



Northamptonshire Police, Fire and Crime Commissioner

Single Entity & Group

Draft Statement of Accounts for the year 2022/23

Date Published 26th May 2023



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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 2022/23.

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 768,000 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.

Prior to 2021/22, the county was serviced by seven borough/district councils. On 1 April 2021, these were consolidated into two unitary authorities (North and West Northamptonshire) through the reorganisation of local government in Northamptonshire as directed by Central Government.



Northamptonshire is a very fast growing county and the 2021 national census highlighted that the county's population has grown by 13.5% since 2011 compared to a national increase of 6.5%.

In fact, the Joint Strategic Needs Assessment (JSNA) Demography Insight Pack 2020 described that 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 and estimated to increase further by 2041.

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 current 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:

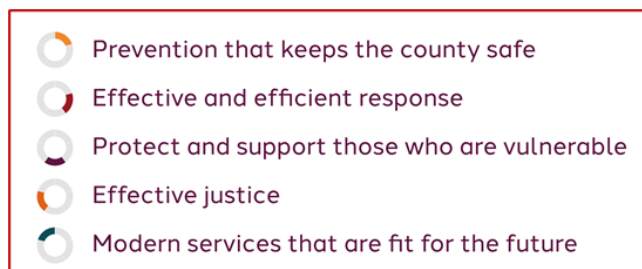
“Working with Communities to make Northamptonshire safer.”

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:





THE CHIEF CONSTABLE'S STRATEGIC PLAN

The Force Strategic Plan sets out the areas we need to focus on to achieve our Force Vision – “to provide an outstanding policing service to the communities of Northamptonshire”.

There are five key pillars within the plan, and these are where we need to improve and excel:

- Quality of Service
- Prevention and Intervention
- Release Capacity
- Effective Partnerships
- Healthy Culture

Intent to Action Strategic Ambition

Healthy Culture

At the heart of this strategic ambition will be effective leadership; creating a confident, ambitious workforce, giving permission to fail when working creatively with the purpose to achieve the force vision and mission.



Quality of Service

Northamptonshire Police will deliver a high-quality end to end service for victims of crime and service users.

It will deliver greater positive outcomes for victims of crime through effective investigation.



Effective Partnerships

The force will continue to build on the foundations of strong partnerships providing greater strategic direction, investment in research and analytical resources and better data sharing.



Release Capacity

The force will upskill officers and staff across all disciplines to unlock capacity and create capability to manage future demand threats.

Officers and staff will broaden their skills set, enhancing front line and neighbourhood offer to include broader digital demand and disrupt SOC demand.



Prevention and Intervention

The force will develop and deliver a plan across the force and the partnership that brings prevention and early intervention to the fore, making it everyday business and front and centre of the policing service it provides. It will make inroads with wider agencies to ensure better life chances for those on the cusp of criminality.



NORTHAMPTONSHIRE
POLICE
Fighting Crime. Protecting People.



Matters of Priority

The Chief Constable has identified four Matters of Priority which will be key areas of focus for three years, from 2022 to 2025. The priorities have been informed by feedback from our communities and focus on the four biggest crime challenges facing Northamptonshire today, with the key objective of protecting the most vulnerable.

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

Alongside the operational focus, the ongoing communications campaign will inform and help the public, as well as our officers and staff, better understand why these are the areas which present the most risk and how the Force intends to drive down offending levels.

Since its launch in 2021, Matters of Priority has become ingrained in Force language and within the communities we serve.

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 takes 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 2023 Northamptonshire Police Force and the OPFCC Budgeted establishment was 2,690 FTE. The analysis is shown in the table below:

Category of employee	2021/22	2022/23
Police Officers	1,447	1,501
Police Community Support Officers (PCSOs)	81	81
Police Staff*	1,025	1,044
OPFCC Staff	16	16
OPFCC Delivery - Complaints, Youth Work and Early Intervention	32	48
Total	2,601	2,690

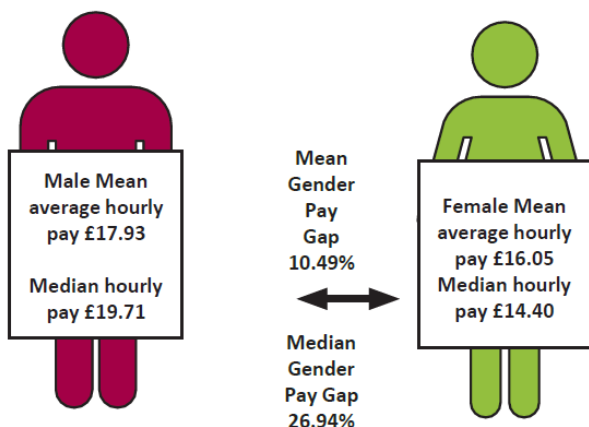
*This includes staff employed under by the Chief Constable but where costs are shared with NCFRA (Fire).

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 10.49% 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.



- 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.

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 continued in post until 26th February with Paul Gibson taking on the role temporarily to the end of the financial year.

The role of Deputy Chief Constable was initially carried out by Simon Nickless, who was replaced by Simon Blatchly on an interim basis. Ivan Balhatchet took on the role temporarily from 19th December 2022.

Paul Bullen continued as ACO Enabling Services during the year and Vaughan Ashcroft continued as Chief Finance Officer for the Chief Constable.

The latest MTFP shows that the PFCC has produced a balanced budget for 2023/24, with 2024/25 and 2025/26 balanced utilising earmarked reserves. There is also a plan to be able to balance the budget beyond 2026/27 but savings will need to be achieved.

Medium Term Financial Plan

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Group Expenditure	169.1	177.0	182.0	185.8	190.7
Anticipated Funding	(168.6)	(172.7)	(176.9)	(181.3)	(185.8)
Shortfall (pre-savings)	0.5	4.3	5.1	4.5	4.9
Savings Requirement	(0.5)	(2.1)	(3.8)	(3.8)	(3.8)
Shortfall Remaining	0	(2.2)	(1.3)	(0.7)	(1.1)

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 the sum of £0.3m was transferred to this reserve in 2022/23 to ensure that under on current forecasts it can remain within guideline levels until 2025/26. 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.

As per the Strategy and including reserves held on behalf of regional units, the level of all cash backed reserves as at 31st March 2022 totalled £19.4m, increasing to £21.6m at 31st March 2023. Following closure of the 22/23 accounts, the underspend enabled this to be increased to £24.3m.

STRATEGY AND RESOURCES

2022/23 Budget

In 2022/23, in line with the response to the public consultation, the PFCC increased the precept by £10, which was the maximum available without triggering a referendum. This increase was used to invest in operational priorities and frontline policing requirements identified by the Chief Constable.

In 2023/24, the PFCC again increased the precept by the maximum available which was £15.

Medium Term Financial Plan

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



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. A new estates masterplan is currently being finalised which will set out the next phases to the joint estates strategy over an even longer timeframe.

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

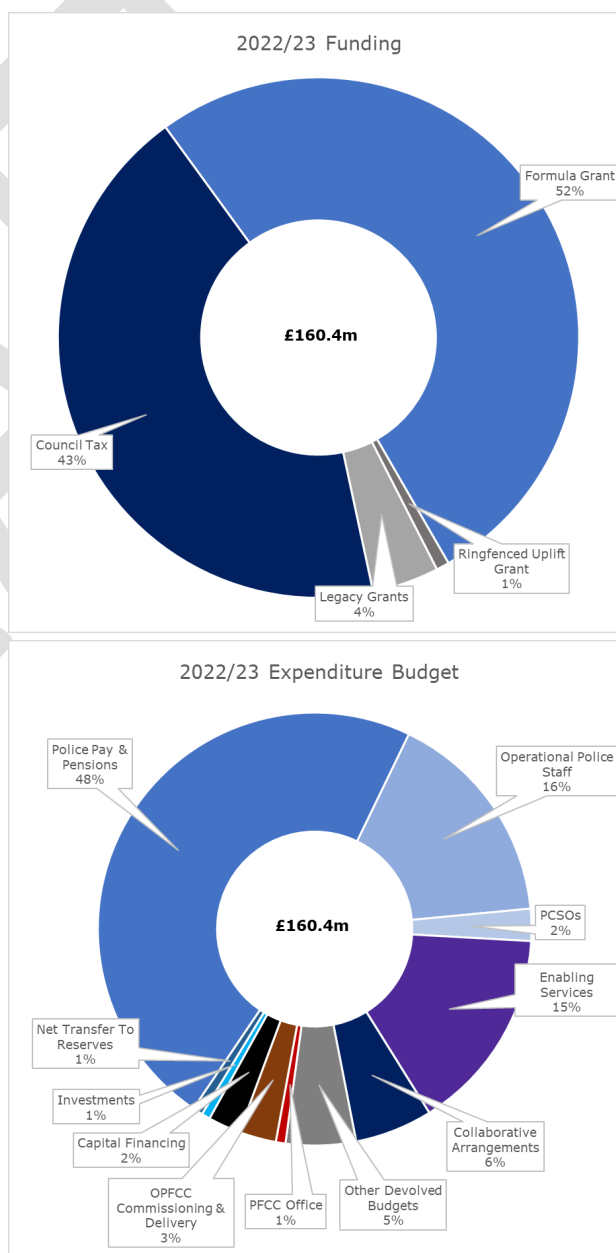
FINANCIAL PERFORMANCE

The Revenue Budget

Funding

Funding for the Police service is through a combination of government grant and precept (council tax). In 2022/23 the council tax element was based on a tax base of 252,651 properties at £278.04 at Band D. This was an increase of £10 per property compared to 2021/22.

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



*Subject to rounding



In 2022/23, the PFCC continued to invest in Northamptonshire Police and by 2024, officer numbers will have increased to over 1,501.

Despite the challenging circumstances experienced by COVID-19, recruitment has continued at pace. In addition to the planned 140 extra officers in the year, the 2022/23 budget included ring-fencing the sum of almost £1m for the Chief Constable to support investment.

Within the OPFCC Commissioning and Delivery Budget, the PFCC has provided additional investment into Early Intervention and Youth Work teams in 2022/23 and 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
- With increased investment to continue to prioritise Early Intervention and engagement work
- With the increased investment to continue to prioritise targeted Youth Intervention and engagement work, including increasing capacity in neighbourhoods
- Continue to take forward work on crime prevention and
- Continue to take forward work with the Road Safety Alliance, including the conclusion of 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 £149.811m for the Chief Constable, plus £1.025m for investments. After an agreed £0.376m

savings target and £1.25m to be funded from reserves, the net allocated was £149.21m. The table below shows the outturn position for the financial year:

Over/ (Under)spends	Budget £m	Outturn £m	Variance £m
Police Pay & Pensions	79.36	77.83	(1.53)
PCSOs	3.40	3.40	-
Chief Constable - Operational	33.04	32.26	(0.78)
Chief Constable - Enabling Services	26.18	26.47	0.29
Collaboration Units	7.24	6.93	(0.32)
Total Managed by the Force	149.21	146.88	(2.33)

Pay and Pensions

There was a net underspend on Police Officer pay of £1.53m which was the result of tighter grip on budgets for public holiday working, maternity variances and other allowances. There was also higher than budgeted officer attrition, but recruitment activity was able to be adjusted to ensure uplift targets were still exceeded.

PCSOs

There was a £0.57m underspend on PCSOs due to fluctuations in estimated starter and leaver profiles, but as planned, was transferred to reserves to be earmarked for future investment in neighbourhoods.

Chief Constable - Operational

The net underspend of £0.78m was due to a number of factors including:

- Police staff vacancies and recruitment delays
- Operational contingencies not required
- Income generation
- Savings achieved

Offset by:

- Inflation on goods and services
- Legal costs
- Overtime whilst officers/staff were recruited and trained

Chief Constable – Enabling Services

High price inflation, particularly on premises, utilities and vehicle costs were the cause of the overspend of £0.29m across the Enabling Services departments, offset in part by a saving due to staff vacancies.



Collaboration Units

A net underspend of £0.32m was due to miscellaneous underspends across a number of the collaborations and lower than expected costs of the NPAS (National Police Air Service).

Budget Outturn of the OPFCC

The net PFCC budget (after contributions for shared services from Fire) for 2022/23 was £5.617m.

Over/ (Under)spends	Budget £m	Outturn £m	Variance £m
OPFCC Office	1.15	1.17	0.02
<u>Commissioning & Delivery</u>			
People	3.56	3.27	(0.29)
Place	0.54	0.35	(0.19)
Police & Crime Plan Delivery Fund	0.25	0.28	0.03
Joint Communications Team	0.12	0.09	(0.03)
	4.47	3.99	(0.48)
Total	5.62	5.16	(0.46)

There is a budget of £1.154m for the costs associated with running the Office of the Police, Fire and Crime Commissioner, including statutory roles and requirement.

At year end, the PFCC office budget was slightly overspent by £0.015m with the overspend arising from estimated external audit costs above the published scale fee.

The delivery budgets of the OPFCC cover the areas of joint communications with Fire, the Police, Fire and Crime Plan delivery fund and initiatives and investments in delivery areas covering people and place as follows:

The PFCC delivery budget of £4.463m was underspent by £0.475m at year end. The net underspend of £0.460m was transferred to the PFCC initiatives reserves and amounts have been ring-fenced to support key areas prioritised by the PFCC.

PFCC Office and Joint Communications Team

Additional funding was provided to support safer streets initiatives delivered by the team resulting in an underspend at year end of £0.028m.

OPFCC Commissioning and Delivery - People

The underspend of £0.290m 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

The underspends of £0.188m mainly arose in Crime Prevention as the PFCC successfully bid for and received Home Office Safer Streets and Safer Women at Night initiatives in the county.

OPFCC Police and Crime Plan Delivery Fund

Following previous years impacted by COVID-19, the £0.250m budget overspent by £0.025m on supporting targeted initiatives and grants in the county. These are set out further within the PFCC's annual report which is published on the OPFCC website.

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 £5.72m compared to the latest approved 22/23 profile. The table below provides a summary of the capital expenditure and funding for the year:

	Capital Programme	Revised Capital Programme	Actual	Variance to Revised Programme
	£m	£m	£m	£m
Programmes:				
Information Technology	11.50	6.27	1.88	(4.39)
Estates	4.36	2.18	0.59	(1.59)
Vehicles & Equipment	1.89	2.10	2.35	0.25
	17.75	10.55	4.82	(5.73)
Funding:				
Grants	0.00	0.00	(0.04)	(0.04)
Capital Receipts	0.00	0.00	0.00	0.00
Revenue Contributions	(2.35)	(2.35)	(3.06)	(0.71)
Borrowing	(15.40)	(8.20)	(1.72)	6.48
	(17.75)	(10.55)	(4.82)	5.73

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

There was considerable slippage on some of the Information Technology Projects and significant delays in obtaining laptops and other goods.



Expenditure on vehicles was broadly in line with the programme and included slippage from the previous year due to long lead times.

Capital receipts were not realised due to delays in building disposals, but these are on track for 23/24. Some revenue underspends described under Outturn above were used to increase Revenue Contributions to Capital.

Capital Financing

A total of £3.06m of revenue budget from across the group was used to fund capital expenditure which reduces the need to borrow and the subsequent financing costs in future years. All borrowing required for the year is via internal cash balances.

Cash Flow

Total 'Cash and Cash Equivalents' at 31 March 2023 is £6.1m 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 2023.

Total borrowing is £23.3m and has all been obtained via the Public Works Loan Board (PWLb).

NON-FINANCIAL PERFORMANCE

Outcomes

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

The final report will be published on the PFCC website and highlights will include:

- 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, the PFCC has 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.

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FORCE OPERATIONAL PERFORMANCE

The Chief set out 14 Key Performance Questions for 2022/23 with 28 KPIs, as summarised in the following tables. It should be noted that these are preliminary results and are subject to change.

How we are assessing our progress		Baseline 2021/22	YE March 2023	Assessment	
DRUG HARM					
KPQ1 <i>To what extent are we protecting our communities from drugs harm?</i>					
KPI1	Dismantle and disrupt County Lines and Local Drug Lines operating in the county	Total	53	158	
KPQ2 <i>To what extent are we reducing crime and disorder in our communities?</i>					
KPI2	Reduce the rate of ASB repeat callers	Callers	5.7%	5.2%	
		Demand	10.3%	9.6%	
KPI3	Achieve neighbourhood crime* levels at least in line with the better performing forces nationally <i>(*Neighbourhood crime is: Residential burglary, theft of motor vehicles, theft from motor vehicles, vehicle interference, personal robbery and theft from person)</i>	Rate per 1k	8.89	9.32	
		Volume	6593	7058	
		National position	25th	23rd	
		MSG Position	5th	6th	
KPQ3 <i>How well are we supporting victims of Neighbourhood crime and disorder?</i>					
KPI4	Increase satisfaction with overall service (ASB, burglary, vehicle crime)	Burglary	77.8%	74.5%	
		Vehicle Crime	63.2%	61.2%	
		ASB	63.1%	67.5%	
SERIOUS AND ORGANISED CRIME					
KPQ4 <i>To what extent are we reducing the threat of SOC in our county?</i>					
KPI5	Reduce the MORILE score for OCGs related to firearms		272	410	
KPI6	Reduce the MORILE score for OCGs related to MSHT		418	178	
KPQ5 <i>To what extent are we bringing SOC offenders to justice?</i>					
KPI7	Increase positive outcomes for SOC related offences <i>(including but not limited to organised immigration crime, Fraud and Cyber investigations)</i>	OIC/MSHT	3.4%	2.4%	
		Fraud	8.6%	8.7%	
		Cyber-flagged Crimes	10.2%	10.5%	
VAWG					
KPQ6 <i>To what extent are we protecting women and girls from harm?</i>					
KPI8	Reduce repeat victimisation levels of DA, Rape and OSO through proactive and preventative policing	DA	41.9%	40.4%	
		Rape	12.0%	10.7%	
		OSO	7.2%	8.1%	
KPI9	To ensure we achieve an arrest rate for domestic abuse above the most recent national average and above our pre Covid baseline (32%)		35.2%	40.3%	
KPI10	Number of proactive interventions (predatory males / suspicious vehicles / vulnerable persons safeguarded) completed by police – not connected with reactive crime reporting in the NTE	Males disrupted	165	410	
		Vehicles	153	159	
		Safeguarding	243	480	
KPQ7 <i>How well are we supporting victims of VAWG through our investigations?</i>					
KPI11	Improve positive outcomes for victims - DA, Rape and OSO	DA	13.5%	12.7%	
		Rape	5.1%	7.5%	
		OSO	8.3%	11.9%	
KPI12	Reduce the non-conviction rate for DA due to victim and witness reasons		66.2%	60.7%	
KPI13	Improve the quality of service we provide to victims of VAWG	DA Satisfaction	89.6%	81.9%	
		Feel safer (% agree)	84.0%	78.7%	
		Would report again (% agree)	93.0%	88.2%	

Cont'd on next page



How we are assessing our progress		Baseline 2021/22	YE March 2023	Assessment	
SERIOUS VIOLENCE					
KPQ8 <i>To what extent are we reducing the threat of serious violence in the county?</i>					
KPI14	Reduce the volume of ADR knife crime	659	601		
KPI15	Reduce robbery volumes	737	792		
KPQ9 <i>To what extent are we preventing future offending?</i>					
KPI16	Reduce repeat perpetrators of knife crime (local definition)	20.9%	21.3%		
KPI17	Reduce u18 involvement in most serious violence (s18, S20, Homicide, Att murder, Robbery, agg burglary) - victims, suspects, offenders	MSV Crimes with u18	316	341	
		MSV U18 nominals	450	484	
		Knife Crimes with u18	391	431	
		Knife crime U18 nominals	458	503	
KPQ10 <i>To what extent are we providing a quality investigation and outcome?</i>					
KPI18	Improve the positive outcome ratio for knife crime and robbery	Knife crime (local)	26.7%	26.9%	
		Robbery	10.0%	8.0%	
KPI19	Improve the quality of service we provide to victims of violence	Satisfaction	81.4%	75.3%	
		VCOP compliance	76.8%	80.5%	
SERVICE DELIVERY					
KPQ11 <i>To what extent are we there for communities when they need us?</i>					
KPI20	Increase % of G1U incidents attended within 15 minute SLA	60.6%	59.7%		
KPI21	Increase % of G1R incidents attended within 20 minute SLA	64.8%	67.6%		
KPI22	Improve accessibility and visibility of policing within the county assessed by a basket of indicators	SOH reports	25,848	28,973	
		NPT Time Visible	63.6% (May-Sep 21)	64.5%	
		Response Time visible	62.1% (May-Sep 21)	67.5%	
KPQ12 <i>How well are we protecting people from harm?</i>					
KPI23	Reduce repeat victimisation levels within the county (persistent victims who experienced 5 or more crimes in the last 12m)	Persistent victims	2.3%	2.0%	
		Demand contribution	8.5%	8.4%	
The KPI24	Maintain all crime levels per 1000 people in line with national average or better	Rate per 1k	82.1	83.8	
		Volume	61,868	63,784	
		National position	23rd	21st	
		MSG Position	4th	4th	
KPI25	Demonstrate an improvement of mental health provision in the county assessed through a partnership framework	Use of s136 arrests increased but Op Alloy providing good support to officers to inform next steps			
KPQ13 <i>To what extent are we confident in the information and data we are recording on systems?</i>					
KPI26	Demonstrate improvements to data standards and data quality	Improvements made in key areas relating to statutory reporting but further areas to be prioritised this coming year			
KPQ14 <i>To what extent are we providing a quality investigation and outcome?</i>					
KPI27	Improve our use of investigation outcomes: Achieving high levels of positive outcomes and reducing evidential difficulty outcomes to be in line with the MSG or national average	Positive Outcome Ratio	14.1%	14.1%	
		National / MSG position	6th / 1st	8th/3rd	
		OC15	18.3%	18.3%	
		National / MSG position	34th / 7th	34th/8th	
		OC16	21.9%	23.5%	
KPI28	Improve the quality of service we provide to victims of crime assessed by a range of measures and resulting in high levels of victim satisfaction	Victim Satisfaction	75.8%	71.8%	
		VCOP compliance	86.3%	83.8%	



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 HMICFRS 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 HMICFRS 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 next PEEL assessment is taking place in September 2023.

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.

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 the PFCCs was given some local flexibility on the precept and high-level indications for 2024/25 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 and 2023/24 precepts, the PFCC undertook as wide a range of consultation as possible to obtain the views of Northamptonshire residents.

Both precepts showed support from local taxpayers to the increases proposed by the PFCC. The highlights from the consultations informed the PFCC precept proposals. The consultation reports are available on the OPFCC website.

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. However, the economy did not perform as expected and we already saw changes to the plan with a £15 precept increase allowed for 23/24. 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.

On 5th May 2023, the head of the UN World Health Organization (WHO) declared “with great hope” an end to COVID-19 as a public health emergency, however, they did say that it does not mean the disease is no longer a global threat.

The last effects of the pandemic, the conflict in Ukraine and Brexit have all had an impact on the national and international economies and cost of living. In the UK, we continue to face higher costs of living and inflation rates than the Bank of England target.

Police Funding Formula

Funding to Police is by way of national police grants and local council tax precept. There are significant differences between force areas in terms of what funding is provided locally and nationally.

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 National Police Funding Formula was “frozen” in 2011/12 and includes population is a key factor in the allocations.

His Majesty’s Inspectorate of Constabulary (HMICFRS) issue annually the Value for Money profiles. In 2022/23, they reflected that Northamptonshire’s central police grant per head of population is way below the National average as follows:



- Northamptonshire's central grant funding was £114.88 per head of population
- Regional force Area Nottinghamshire's was £137.77 per head of population
- The national average for England and Wales was £134.93 per head of population
- The average for the metropolitan areas was £181.88 per head of population

In 2011/12 Local taxpayers in Northamptonshire paid 34% of police funding. In 2023/24 they pay 55%.
Every year the formula remains frozen, the funding gap widens.

The PFCC is concerned that the current formula is not fit for purpose – it does not reflect the current challenges and demands of policing in Northamptonshire and has not kept pace with the population increase.

Changing Demand

Northamptonshire is a very fast-growing county – its population has grown higher than national levels as follows:

The 2021 national census highlighted that in the past ten years since the formula was frozen that the national population has increased by 6.5%.

In Northamptonshire it increased by 13.5% over the same period.

In fact, Northamptonshire's population has increased by 29.9% over the past 30 years, compared with 17.7% across England. It is also estimated this will increase by a further 14% by 2041.

The PFCC has and continues to lobby Ministers to move forward with the review of the funding formula to ensure that the funding allocations used are fair and consistent across the country.

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 HMICFRS recognises the progress that has been made. Work to drive forward further improvements continues and the next assessment is due to commence in September 2023.

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. A new longer term masterplan and strategy are under development.

Investment

The PFCC ring-fenced around £1m on agreed areas for investment in 2022/23 and has approved a further £1m in 2023/24. He will continue to work with the Chief Constable to identify investment which will make a difference in supporting the Police, Fire & Crime Plan.

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.

This is in addition to the national recruitment uplift plan which increases the Force police officer establishment to over 1,501 FTE by March 2023.

Moreover, the Force has overachieved recruitment targets and as such are expecting additional grant funding of almost £1m in 22/23 and potentially another £1m in 23/24 should this be maintained.

Medium Term Financial Outlook

Whilst the 2023/24 budget has been balanced, this is predicated on a level of savings and efficiencies and there are shortfalls identified from 2024/25. 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 and 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 this will continue to develop.

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 2023/24 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 (\$151)
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 2023.

In preparing this Statement of Accounts, the Section 151 (S151) 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 2022/23.
- 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 31st March 2023 and the income and expenditure for the year ended 31st March 2023.

Helen King
Chief Finance Officer (S151)

Stephen Mold
Northamptonshire Police, Fire and Crime Commissioner

Date:

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.

2021/22			2022/23			
Net Expenditure Chargeable to CIES	Adjustments	Net Expenditure as per CIES	Group	Net Expenditure Chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
112,366	70,577	182,943	Policing Services	101,348	52,675	154,023
3,875	-	3,875	OPFCC & Commissioning	8,257	1,114	9,371
771	-	771	Non-Distributed Costs	1,224	-	1,224
117,012	70,577	187,589	Cost of Services	110,829	53,789	164,618
(118,411)	-	(118,411)	Other Income and Expenditure	(115,846)	-	(115,846)
(1,399)	70,577	69,178	Surplus or Deficit on the Provision of Services	(5,017)	53,789	48,772
(17,951)			Opening Combined General Fund Balance	(19,350)		
(1,399)			Surplus or Deficit on the General Fund	(5,017)		
-			Transfers to/from other Reserves	-		
(19,350)			Closing Combined General Fund	(24,367)		

EXPENDITURE AND FUNDING ANALYSIS (OPFCC)

2021/22			2022/23			
Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES	Office of the Police, Fire & Crime Commissioner	Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
5,745	21,716	27,461	Policing Services	(154)	(370)	(524)
3,875	-	3,875	OPFCC & Commissioning	8,257	1,114	9,371
771	-	771	Non-Distributed Costs	1,224	-	1,224
10,391	21,716	32,107	Cost Of Services	9,327	744	10,071
138,520	-	138,520	Intra-Organisational Adjustment	143,075	-	143,075
(150,310)	-	(150,310)	Other Income and Expenditure	(157,419)	-	(157,419)
(1,399)	21,716	20,317	Surplus or Deficit on the Provision of Services	(5,017)	744	(4,273)
(17,951)			Opening Combined General Fund Balance	(19,350)		
(1,399)			Surplus or Deficit on the General Fund	(5,017)		
-			Transfers to/from other Reserves	-		
(19,350)			Closing Combined General Fund	(24,367)		



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 2022	(5,000)	(14,350)	(19,350)	1,458,649	1,439,299
Movement in reserves during 2022/23					
Surplus or deficit on the provision of services	48,772	-	48,772	-	48,772
Other Comprehensive Income / Expenditure	-	-	-	(552,151)	(552,151)
Total Comprehensive Income and Expenditure	48,772	-	48,772	(552,151)	(503,379)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(53,789)	-	(53,789)	53,789	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(5,017)	-	(5,017)	(498,362)	(503,379)
Transfers to / from Earmarked Reserves	4,717	(4,717)	-	-	-
Increase or Decrease in 2022/23	(300)	(4,717)	(5,017)	(498,362)	(503,379)
Balance at 31 March 2023	(5,300)	(19,067)	(24,367)	960,287	935,920

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	-	-	-	(101,444)	(101,444)
Total Comprehensive Income and Expenditure	69,178	-	69,178	(101,444)	(32,266)
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)	(30,867)	(32,266)
Transfers to / from Earmarked Reserves	1,399	(1,399)	-	-	-
Increase or Decrease in 2021/22	-	(1,399)	(1,399)	(30,867)	(32,266)
Balance at 31 March 2022	(5,000)	(14,350)	(19,350)	1,457,410	1,438,060



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 2022	(5,000)	(14,350)	(19,350)	(44,803)	(64,153)
Movement in reserves during 2022/23					
Surplus or deficit on the provision of services	(4,273)	-	(4,273)	-	(4,273)
Other Comprehensive Income / Expenditure	-	-	-	(15,438)	(15,438)
Total Comprehensive Income and Expenditure	(4,273)	-	(4,273)	(15,438)	(19,711)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(744)	-	(744)	744	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(5,017)	-	(5,017)	(14,694)	(19,711)
Transfers to / from Earmarked Reserves	4,717	(4,717)	-	-	-
Increase or Decrease in 2022/23	(300)	(4,717)	(5,017)	(14,694)	(19,711)
Balance at 31 March 2023	(5,300)	(19,067)	(24,367)	(59,497)	(83,864)

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	-	(1,397)	(1,397)	(7,308)	(8,705)
Balance at 31 March 2022	(5,000)	(14,350)	(19,350)	(46,042)	(65,392)



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.

2021/22			Group	2022/23		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
222,246	(39,303)	182,943	Policing Services	198,820	(44,797)	154,023
5,194	(1,319)	3,875	Police, Fire & Crime Commissioner	9,713	(342)	9,371
2,537	(1,766)	771	Commissioning	3,947	(2,723)	1,224
-	-	-	- Non-Distributed Costs	-	-	-
229,977	(42,388)	187,589	Cost of Services	212,480	(47,862)	164,618
1,633	(137)	1,496	Other Operating Expenditure (Note 7)	2,622	(1,137)	1,485
30,752	(2)	30,750	Financing and Investment Income and Expenditure (Note 8)	40,641	(132)	40,509
-	(150,657)	(150,657)	Taxation and Non-Specific Grant Income (Note 9)	-	(157,840)	(157,840)
262,362	(193,184)	69,178	Surplus or Deficit on Provision of Services	255,743	(206,971)	48,772
		(27,733)	Surplus or Deficit on Revaluation of Non-Current Assets			(10,670)
		(64,500)	Actuarial Gains/Losses on Pension Schemes			(541,481)
		(92,233)	Other Comprehensive Income and Expenditure			(552,151)
		(23,055)	Total Comprehensive Income and Expenditure			(503,379)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (OPFCC)

2021/22			Office of the Police, Fire & Crime Commissioner	2022/23		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
38,607	(11,146)	27,461	Policing Services	9,444	(9,969)	(525)
5,194	(1,319)	3,875	Police, Fire & Crime Commissioner	9,713	(342)	9,371
2,537	(1,766)	771	Commissioning	3,947	(2,723)	1,224
46,338	(14,231)	32,107	Cost of Services	23,104	(13,034)	10,070
138,520	-	138,520	Intra-Organisational Adjustment	143,075	-	143,075
-	-	-	- Other Operating Expenditure (Note 7)	800	(1,000)	(200)
347	-	347	Financing and Investment Income and Expenditure (Note 8)	622	-	622
-	(150,657)	(150,657)	Taxation and Non-Specific Grant Income (Note 9)	-	(157,840)	(157,840)
185,205	(164,888)	20,317	Surplus or Deficit on Provision of Services	167,601	(171,874)	(4,273)
		(27,733)	Surplus or Deficit on Revaluation of Non-Current Assets			(10,670)
		(1,289)	Actuarial Gains/Losses on Pension Schemes			(4,768)
		(29,022)	Other Comprehensive Income and Expenditure			(15,438)
		(8,705)	Total Comprehensive Income and Expenditure			(19,711)



BALANCE SHEET (OPFCC & GROUP)

This account shows the overall financial position of the Group at 31 March 2023. 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 2022/23 financial year instead of dealing with day-to-day transactions within that financial year.

OPFCC 31/03/2022 £000	Group 31/03/2022 £000		Note	OPFCC 31/03/2023 £000	Group 31/03/2023 £000
81,147	81,147	Property, Plant and Equipment	18	89,400	89,400
11	11	Intangible Assets	23	1,233	1,233
11	11	Long Term Investments		14	14
81,169	81,169	Long Term Assets		90,647	90,647
-	-	- Short Term Investments		-	-
2,050	2,050	Assets Held for Sale	20	1,250	1,250
605	605	Inventories	27	660	660
20,729	20,729	Short Term Debtors	26	31,057	31,057
10,504	10,504	Cash and Cash Equivalents	33	6,114	6,114
33,888	33,888	Current Assets		39,081	39,081
(22,502)	(24,838)	Short Term Creditors	29	(22,182)	(23,625)
-	-	- Short Term Borrowing	39	-	-
(355)	(355)	Provisions	28	(377)	(377)
(22,857)	(25,193)	Current Liabilities		(22,559)	(24,002)
(23,300)	(23,300)	Long Term Borrowing	39	(23,100)	(23,100)
(4,747)	(1,505,863)	Other Long Term Liabilities	37	(205)	(1,018,546)
(28,047)	(1,529,163)	Long Term Liabilities		(23,305)	(1,041,646)
64,153	(1,439,299)	Net Assets		83,864	(935,920)
(19,350)	(19,350)	Usable Reserves	16	(24,367)	(24,367)
(44,803)	1,458,649	Unusable Reserves	17	(59,497)	960,287
(64,153)	1,439,299	Total Reserves		(83,864)	935,920

Signed:

Helen King
Chief Finance Officer (S151)

Stephen Mold
Northamptonshire Police, Fire and Crime Commissioner

Date:

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.

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
20,317	69,178	Net Surplus/Deficit on Provision of Services	(4,273)	48,772
(13,916)	(62,777)	Adjustments to net surplus/deficit on the provision of services for non cash movements (Note 34)	9,260	(43,785)
-	-	Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities (Note 34)	-	-
6,401	6,401	Net cash flows from Operating Activities	4,987	4,987
(10,000)	(10,000)	Investing Activities (Note 35)	(597)	(597)
-	-	Financing Activities	-	-
(3,599)	(3,599)	Net (increase) or decrease in cash & cash equivalents	4,390	4,390
6,905	6,905	Cash & cash equivalents at the beginning of the reporting period	10,504	10,504
10,504	10,504	Cash & cash equivalents at the end of the reporting period	6,114	6,114



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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, there are no material uncertainties or concerns on the basis of preparing the 2022/23 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 2023 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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
		It is estimated that the annual depreciation charge for buildings would increase £0.057m for every year that useful lives had to be reduced.
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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
		It is estimated that the annual depreciation charge for vehicles would increase by £0.568m for every year that useful lives had to be reduced.



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 2022/23 financial year and has made a provision of £2.016m 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 £0.202m 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 2022/23, the Authority's actuaries advised that the net pension's liability had increased by £486.776m 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 £1,020.13m, being the total pension liability.
Arrears	At 31 March 2023, the OPFCC had a balance of sundry debtors for £1.47m. 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 2023, the OPFCC held a balance of investments of £6.114m, 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 £3.456m 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 2023, 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:

2021/22			2022/23			
OPFCC Total	Group Total	£'s	OPFCC Staff	Group Officers	Group Staff	Total Employees
2	154	50,000 to 54,999	3	129	24	153
2	90	55,000 to 59,999	2	101	17	118
-	46	60,000 to 64,999	-	38	7	45
-	10	65,000 to 69,999	-	7	6	13
1	8	70,000 to 74,999	-	4	1	5
-	6	75,000 to 79,999	1	4	4	8
-	6	80,000 to 84,999	-	2	-	2
-	5	85,000 to 89,999	1	6	3	9
1	2	90,000 to 94,999	-	2	-	2
1	3	95,000 to 99,999	-	1	-	1
-	-	100,000 to 104,999	1	-	1	1
-	-	105,000 to 109,999	1	1	1	2
-	-	110,000 to 114,999	-	-	-	-
-	1	115,000 to 119,999	-	-	1	1
-	2	120,000 to 124,999	-	-	-	-
-	1	125,000 to 129,999	-	-	-	-
-	-	130,000 to 134,999	-	-	-	-
-	-	135,000 to 139,999	-	-	-	-
-	-	140,000 to 144,500	-	-	-	-
-	-	145,000 to 149,999	-	-	-	-
-	1	150,000 to 154,999	-	1	-	1
-	-	155,000 to 159,999	-	-	-	-
7	335		9	296	65	361

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.



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

2022/23 Post Holder Information	Start Date	Leaving date	Salary £	Bonus £	Expense Allowances (1) £	Loss of office £	Benefits in Kind £	Other (2) £	Total Excluding Pension £	Employer Pension Contribution £	Total Including Pension £
Police, Fire and Crime Commissioner											
Stephen Mold - Police, Fire and Crime Commissioner	12/05/16		76,142	-	543	-	-	-	76,685	7,728	84,413
Office of the Police, Fire and Crime Commissioner											
Director for Delivery	21/11/16		87,806	-	462	-	-	-	88,268	-	88,268
Chief Finance Officer	09/11/17		104,142	-	693	-	-	-	104,835	21,141	125,976
Director and HOPS Monitoring Officer	17/12/18		104,142	-	1,408	-	-	-	105,550	21,141	126,691
Voice Ltd											
Chief Executive	01/08/17		65,355	-	-	-	-	-	65,355	11,045	76,400
Chief Constable											
Nick Adderley - Chief Constable (3)	06/08/18	27/02/23	146,771	-	2,217	-	-	3,371	152,359	-	152,359
Paul Gibson - Temporary Chief Constable (3)	27/02/23	31/03/23	-	-	-	-	-	-	-	-	19,316
Deputy Chief Constable	04/02/19	05/07/22	32,583	-	-	-	-	1,134	33,717	10,101	43,818
Temporary Deputy Chief Constable (4)	23/05/22	11/11/22	59,180	-	996	-	-	4,639	64,815	18,346	83,161
Assistant Chief Constable (4)	01/10/19	22/05/22	16,487	-	95	-	-	1,336	17,918	5,111	23,028
Temporary Deputy Chief Constable	19/12/22		35,785	-	-	-	-	-	35,785	11,093	46,878
Temporary Assistant Chief Constable	09/05/22		105,047	-	2,057	-	-	300	107,404	28,788	136,192
Assistant Chief Officer	01/12/20		116,861	-	-	-	-	-	116,861	23,723	140,584
Temporary Chief Superintendent	09/05/22		87,145	-	1,470	-	-	1,480	90,095	24,440	114,535
Chief Superintendent	01/10/18		92,859	-	1,560	-	-	5,398	99,817	28,786	128,603
Chief Superintendent	17/09/21		89,664	-	2,025	-	-	1,640	93,328	27,796	121,124
Chief Finance Officer	21/05/18		85,794	-	294	-	-	-	86,088	17,416	103,504
Joint Head of HR	14/12/20	31/12/22	58,916	-	2,338	-	-	-	61,255	11,960	73,215

(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) Nick Adderley temporarily ceased as Chief Constable from 27th February 2023 for the remainder of the financial year and was replaced by Paul Gibson for this period.

(4) The incumbent Deputy Chief Constable retired during the year and was temporarily replaced by the one of the Assistant Chief Constables pending a full recruitment process.

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 £	Employer Pension Contribution £	Total Including Pension £
Police, Fire and Crime Commissioner											
Stephen Mold - Police, Fire and Crime Commissioner	12/05/16		74,400	-	92	-	-	-	74,492	15,103	89,595
Office of the Police, Fire and Crime Commissioner											
Director of Technology & Digital Transformation	22/11/16	30/04/21	8,750	-	-	-	-	-	8,750	1,776	10,526
Director for Delivery	21/11/16		85,986	-	37	-	-	-	86,023	-	86,023
Chief Finance Officer	09/11/17		101,955	-	75	-	-	-	102,030	20,697	122,727
Director and HOPS Monitoring Officer	17/12/18		98,927	-	1,000	-	-	-	99,927	20,082	120,009
Voice Ltd											
Chief Executive	01/08/17		64,008	-	-	-	-	-	64,008	12,610	76,618
Chief Constable											
Nick Adderley - Chief Constable	06/08/18		157,594	-	-	-	-	3,688	161,282	48,854	210,136
Deputy Chief Constable	04/02/19		123,696	-	-	-	-	4,304	128,000	38,346	166,346
Assistant Chief Constable 1	15/05/17	30/04/21	9,935	-	-	-	-	685	10,620	3,080	13,699
Assistant Chief Constable 2	01/10/19		119,220	-	340	-	-	9,304	128,863	36,958	165,822
Assistant Chief Constable 3	30/12/19	31/03/22	115,882	-	1,239	-	-	-	117,121	35,923	153,045
Assistant Chief Officer	01/12/20		111,131	-	-	-	-	-	111,131	22,560	133,690
Chief Superintendent	24/09/18	26/09/21	44,855	-	606	-	-	517	45,978	13,905	59,883
Chief Superintendent	01/10/18		91,749	-	1,666	-	-	5,031	98,445	28,442	126,887
Chief Superintendent	11/03/19	17/09/21	42,561	-	812	-	-	2,102	45,476	-	45,476
Chief Superintendent	31/03/20		89,763	-	1,239	-	-	1,793	92,795	27,876	120,671
Chief Superintendent	17/09/21		47,358	-	962	-	-	353	48,674	14,681	63,355
Superintendent HR	22/06/20	04/07/21	20,733	-	324	-	-	297	21,353	6,427	27,780
Chief Finance Officer	21/05/18		82,131	-	564	-	-	-	82,695	16,673	99,368
Joint Head of HR	14/12/20		75,348	-	-	-	-	-	75,348	15,194	90,542

(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.



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)
2022/23 - OPFCC	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(1,557)	(630)	1,073	(1,114)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(1,557)	(630)	1,073	(1,114)
Joint Venture & Associates	(503)	800	73	370
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	(2,060)	170	1,146	(744)
2022/23 - Group	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(1,536)	(52,782)	159	(54,159)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(1,536)	(52,782)	159	(54,159)
Joint Venture & Associates	(503)	800	73	370
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	(2,039)	(51,982)	232	(53,789)
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)



Note 5B - Segmental Analysis of Income and Expenditure

2022/23 - OPFCC	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(9,969)	-	-	-
OPFCC & Commissioning	(815)	-	499	5,916
Total	(10,784)	-	499	5,916

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

2022/23 - Group	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(24,192)	(133)	-	-
OPFCC & Commissioning	(815)	-	499	5,916
Total	(25,007)	(133)	499	5,916

2021/22 - Group	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(39,554)	(2)	80	-
OPFCC & Commissioning	(3,085)	-	-	27,399
Total	(42,639)	(2)	80	27,399



Note 5C - Expenditure and Income Analysed by Nature

2021/22		Nature of Expenditure or Income	2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
Expenditure				
13,564	148,467	Employee Benefit Expenses	3,306	158,846
5,642	54,377	Other Services Expenses	13,882	47,718
27,399	27,399	Depreciation, amortisation, Impairment	5,916	5,916
80	30,485	Interest Payments	620	40,640
-	1,634	Precepts and Levies	-	1,821
-	-	Gains/losses on the Disposal of Non-Current Assets	(200)	(200)
46,685	262,362	Total Expenditure	23,524	254,741
138,520	-	Intra Company Adjustment (Expenditure)	143,075	-
185,205	262,362	Total Expenditure (Including Intra Company)	166,599	254,741
Income				
(14,345)	(42,639)	Fees, Charges and Other Service Income	(10,784)	(25,007)
-	(2)	Interest and Investment Income	-	(133)
(66,428)	(66,428)	Income from Council Tax & Non-Domestic Rates	(69,540)	(69,540)
(84,115)	(84,115)	Government Grants and Contributions	(90,548)	(111,289)
(164,888)	(193,184)	Total Income	(170,872)	(205,969)
-	-	Intra Company Adjustment (Income)	-	-
(164,888)	(193,184)	Total Income (Including Intra Company)	(170,872)	(205,969)
20,317	69,178	Surplus or Deficit on the Provision of Services	(4,273)	48,772



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.

2022/23	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)	170	(170)	(51,982)	51,982
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-	-	-
Council Tax and NDR (transfers to or from the collection Fund)	1,081	(1,081)	1,081	(1,081)
Holiday Pay (transferred to the Accumulated Absences Reserve)	44	(44)	(849)	849
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)	(5,673)	5,673	(5,673)	5,673
Total Adjustments to Revenue Resources	(4,378)	4,378	(57,423)	57,423
Adjustments between Revenue and Capital Resources				
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	1,178	(1,178)	1,178	(1,178)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,456	(2,456)	2,456	(2,456)
Total Adjustments between Revenue and Capital Resources	3,634	(3,634)	3,634	(3,634)
Other Adjustments	-	-	-	-
Total Adjustments	(744)	744	(53,789)	53,789



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

Note 7 - Other Operating Expenditure

Other Operating Expenditure includes:

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
-	1,634	-	1,821
-	-	(200)	(200)
-	(138)	-	(137)
-	1,496	(200)	1,485

Note 8 - Financing and Investment Income and Expenditure

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
267	267	499	499
80	30,485	123	40,143
-	(2)	-	(133)
347	30,750	622	40,509



Note 9 - Taxation and Non-Specific Grant Income

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
(66,428)	(66,428)	Council tax income	(69,540)	(69,540)
-	-	- Non-domestic rates income and expenditure	-	-
(84,115)	(84,115)	Non-ringfenced government grants	(88,264)	(88,264)
(114)	(114)	Capital grants and contributions	(36)	(36)
-	-	- Other tax or non-specific grant income / expenditure	-	-
(150,657)	(150,657)	Total	(157,840)	(157,840)

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:

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
(355)	(355)	Insurance Provision	(377)	(377)
(355)	(355)	Total	(377)	(377)

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:

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
15	15	Allowances and Re-imbursements	15	15
15	15	Total	15	15

Note 13 - External Audit Costs

During the year the group incurred direct external audit fees. The planned audit fees of £46k in 2022/23 and £35k in 2021/22 relate to the audit work for the Statement of Accounts, which is a statutory requirement.

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
23	35	Scale fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	34	46
23	35	Total	34	46



Note 14 - Grant Income

The OPFCC credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23.

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

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
(77,471)	(77,471)	Revenue Support Grant	(81,620)	(81,620)
(6,644)	(6,644)	Council Tax Burden Grant	(6,644)	(6,644)
(114)	(114)	Capital Grants and Contributions	(36)	(36)
-	-	- Section 31 Grants	-	-
(84,229)	(84,229)	Total	(88,300)	(88,300)

Credited to Services

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
-	(128)	ACPO (TAM)	-	(1,041)
-	-	- Other Grants	(80)	(582)
-	(13,951)	Pension Top Up Grant	-	(15,670)
-	(953)	Uplift Grant	-	(1,288)
-	-	- Additional Uplift Grant	-	(940)
-	(39)	Pensions Grant	-	(1,272)
(842)	(842)	Safer Streets Grant	(833)	(833)
(1,202)	(1,202)	Ministry of Justice	(1,321)	(1,321)
-	-	- ESN S31 Grant	-	(22)
-	-	- Redmond Review Grant	(15)	(20)
-	(197)	Proceeds of Crime	-	-
(2,044)	(17,312)	Total	(2,249)	(22,989)



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.

The OPFCC has direct control over the OPFCC's financial and operating policies. Chief Officers might also be in a position to significantly influence the policies of the OPFCC. During the year, "Voice for Victims and Witnesses" (Voice) operated as a company limited by guarantee to deliver support services to victims.

During the year, the PFCC considered a review of Voice for victims and concluded that the services would be delivered in-house moving forwards. Voice for Victims ceased trading on 31 March 2023. Work to finalise the closedown of the company is underway and will be concluded in 2022/23.

In 2022/23, funding of around £1.7m was provided to Voice from the OPFCC budget and victims reserve and grant funds allocated to the PFCC. 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 Transformation 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.

The Director of Delivery (and Monitoring Officer) and Chief Finance Officer of the OPFCC also undertake these roles in NCFRA and all OPFCC Directors and OPFCC staff

support the governance of NCFRA. There is also a joint Communications Team for OPFCC and Fire. The costs are reviewed annually as part of the budget setting process and in 2022/23, the sum of £379k was charged to NCFRA for this support.

Furthermore, the OPFCC agreed to fund a post in NCFRA of up to three years to support Youth engagement, the LGA subscription and a contribution to the acorn demography tool. These costs equated to £53k.

NCFRA and Northamptonshire Police work together on a number of collaboration and other activities or where one organisation provides services for another. Shared support services teams are in place for a number of services and shared accommodation in Darby House. During 2022/23, net charges of £2.739m were charged by Police to NCFRA.

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.

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. (see Note 40)

A review of accounts payable and receivable transactions has been undertaken which confirms that no payments have been made to or from employees of the organisations other than in line with contracts of employment.



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 2024/25 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 2023, the total Earmarked Reserves balance stood at £24.267m (£19.350m in 2021/22). This includes a General Fund balance increase from £5.000m to £5.300m.

Group	Balance at 31 March 2021 £000	Transfers in 2021/22 £000	Transfers out 2021/22 £000	Balance at 31 March 2022 £000	Intra- Reserve Transfers £000	Transfers in 2022/23 £000	Transfers out 2022/23 £000	Balance at 31 March 2023 £000
Insurance	(1,724)	(1,986)	-	(3,710)	-	(43)	-	(3,753)
Operational Equipment	(300)	(100)	-	(400)	-	(100)	-	(500)
Earmarked Funding	(654)	(293)	-	(947)	(696)	(876)	963	(1,556)
Victims	-	-	-	-	(478)	(52)	110	(420)
Pensions	(430)	-	70	(360)	-	-	145	(215)
Developer Contributions	(519)	-	113	(406)	-	-	105	(301)
Initiatives Fund	(2,945)	(817)	-	(3,762)	(25)	(660)	-	(4,447)
Transformation	(2,622)	(436)	-	(3,058)	521	(445)	694	(2,288)
Safer Roads	(1,176)	-	643	(533)	-	(154)	109	(578)
Additionality	(2,011)	-	1,333	(678)	678	-	-	-
Capital	-	(77)	-	(77)	-	-	-	(77)
Collaboration	(570)	-	151	(419)	-	(156)	-	(575)
Smoothing	-	-	-	-	-	(2,505)	-	(2,505)
Neighbourhood	-	-	-	-	-	(1,752)	-	(1,752)
Total Earmarked Reserves	(12,951)	(3,709)	2,310	(14,350)	-	(6,743)	2,126	(18,967)
General Fund	(5,000)	-	-	(5,000)	-	(300)	-	(5,300)
Total Reserves	(17,951)	(3,709)	2,310	(19,350)	-	(7,043)	2,126	(24,267)

The Statement of Accounts varies to the Outturn report by £0.1m, as a result of the statutory accounting for Deferred Capital Receipts after receiving the deposit for the sale of a property. For the purposes of decisions, this will not be reflected in the outturn reserves until the sale has been completed, when the full value has been received.

The key purposes of these reserves are as follows:

Insurance

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

Operational Equipment

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



Earmarked Funding

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

Victims

To fund specific programmes or schemes to support victims services.

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.

Developer Contributions

This holds developer contributions, received when the legal conditions have been met, but they are held until the OPFCC can allocate them against an appropriate purpose.

Initiatives Fund

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

Transformation

To fund transformative activities and opportunities, and meet initial and upfront costs of enabling services projects.

Safer Roads

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

Capital

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.

Collaboration

Transfers in relate to our share of underspends on regional collaboration. Transfers out represent contributions towards costs arising from regional decisions.

Smoothing

This reserve is intended to smooth the impact of funding changes which can be volatile between years as they are dependant on the collection rates of the billing authorities. This reserve will therefore reduce the need to make one year savings when the funding reductions are expected to be transient in nature.

Neighbourhood

To earmark underspends in the Police Officers and PCSO budgets to be used towards prioritising those resources for neighbourhood policing or other associated requirements.

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.



Note 17 - Unusable Reserves

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
(32,997)	(32,997)	(43,668)	(43,668)
(17,301)	(17,301)	(15,205)	(15,205)
1,054	1,054	(27)	(27)
4,387	1,505,503	205	1,018,546
-	-	(900)	(900)
54	2,390	98	1,541
(44,803)	1,458,649	(59,497)	960,287

Revaluation Reserve

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
(16,297)	(16,297)	(32,997)	(32,997)
(24,117)	(24,117)	(11,363)	(11,363)
7,417	7,417	692	692
(16,700)	(16,700)	(43,668)	(43,668)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(32,997)	(32,997)	(43,668)	(43,668)

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.

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
(27,397)	(27,397)	(17,301)	(17,301)
	Balance 1 April		
1,221	1,221	3,504	3,504
	Charges for depreciation and impairment of non-current assets		
19,987	19,987	2,876	2,876
	Revaluation gain/losses on non-current assets		
716	716	307	307
	Amortisation of intangible assets		
-	-	-	-
	Revaluation Reserve written out		
3,239	3,239	944	944
	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		
25,163	25,163	7,631	7,631
	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
(7,417)	(7,417)	(692)	(692)
	Adjusting Amounts written out of the Revaluation Reserve		
17,746	17,746	6,939	6,939
	Net written out amount of the cost of non-current assets consumed in the year		
(1,254)	(1,254)	(275)	(275)
	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing		
(857)	(857)	(1,178)	(1,178)
	Statutory provision for the financing of capital investment charged against the General Fund		
(5,217)	(5,217)	(3,390)	(3,390)
	Capital expenditure charged against the General Fund		
(7,650)	(7,650)	(4,843)	(4,843)
	Capital financing applied in year:		
-	-	-	-
	Other movements		
(17,301)	(17,301)	(15,205)	(15,205)
	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.

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
3,897	1,528,796	Balance 1 April	4,747	1,505,863
(144)	27,462	Re-measurements of the net defined benefit (liability)/asset	(6,242)	(335,567)
1,301	(44,059)	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	2,088	(145,013)
(307)	(6,336)	Employer's pensions contributions and direct payments to pensioners payable in the year	(388)	(6,737)
4,747	1,505,863	Balance 31 March	205	1,018,546



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.

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
1,044	1,044	Balance 1 April	1,054	1,054
		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		(1,081)	(1,081)
1,054	1,054	Balance 31 March	(27)	(27)

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.

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
57	2,171	Balance 1 April	54	2,390
(57)	(2,171)	Settlement or cancellation of accrual made at the end of the preceding year	(54)	(2,390)
54	2,390	Amounts accrued at the end of the current year	98	1,541
54	2,390	Balance 31 March	98	1,541

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
-	-	Balance 1 April	-	-
-	-	Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	(900)	(900)
-	-	- Transfer to the capital receipts reserve upon receipt of cash	-	-
-	-	Balance 31 March	(900)	(900)



Note 18 - Property, Plant and Equipment

Movements to 31 March 2023	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation				
at 1 April 2022	73,218	27,585	68	100,871
Additions	574	3,837	540	4,951
Revaluation increases/(decreases) recognised in the Revaluation Reserve	10,670	-	-	10,670
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(2,183)	-	-	(2,183)
Derecognition – disposals	(5)	(3,428)	(68)	(3,501)
Depreciation Eliminated on Revaluation	(1,769)	-	-	(1,769)
Reclassifications and transfers	-	(1,537)	-	(1,537)
Reclassifications to Assets Held for Sale	-	-	-	-
at 31 March 2023	80,505	26,457	540	107,502
Accumulated Depreciation and Impairment				
at 1 April 2022	(187)	(19,537)	-	(19,724)
Depreciation charge	(1,880)	(1,932)	-	(3,812)
Depreciation Eliminated on Revaluation	1,769	-	-	1,769
Reversal of Depreciation on transfer	-	307	-	307
Derecognition – disposals	-	3,358	-	3,358
at 31 March 2023	(298)	(17,804)	-	(18,102)
Net Book Value				
at 31 March 2023	80,207	8,653	540	89,400
at 31 March 2022	73,031	8,048	68	81,147



Movements to 31 March 2022	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
<u>Cost or Valuation</u>				
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
<u>Accumulated Depreciation and Impairment</u>				
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)
<u>Net Book Value</u>				
at 31 March 2022	73,031	8,048	68	81,147
at 31 March 2021	48,860	4,988	16,839	70,687

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 and Assets Held for Sale.

Note 19 - Impairment Losses

There were no impairment losses in 2022/23.



Note 20 - Assets Held for Sale

As the 31 March 2023, the OPFCC held 1 asset that are classified as Assets Held for Sale - Kettering Police Station. As at 31st March 2023, contracts for the sale of the Corby site had been completed and a deferred Capital Receipt for the difference between the deposit and the balance of the contractual obligation had been recognised. Corby has thus been declassified as an Asset Held for Sale.

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
2,050	2,050	2,050	2,050
	Balance at Start of Year		
-	- Assets disposed of in year	(800)	(800)
-	- Assets newly classified as Held for Sale	-	-
2,050	2,050 Total	1,250	1,250

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 2022 and 2023, the Group had no Finance Leases.

The OPFCC holds premises and some equipment on an Operating Lease basis, made payments of £0.338m for the year and was committed to making the following lease payments:

2022/23	Future Years Committed Expenditure			
	Land £000	Buildings £000	Equipment £000	Total £000
Leases expiring in 2023/24	143	195	1	339
Leases expiring between 2024/25 and 2027/28	348	469	-	817
Leases expiring 2028/29 and after	16	-	-	16
Total	507	664	1	1,172

2021/22	Future Years Committed Expenditure			
	Land £000	Buildings £000	Equipment £000	Total £000
Leases expiring in 2022/23	149	203	9	361
Leases expiring between 2023/24 and 2026/27	321	438	1	760
Leases expiring 2027/28 and after	60	81	-	141
Total	530	722	10	1,262



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 £0.318m was charged to revenue in 2022/23.

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

31 March 2022		31 March 2023	
OPFCC	Group	OPFCC	Group
Total	Total	Total	Total
£000	£000	£000	£000
Balance at start of year			
3,143	3,143	3,143	3,143
(2,416)	(2,416)	(3,132)	(3,132)
727	727	11	11
Net carrying amount at start of year			
-	-	3	3
-	-	2,586	2,586
-	-	1,537	1,537
(716)	(716)	(318)	(318)
-	-	(2,586)	(2,586)
11	11	1,233	1,233
Net carrying amount at end of year			
Comprising			
3,143	3,143	7,269	7,269
(3,132)	(3,132)	(6,036)	(6,036)
11	11	1,233	1,233
Total			

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 2022/23 upon the capital financing requirement. The minimum revenue provision is now £1.178m, which ensures that all capital expenditure is fully funded over the natural lifecycle of the asset.

31 Mar 2022		31 Mar 2023	
OPFCC £000	Group £000	OPFCC £000	Group £000
30,070	30,070	32,928	32,928
	Opening Capital Financing Requirement		
	Capital Investment:		
9,139	9,139 Property Plant and Equipment	4,818	4,818
-	- Intangible Assets	-	-
-	- Assets Held for Sale	-	-
-	- Revenue Expenditure Funded from Capital Under Statute	-	-
-	- Other	-	-
9,139	9,139 Total Capital Spending	4,818	4,818
	Sources of Finance:		
-	- Capital receipts	-	-
(114)	(114) Government Grants and other contributions	(36)	(36)
	Sums set aside from revenue:		
(4,988)	(4,988) Direct revenue contributions	(3,064)	(3,064)
(1,179)	(1,179) Minimum revenue provision	(1,178)	(1,178)
(6,281)	(6,281) Total Sources of Finance	(4,278)	(4,278)
32,928	32,928 Closing Capital Financing Requirement	33,468	33,468

Note 25 - Construction Contracts

The OPFCC Group discloses all material capital Commitments and after a review of all approved contracts, the following capital commitment are in existence prior to 31st March 2023:

- £0.503m for the Enabling Services Financial, HR, Recruitment and Payroll systems.



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 2022 £000	Total 31 March 2023 £000
2,229 Council Tax	2,323
1,462 System Debtors	15,790
13,156 Income Accruals	6,251
1,543 Prepayments	4,414
2,473 VAT	2,413
(134) Bad Debt Adjustment	(134)
20,729 Total Debtors	31,057

Note 27 - Inventories

The following stocks were held as available for issue as at 31 March 2023:

Group	Vehicle Fuel		Operational		Uniforms		Total	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	£000	£000	£000	£000	£000	£000	£000	£000
Balance outstanding at start of year	331	186	212	141	59	278	602	605
Purchases	186	187	141	72	278	401	605	660
Recognised as an expense in the year	(331)	(186)	(212)	(141)	(59)	(278)	(602)	(605)
Balance Outstanding at Year End	186	187	141	72	278	401	605	660

Each total represents both Group and OPFCC balances.



Note 28 – Provisions

An independent evaluation of the Insurance Provision as at 31 March 2023 has identified a requirement of £0.377m for future year's potential claims, an increase of £0.022m, with a large proportion of this value being transferred into the Insurance Reserve.

Group	2022/23	
	Insurance £000	Total £000
Balance outstanding at start of year	(355)	(355)
Increase in Provision during year	(377)	(377)
Utilised in Year	355	355
Unused in Year	-	-
Balance Outstanding at Year End	(377)	(377)

Group	2021/22	
	Insurance £000	Total £000
Balance outstanding at start of year	(1,728)	(1,728)
Increase in Provision during year	(355)	(355)
Utilised in Year	1,728	1,728
Unused in Year	-	-
Balance Outstanding at Year End	(355)	(355)

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 2022		Creditors	31 March 2023	
OPFCC £000	Group £000		OPFCC £000	Group £000
(1,360)	(1,360)	System Creditors	(5,327)	(5,327)
(19,190)	(19,190)	Expenditure Accruals	(16,321)	(16,321)
(1,392)	(1,392)	Receipts in Advance	(415)	(415)
(560)	(2,896)	Payroll Creditors	(119)	(1,562)
(22,502)	(24,838)	Total Creditors	(22,182)	(23,625)

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, Gallagher Bassett, suggested the OPFCC do not have any contingent liabilities resulting from our insurance portfolio for 2022/23.

Note 32 - Contingent Assets

The OPFCC have no contingent assets for 2022/23.

Note 33 - Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements, which includes £0.655m within Note 40:

2021/22			2022/23	
OPFCC £000	Group £000		OPFCC £000	Group £000
10,504	10,504	Cash and Bank Balances	6,114	6,114
10,504	10,504	Total	6,114	6,114



Note 34 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
-	(2) Interest received	-	(133)
267	267 Interest paid	499	499
267	265 Total	499	366

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

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
10,460	10,460 Depreciation	8,253	8,253
-	- Impairment and downward valuations	-	-
(716)	(716) Amortisation	1,222	1,222
282	60 (Increase)/decrease in creditors	1,328	2,221
3,303	3,303 Increase/(decrease) in debtors	9,320	9,320
2	2 Increase/(decrease) in inventories	55	55
(1,236)	(49,875) Movement in pension liability	(226)	(54,164)
(27,733)	(27,733) Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(10,670)	(10,670)
1,722	1,722 Other non-cash movements charged to the surplus or deficit on provision of services	(22)	(22)
(13,916)	(62,777) Total	9,260	(43,785)

Note 35 - Cash Flow from Investing Activities

The cash flows for investing activities include the following items:

2021/22		2022/23	
OPFCC £000	Group £000	OPFCC £000	Group £000
0	0 Purchase of property, plant and equipment, investment property and intangible assets	(800)	(800)
-	- Purchase of short-term and long-term investments	3	3
(10,000)	(10,000) Other receipts from investing activities	200	200
(10,000)	(10,000) Net cash flows from investing activities	(597)	(597)



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			
	2021/22		2022/23		2021/22		2022/23		2021/22		2022/23		2021/22		2022/23	
	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 FTE	Group FTE	OPFCC FTE	Group FTE
£0 - £20,000	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	12
£20,001 - £40,000	1	1	-	-	-	1	-	-	1	2	-	-	26	52	-	-
£60,001 - £80,000	-	-	-	-	-	1	-	-	-	1	-	-	-	70	-	-
£160,001 - £180,000	-	1	-	-	-	-	-	-	-	1	-	-	-	179	-	-
Total	1	2	-	1	-	2	-	-	1	4	-	1	26	301	-	12

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, administered by West Northamptonshire 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 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 Group. 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, which is in turn 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 review by the Government Actuary's Department (GAD).
- The Local Government Pension Scheme contributions payable by employers are determined by the actuary to the Pension Fund based on triennial valuations, the most recent of which was at 31st March 2022 which has changed the level of contributions from 2023/24. The level of contributions payable during the year was consistent with 2021/22.

(b) Transactions Relating to Retirement Benefits

Under IAS19, 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			
	2021/22		2022/23		2021/22	2022/23	2021/22		2022/23	
	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	(767)	(15,548)	(895)	(15,439)	(38,450)	(29,700)	(767)	(53,998)	(895)	(45,139)
Unfunded	-	-	-	-	-	-	-	-	-	-
Past service cost	-	(174)	-	-	(180)	(170)	-	(354)	-	(170)
Net Operating Expenditure										
Interest Costs**	(190)	(6,559)	(289)	(8,503)	(27,980)	(37,700)	(190)	(34,539)	(289)	(46,203)
Expected return on employers assets**	110	4,054	166	6,060	-	-	110	4,054	166	6,060
Net Charge to the Income and Expenditure Account	(847)	(18,227)	(1,018)	(17,882)	(66,610)	(67,570)	(847)	(84,837)	(1,018)	(85,452)
Movement in Reserves										
Movement on Pensions Reserve (Reversal of net charges made for retirement benefits in accordance with IAS 19)	(749)	(25,108)	2,942	85,117	(26,180)	400,600	(749)	(51,288)	2,942	485,717
Actual amount charged against Council Tax (General Fund Balance) for pensions										
Contributions to the Scheme	307	6,339	388	6,740	(21,618)	(22,189)	307	(15,279)	388	(15,449)
Additional Contributions to the Pension Fund					13,951	15,680				

** 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 £541.481m (loss of £64.5m in 2021/22) were included within other Comprehensive Income & Expenditure.

The estimated 2022/23 pension scheme contributions are £15.54m for the Police Pension Scheme and £6.74m 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
- 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



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 22 £000	31 Mar 22 £000	31 Mar 23 £000	31 Mar 23 £000	31 Mar 22 £000	31 Mar 23 £000
Opening Defined Benefit Obligation 1st April	(8,874)	(313,638)	(10,549)	(303,672)	(1,394,550)	(1,420,730)
Current Service Cost (net up for employee contributions)	(767)	(15,548)	(895)	(15,439)	(38,450)	(29,700)
Interest Cost	(190)	(6,559)	(289)	(8,503)	(27,980)	(37,700)
Contributions by Scheme Participants	(113)	(2,010)	(138)	(2,172)	(6,500)	(6,650)
Actuarial (Gains)/ Losses	(655)	29,724	5,612	113,911	11,110	442,240
Past Service (Costs)/ Gains	-	(174)	-	-	(180)	(170)
(Losses)/ Gains on Curtailments	12	12	-	-	-	-
Transfers in	-	-	-	-	-	-
Estimated Unfunded Benefits Paid	-	3	-	3	-	-
Estimated Benefits Paid	38	4,518	28	4,942	35,820	32,580
Closing Defined Benefit Obligation 31st March	(10,549)	(303,672)	(6,231)	(210,930)	(1,420,730)	(1,020,130)

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Reconciliation of the Fair Value of the Schemes Assets

Pension Asset – Local Government Pension Scheme Only

	OPFCC 31 Mar 22 £000	Group 31 Mar 22 £000	OPFCC 31 Mar 23 £000	Group 31 Mar 23 £000
Pensions Asset 1st April	5,158	195,966	5,802	218,539
Expected Return on Assets	110	4,054	166	6,060
Contributions by Members	113	2,010	138	2,172
Employers Contributions (Incl Injuries) - excluding Top-Up Grant	307	6,336	388	6,737
Pension Fund Asset Split (Group to Single Entity)	(181)	(181)	-	-
Contributions in Respect of Unfunded Benefits	-	(3)	-	(3)
Actuarial Gains	333	14,872	(440)	(16,052)
Estimated Unfunded Benefits paid	-	3	-	3
Estimated Benefits Paid	(38)	(4,518)	(28)	(4,942)
Fair Value of Pensions Asset 31 March	5,802	218,539	6,026	212,514

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 £6.060m (£4.054m in 2021/22).

The OPFCC's total pension liability of £1,018.546m reconciles to the Unusable Reserves within the Balance Sheet of £960.287m, 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:

	2021/22		2022/23	
	Local Government Pension Scheme		Police Pension Scheme	
	%	%	%	%
Mortality Assumptions	yrs	yrs	yrs	yrs
Longevity at 65 for current pensioners				
Men	21.70	20.70	22.10	21.90
Women	24.00	24.00	23.80	23.50
Longevity at 65 for future pensioners				
Men	22.70	21.90	23.80	23.50
Women	25.80	25.70	25.40	25.00
Financial Assumptions	%	%	%	%
Rate of Inflation	3.15	2.95	3.00	2.60
Rate of Increase in Salaries	3.65	3.45	4.75	3.85
Actual Return on Assets	5.00	4.50	n/a	n/a
Rate for Discounting Scheme Liabilities (Gross)	2.75	4.75	2.65	4.65
Rate of Revaluation for CARE Pensions	n/a	n/a	4.25	3.85
Take up Option to Convert annual Pension into retirement Lump Sum (LGPS)	50	50	n/a	n/a
Take up Option to Convert annual Pension into retirement Lump Sum (1987)			n/a	25
Take up Option to Convert annual Pension into retirement Lump Sum (2006)			n/a	n/a
Take up Option to Convert annual Pension into retirement Lump Sum (2015)			n/a	20
Take up Option to Convert annual Pension into retirement Lump Sum (Mixed 1987 & 2015)			n/a	25/12
Take up Option to Convert annual Pension into retirement Lump Sum (Mixed 2006 & 2015)			n/a	0/20

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 22	Description	31 Mar 23
%		%
10	Debt Securities	8
4	Private Equity	7
63	Equity Investments	59
9	Bonds	10
7	Property	7
6	Infrastructure	7
1	Cash and Liquidity	2
100	Total	100

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 OCC's and Group's Income and Expenditure Account.



	Police Pension Scheme	
	2021/22	2022/23
	£000	£000
Contributions Receivable		
From Employer		
Normal	(15,110)	(15,536)
Early Retirements	-	-
Ill Health	-	-
From Members	(6,508)	(6,653)
Transfers in		
Individual transfers in from other schemes	-	(170)
Benefits payable		
Pensions including ill health	29,960	31,703
Other Charges	241	264
Commutations and lump sum retirement benefits	5,174	6,033
Payments to and on account of leavers		
Individual transfers out to other schemes	194	39
Net amount payable for the year	13,951	15,680
Top up grant receivable from Central Government	(13,951)	(15,680)

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 2023.



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:

	2021/22			2022/23		
	1987	2006	2015	1987	2006	2015
Employer Contributions:	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%
Employee Contributions: Tier 1	14.25%	11.00%	12.44%	14.25%	11.00%	12.44%
Tier 2	14.25%	12.05%	13.44%	14.25%	12.05%	13.44%
Tier 3	15.05%	12.75%	13.78%	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

Financial instruments are recognised on the Balance Sheet when the OPFCC becomes party to the contractual provisions of such.

They are initially measured at fair value.

Financial Liabilities

Financial liabilities are subsequently measured at amortised cost. For the OPFCC borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest).

Annual charges to the 'Financing and Investment Income and Expenditure' line in the CIES (Comprehensive Income and Expenditure Statement) are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

Financial Assets

Financial assets are classified as below:

- 1) Financial assets held at amortised cost. These represent loans and loan-type arrangements where repayments of interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
- 2) Fair Value Through Profit and Loss (FVTPL). These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur. Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the 'Financing and Investment Income and Expenditure' line in the CIES.

As at the 31st March 2023 (or 31st March 2022), the OPFCC has no type 2) assets or liabilities in its balance sheet.

Changes in the value of assets carried at fair value are debited/credited to the Financing and Investment Income and Expenditure line in the CIES as they arise.

Financial Instrument Balances

The value of debtors and creditors reported in the table below are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and Notes 26 and 29 also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors. The OPFCC has the following financial instruments held in its balance sheet as at 31 March 2023:



OPFCC & Group	2021/22		2022/23	
	£000	£000	£000	£000
	Long Term	Current	Long Term	Current
Financial Liabilities				
Borrowing at a mortised cost	23,300	-	23,100	-
Borrowing at Fair Value Through Profit & Loss	-	-	-	-
Creditors FVTPL	-	20,727	-	23,210
Financial Assets (FVTPL)				
Loans and Receivables	-	-	-	-
Debtors and Prepayments	-	19,608	-	26,643
Cash in Hand	-	-	-	-
Money Market Investments	-	-	-	-
Joint Venture Cash Balance	-	1,178	-	655

Group Income, Expense, Gains and Losses Statement

	2021/22		2022/23	
	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	267	267	499	499
Total expense in Surplus or Deficit on the Provision of Services	267	267	499	499
Interest income	(2)	(2)	(133)	(133)
Total income in Surplus or Deficit on the Provision of Services	265	265	366	366
Surplus/deficit arising on revaluation of financial assets in Other CIES	-	-	-	-
Net gain/(loss) for the year	265	265	366	366

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 2023 for loans through PWLB are between 4.43% and 4.98%, 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.

	2021/22		2022/23	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Loans	23,300	22,752	23,100	20,000

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 2023.

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.

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:

2021/22					2022/23				
Net Op Exp	Income	Surplus/ (Deficit)	Ownership	Arrangement	Ownership	Net Op Exp	Income	Surplus/ (Deficit)	
£000	£000	£000	%		%	£000	£000	£000	
4,196	(4,176)	20	14.80%	EM Serious Organised Crime	14.80%	4,422	(4,452)	(30)	
278	(276)	2	14.80%	EM Legal Services	14.80%	297	(294)	3	
114	(112)	2	14.80%	EM Major Crime	14.80%	121	(125)	(4)	
90	(90)	-	18.90%	EM Criminal Justice	18.90%	38	(39)	(1)	
308	(311)	(3)	14.80%	EM Occupational Health Unit	14.80%	319	(322)	(3)	
1,500	(1,483)	17	14.80%	EM Forensics	14.80%	1,545	(1,514)	31	
237	(235)	2	17.11%	EM Learning & Development	17.11%	230	(234)	(4)	
1,599	(1,599)	-	22.12%	Multi-Force Shared Services	0.00%	-	-	-	
452	(373)	79	50.00%	Mint	0.00%	-	-	-	
69	(1)	68	16.10%	ESN	16.10%	55	(58)	(3)	
359	(364)	(5)	29.20%	SOT	29.20%	51	(51)	-	
9,202	(9,020)	182		Total		7,078	(7,089)	(11)	



Associate Entities

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

Voice for Victims and Witnesses (only)

2021/22				2022/23				
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
2,006	(2,004)	2	100.00%	Cost of Services	100.00%	2,272	(2,880)	(608)
-	-	-		Remeasurement of the net defined benefit liability / asset		-	-	-
2,006	(2,004)	2		Surplus or Deficit on Provision of Services		2,272	(2,880)	(608)
		-		Surplus or Deficit on Revaluation of Non-Current Assets				-
		-		Actuarial Gains/Losses on Pension Schemes				(192)
		-		Other Comprehensive Income and Expenditure				(192)
		2		Total Comprehensive Income & Expenditure				(800)
		(2)		MIRS - CIES to Unusable Reserve				800
		20		Balance Sheet - Debtors				17
		(244)		Balance Sheet - Creditors				(96)
		224		Balance Sheet - Cash and Cash Equivalents				79
		541		Balance Sheet - Pension Liability				259
		541		Net Assets				259
		(541)		Balance Sheet - Pension Reserve				259
		(541)		Net Reserves				259

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Joint Operations – Movement in Reserves

2022/23	General Fund Balance £000	Earmarked General Fund Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2022	(419)	-	(419)	(903)	(1,322)
Movement in reserves during 2022/23					
Surplus or deficit on the provision of services	(619)	-	(619)	-	(619)
Other Comprehensive Income / Expenditure			-	(302)	(302)
Total Comprehensive Income and Expenditure	(619)	-	(619)	(302)	(921)
Adjustments between accounting basis and funding basis under regulations	463		463	(463)	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(156)	-	(156)	(765)	(921)
Transfers to / from Earmarked Reserves			-	-	-
Increase or Decrease in 2022/23	(156)	-	(156)	(765)	(921)
Balance at 31 March 2023	(575)	-	(575)	(1,668)	(2,243)

2021/22	General Fund Balance £000	Earmarked General Fund Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £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	(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)



Joint Operations – Comprehensive Income and Expenditure Statement

2021/22				2022/23		
Expenditure	Income	Net	Combined CIES	Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
11,208	(11,024)	184	Policing Services	9,350	(9,969)	(619)
10,878	(11,024)	184	Cost of Services	9,350	(9,969)	(619)
-	-	-	- Other Operating Expenditure	-	-	-
-	-	-	- Financing and Investment Income and Expenditure	-	-	-
-	-	-	- Taxation and Non-Specific Grant Income	-	-	-
10,878	(11,024)	184	Surplus or Deficit on Provision of Services	9,350	(9,969)	(619)
			349 Surplus or Deficit on Revaluation of Non-Current Assets			(302)
			Actuarial Gains/Losses on Pension Schemes			
			349 Other Comprehensive Income and Expenditure			(302)
			533 Total Comprehensive Income and Expenditure			(921)

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Joint Operations – Balance Sheet

31 Mar 22		31 Mar 23	
£000	Note	£000	
1,528	Property, Plant and Equipment	18	1,495
11	Intangible Assets	23	3
	- Long Term Investments		3
1,539	Long Term Assets		1,501
	- Short-term Investments		-
	- Assets Held for Sale	20	-
	- Inventories	27	-
1,121	Short Term Debtors	26	394
1,178	Cash and Cash Equivalents	33	655
2,299	Current Assets		1,049
(1,975)	Short Term Creditors	29	(566)
	- Short-term Borrowing	39	-
	- Provisions	28	-
(1,975)	Current Liabilities		(566)
	- Long Term Borrowing		-
		39	
(541)	Other Long Term Liabilities	37	259
(541)	Long Term Liabilities		259
1,322	Net Assets		2,243
(419)	Usable Reserves	16	(575)
(903)	Unusable Reserves	17	(1,668)
(1,322)	Total Reserves		(2,243)



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 2022/23 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 2022/23 Statement of Accounts.

Note 42 - Restatements

Whilst the audit of 2021/22 has not yet been concluded, there has not been an adjustment resulting in restatements. Pension Fund valuations are being amended between the draft 2021/22 and final accounts, which are reflected within these draft accounts and therefore will not require a restatement to the opening balances.



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 2015. 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 financial year in which it becomes due regardless of whether cash has actually been received or paid in the financial 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 instruments are recognised on the Balance Sheet when the Authority becomes party to the contractual provisions of a financial instrument. They are initially measured at fair value.

Financial Assets

Financial assets held at amortised cost. These represent loans and similar arrangements where repayments of interest and principal take place on set dates and at specified amounts in advance. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.

Changes in the value of assets carried at fair value are debited/credited to the Comprehensive Income and Expenditure Statement (CIES) as they arise.

Financial Liabilities

Financial Liabilities are recognised in the Balance Sheet when the Authority becomes party to the contractual provisions of the Financial Instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the Liability has been paid or expired. Financial Liabilities are recognised at Fair Value.

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 CIES 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 the asset becomes operational it is 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.

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 CIES 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. The OPFCC only recognises a profit on disposal if the value of the asset disposed of is more than £10,000.

The Authority undertakes regular reviews of all its assets to verify that they still are in use and will provide an economic benefit to the Authority. A non-property asset that is due to last 5 years will incur depreciation for each of those five years and have a £0 balance at the end of the 5 years but will still be recorded in the asset register after these five years if it still exists and provides an economic benefit to the authority.

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 CIES 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)
- The latest Pension Scheme (2015) is governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2015).

The 1987 and 2006 schemes have now been closed to new entrants and payments from or to those pension schemes are only being made under the national pension remedy review.

All three pensions 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.

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. Employees of Voice for Victims and Witnesses transferred employment to the OPFCC on the 31st March 2023, with the company expected to be formally wound up later in the calendar year.

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 2022/23) 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 2022/23, 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 with Fire as the PFCC also undertakes 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 2022/23 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 have 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 and published in May 2023.

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
- The PFCC meets regularly with the Chief Constable and meetings are held between the Chief Constable and key officers from the Office of the Police, Fire and Crime Commissioner (OPFCC)
- 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

In addition to the arrangements above, the system includes:

- 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
- An Enabling Services Transformation 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.

In the full year to 31 March 2023, the PFCC has sought to ensure that appropriate management and reporting arrangements are in place to enable him to be satisfied that the approach to corporate governance was both adequate and effective in practice.

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

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, Fire 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 2022/23, 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, Fire 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 is used to publish a wide range of policy and information on the PFCC and his office, making this easily accessible to the public. 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.

Decisions made by the PFCC are published on the website, together with consultations 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. The PFCC undertook public consultation to inform setting the Policing



precept for 2022/23 and 2023/24. The consultation included wider public engagement for policing and the report is available on the OPFCC website.

Significant stakeholder engagement was undertaken for the Police, Fire and Crime Plan in 2021. The report for the Police, Fire and Crime Plan is available on the PFCC website.

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

For the 2022/23 budget and precept, the Police, Fire and Crime Plan was informed by the strategic policing requirement and used to direct the resources for the OPFCC and the Chief Constable through the Revenue and Capital budgets. It informs where resources are most needed and targets investment to priority areas.

As in previous years, the 2022/23 and 2023/24 budgets were prepared on zero-based budget principles, the Chief Constable was fully involved in the preparation of the budgets. The 2022/23 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 2022/23 via the OPFCC. All resources are allocated in line with the objectives of the Police, Fire 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 PFCCs 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. At year end the reserve was increased to £5.3m, to ensure it continues above the guideline level into 2024/25.

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

Monitoring of the police officer establishment has been embedded 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 2022/23 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. Northamptonshire met and exceeded the 1,501 full time equivalent (FTE) police officer target as at 31 March 2023. In fact, as Northamptonshire exceeded both the local and national police officer uplift levels in 2022/23, this enabled a further £0.9m in Home Office grants to be drawn down.

During the year, the PFCC considered a review of Voice for Victims and concluded that the services would be delivered in-house moving forwards. Voice for Victims ceased trading on 31 March 2023. Work to finalise the closedown of the company is underway and will be concluded in 2023/24.

Principle E: Developing Capacity and Capability

During 2022/23, the Statutory Finance Officer and the Monitoring Officer remained in post.



Nick Adderley continued in the role of Chief Constable for most of the year and continued to take forward the operational delivery arrangements within the Force under the Force Strategic Plan. He was replaced temporarily by Paul Gibson for around 1 month before Nick Adderley returned in early April 2023.

Deputy Chief Constable Simon Nickless retired in 2022/23 and the Chief Constable appointed Simon Blatchly as Temporary Deputy Chief Constable (previously Assistant Chief Constable), who was later replaced by Ivan Balhatchet. There is also one Temporary Assistant Chief Constable 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.

The PFCC and Chief Constable commitment to Police Officer recruitment continued throughout the year. The local and national establishment target of 1,501 FTE was reached and exceeded by 31 March 2023. This establishment represents the highest number of police officers Northamptonshire has ever had and has enabled the PFCC and the Chief Constable to invest resource in neighbourhoods, a key priority set out within the Police, Fire and Crime Plan.

Principle F: Managing Risk and Monitoring Performance

During 2022/23, 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 2022/23, 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.

Following the departure of shared services under the MFSS collaboration agreement, new finance and payroll systems were successfully implemented in April 2022. At the request of both S151 officers, in addition to the 2021/22 internal audit on internal controls in the new system, internal audits were carried out on balance transfers between the systems and closedown of MFSS arrangements. Both audits received significant assurance.

The JIAC Chair and two members continued in their roles during the year. One member was appointed and commenced their role in May 2022. The JIAC has one vacancy which could not be successfully recruited to in the year and further recruitment will be undertaken in 2023/24. 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 where provided.



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.

The PFCC provides regular updates to the Police, Fire and Crime Panel as well as to elected Members, officials and members of the local community and has continued with the regular newsletter to Northamptonshire Members of Parliament.

The OPFCC website has been awarded the independent CoPaCC transparency award in the last three years. In line with the Accounts and Audit Regulations, the draft 2022/23 NCFRA statement of accounts were placed on the OPFCC website by the 31 May 2023.

As with every year since 2018/19, it was a major concern to the PFCC, the Panel, JIAC and statutory officers, that, due to factors outside of NCFRA's and the PFCC's control, it is unlikely that the 2021/22 audit will be concluded by the time the draft accounts for 2022/23 are published. Throughout the year, locally and nationally concerns have been raised on a number of occasions regarding the time taken by current audit contracts for the organisation and the public of Northamptonshire.

Despite these representations, it is unlikely that the 2022/23 Statement of Accounts will be audited in line with the statutory timescales and the Chief Finance Officer will continue to work closely with the auditor to ensure the audit is scheduled and concluded as soon as possible to ensure that public transparency and accountability is delivered for the public of Northamptonshire in a timely and effective manner. Any delays will continue to be reported on the PFCC website in line with the legislative requirements.

Internal Audit and Internal Audit 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 2022/23. This agreed plan was approved by the PFCC and considered by the JIAC in March 2022. The plan covered areas of risk and internal control. At the date of the draft Chief Internal Auditor report at the end of April 2023, a small number of final audit reports remain to be finalised. However, draft reports have been issued and have been provided to inform the AGS.

The Chief Constable produces an annual update for the PFCC on the progress of recommendations and the PFCC asks for updates on specific audits as appropriate.

The 2022/23 assurance received shows a good internal control environment and assurance and is set out across the past three years as follows:



Audit Area	Assurance Rating			Paper Ref:
	2020/21	2021/22	2022/23	
Head of Internal Audit Annual Report	Moderate	Significant	Significant	i.
Core Financials	Significant	Satisfactory	Satisfactory*	ii.
Fleet	Limited	Not separately undertaken in 2021/22 or 2022/23		
Performance Management	Significant			
Procurement	Limited			
Workforce Planning	Satisfactory			
GDPR	Limited	Significant	Not separately undertaken in 2022/23	
Health and Safety	Limited	Satisfactory		
IT/Cyber Security	Limited	Limited		
New Finance System - Control environment	Statutory Assurance Requested in future years	Significant		
Seized Property		Satisfactory		
Business Change		Limited		
Data Management		Satisfactory		
Governance		Satisfactory		
Released Under Investigation		Limited	Limited	iii.
Closedown arrangements for MINT			Significant	iv.
Complaints Management		Significant	v.	
Positive Action		Significant	vi.	
Medium Term Financial Plan		Significant	vii.	
Balance transfers from new system		Significant	viii.	
MFSS - closedown of MFSS financial arrangements		Significant	ix.	
Information Management		Satisfactory	x.	
Risk Management		Satisfactory	xi.	
Data Quality		Satisfactory	xii.	
IT Disaster Recovery		Limited*	xiii.	
Reasonable Adjustments		Limited	xiv.	

The Draft Internal Audit Annual Report for 2022/23 has been produced and a final report will be produced after all audit reports have been finalised. The final report will be considered by the JIAC at their meeting in July 2023. The Draft 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.

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, IT Disaster Recovery and Reasonable Adjustments.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as 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.



2022/23 represented the final year of the regional Mazars contract for all ten PCC and CCs. Following a thorough procurement exercise, a new contract has been awarded with Mazars for all ten PCC and CCs within the East Midlands Region and Northamptonshire Commissioner Fire and Rescue Authority. Having the same internal auditors for Fire and Policing will enable a comprehensive and holistic internal audit plan to be delivered across all services which will also provide efficiencies for both Fire and Police.

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 the OPFCC and OCC in pursuance of their 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 2023/24, and this is captured in the Annual Governance Statement (AGS) action plan as a recommendation.

Review of Effectiveness

A training and induction day was held for both new and existing members in July 2022 with the PFCC, the Chief Fire Constable and the S151 officers in attendance to provide context and understanding of the funding, governance, decision making and internal control environments for NCFRA.

There were four JIAC meetings during the year, a workshop in November 2022 on the draft 2021/22 Statement of Accounts and a workshop in February 2023 on Risk Management. The four meetings considered the following across Fire and Police:



JIAC Meeting	Areas Covered	Fire	Police
July 2022	<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 Update 2020/21 and 2021/22 Internal Audit Annual Report 2021/22 Internal Audit Progress Report 2022/23 Risk Register Update Internal Audit progress against recommendations update System Implementation updates HMICFRS Update Benefits Realisation 	Y Y Y Y Y Y Y Y Y Y	Y Y Y Y Y - - Y - Y
October 2022	<ul style="list-style-type: none"> Internal Audit Progress Report 2022/23 Internal Audit progress against recommendations update External Audit Update 2020/21 and 2021/22 Anti-Fraud and Corruption Processes 2023/24 Budget and MTFP Processes, Plan and Timetable OPFCC Risk Register Enabling Services update 	Y - Y Y Y - Y	Y Y Y - Y Y Y
December 2022	<ul style="list-style-type: none"> Internal Audit Progress Report 2022/23 Internal Audit progress against recommendations update External Audit Update 2020/21 and 2021/22 Anti-Fraud and Corruption Processes HMICFRS Update Feedback from the Accounts Workshops Risk Register 	Y Y Y - Y Y -	Y - Y Y - Y Y
March 2023	<ul style="list-style-type: none"> Internal Audit Progress Report 2022/23 Internal Audit progress against recommendations update External Audit Update 2020/21 and 2021/22 Internal and External Audit Appointment and 2023/24 Plan Update 	Y - Y Y	Y Y Y Y

Following the 2021/22 HMICFRS Inspection, the PFCC has continued to hold the CC to account during the year and has sought regular monitoring reports to the Accountability Board. An update on HMICFRS improvement action is also considered by JIAC during the year.

Significant Governance Issues

There were no formal reports issued by the S151 or Monitoring Officer during the year, outcomes of Monitoring Officer Investigations, objections from local electors or ombudsman referrals. The financial settlement for 2023/24 has enabled the PFCC to set a balanced budget with an agreed realistic efficiency plan which will be kept under close review.

Fixed Asset Strategies, Reserves, Treasury Management Strategies and a Capital Programme are in place, and the Capital Programme is regularly reviewed to ensure deliverability and affordability. It remains essential that opportunities to build resilience and capacity and maximise efficiencies continue to be taken forward with Fire. The internal control framework continues to develop, and it is important that this momentum is maintained.



Actions

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

Progress on 2022/23 Internal Control Actions		
PRINCIPLE C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes	Recommendation 1 Outstanding recommendations and subsequently agreed actions from the JIAC annual report taken forwards in respect of the JIAC content on the website.	Completed The OPFCC website was reviewed and updated in the year – this included the JIAC pages.
PRINCIPLE D: Determining the interventions necessary to optimise the achievement of intended outcomes	Recommendation 2 Ensure an effective, orderly and robust closedown and transition away from MFSS in line with plans and proposals.	Completed The new systems were implemented with effect from 1 April 2022 and an orderly transition from MFSS took place.
	Recommendation 3 Take forward the production of documentation and guidance notes for the new system arrangements in line with agreed timescales.	Completed and ongoing Documentation and guidance notes were implemented. As the system has now been in place for over 12 months it is recommended a review is undertaken. This is carried forward to 2023/24 recommendations.
PRINCIPLE E: Developing Capacity and Capability	Recommendation 4 Take forward the final year recruitment of additional uplift officers in line with recruitment plans and forecasts.	Completed Plans were exceeded – it is now business as usual to maintain officer levels.
	Recommendation 5 Review demand modelling to better align resource to demand.	Ongoing Whilst this work has commenced – results are not yet available to build into to future years resource and demand planning. This is carried forward to 2023/24 recommendations.
PRINCIPLE G: Implementing good practices in transparency, reporting and accountability	Recommendation 6 To take forward the Actions Identified from the self-assessment of the CIPFA Financial Management Code.	Ongoing Some improvements and actions have been completed. Work on the remaining actions will continue. This is carried forward to 2023/24 recommendations.



Recommendations for 2023/24

Following the assessment of internal controls, the following areas have been recommended to improve internal controls for 2023/24:

2023/24 Internal Control Action Plan	
PRINCIPLE D: Determining the interventions necessary to optimise the achievement of intended outcomes	Recommendation 1 Undertake a first year review of the documentation and guidance notes for agreed new system arrangements in line with agreed timescales.
	Recommendation 2 On receipt of the HMICFRS Inspection findings, take forward recommendations and areas for improvement and monitor updates regularly through the Accountability Board.
PRINCIPLE E: Developing Capacity and Capability	Recommendation 3 Review demand modelling to better align resource to demand.
	Recommendation 4 Consider training and recruitment approaches for Police Community Support Officers (PCSOs) with the aim of ensuring an ongoing recruitment programme throughout the year.
PRINCIPLE G: Implementing good practices in transparency, reporting and accountability	Recommendation 5 Take forward the Actions Identified from the self-assessment of the CIPFA Financial Management Code.

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 2022/23

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 17/05/23

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