenses and professional fees are also included.

Finance Lease

A finance lease normally involves payment by a lessee to a lessor of the full cost of the asset, together with a return on the finance provided by the lessor. The lessee has substantially all the risks and rewards associated with the ownership of an asset, other than legal title.

International Financial Reporting Standards (IFRS)

These standards are developed by the Accounting Standards Board to regulate the preparation of financial statements. The Companies Act 1985, which was later adopted by the SORP making it mandatory for Public Bodies and therefore requires compliance of these Standards or disclosures in the notes if there are any material departures from those standards.

Fixed Assets

These consist of: -

- Tangible: These are assets that yield benefits to the OPFCC for a period of more than one year (e.g. buildings and equipment).
- Intangible: Under IAS 38 (Goodwill and Intangible Assets), intangible assets are those that do not have physical substance but are identifiable (e.g. software and software licences).



Formula Grant Distribution System

A mechanism by which Central Government determines how much Revenue Support Grant, Home Office Police Grant and Business Rates each local OPFCC should receive in a given year to provide a common level of service. For the police service it is principally based on the resident and daytime populations, plus relevant socio-economic characteristics, for the area covered by an OPFCC.

IAS 19 Retirement Benefits

An accounting standard that requires the recognition of long-term commitments made to employees in respect of retirement benefits in the year in which they are earned.

Impairment

A reduction in value in an asset caused by a general fall in prices, obsolescence or a clear consumption of economic benefit.

Interest Income

The money earned from the investment of surplus cash.

Net Book Value

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

Non-Distributed Costs

This consists of charges for police officers and police staff early retirements.

Operating Lease

An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.

Outturn

The actual amount spent in the financial year.

Payments in Advance

These represent payments made prior to supplies and services received.

Pension – Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. The scheme rules define the benefits independently of the contribution payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Pension Assets – Expected Rate of Return

For a funded defined benefits scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.



Pension – Interest Costs

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settle.

Pension – Past Service Costs

In a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Pension Fund

A fund which makes pension payments on retirement of its participants.

Pensions Top-Up Grant (PTUG)

A grant from the Home Office that funds the difference between a nationally agreed employer's contribution paid into the Pension Fund Account, employee contributions and benefits paid to pensioners during the year.

Precept

The method by which the OPFCC obtains the income it requires from council tax via the collection Authorities (i.e. the unitary councils in Northamptonshire).

Provision

An amount set aside to provide for a liability which is likely to be incurred but the exact amount and the date on which it will arise is uncertain.

Prudential Code

The code developed by CIPFA that sets out a framework for self-regulation of capital spending, in effect allowing OPFCC's to invest in capital projects which best meet their service delivery objectives as long as they are affordable, prudent and sustainable. The code came into Force from 1 April 2004 and is incorporated into the Local Government Act 2003 and associated regulations.

Public Works Loan Board (PWLB)

A government agency which provides longer-term loans to Local OPFCC's at interest rates only slightly higher than those at which the government itself can borrow.

Receipts in Advance

These represent income received prior to supplies and services being provided by the OPFCC.

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 Contributions

Capital Expenditure funded from the Revenue Account which reduces the requirement to borrow.



AUDIT REPORT

To be added following completion of the audit of the accounts.

DRAFT