



Northamptonshire Chief Constable

Single Entity

Draft Statement of Accounts for the year 2023/24

Date Published: 31st May 2024

NORTHAMPTONSHIRE
POLICE
Fighting Crime. Protecting People.





Contents

Narrative Statement.....	2
Statement of Responsibilities.....	19
Expenditure and Funding Analysis.....	20
Movement in Reserves Statement.....	21
Comprehensive Income and Expenditure Statement.....	22
Balance Sheet.....	23
Cash Flow Statement.....	24
Notes to the Accounts.....	25
Accounting Policies.....	49
Annual Governance Statement (OCC).....	56
Annual Governance Statement (Collaboration).....	67
Audit Report.....	72



NARRATIVE STATEMENT

CONTENTS

Foreword by Chief Finance Officer	2
Northamptonshire	3
The Chief Constable’s Strategic Plan	4
Police, Fire & Crime Plan 2021-2026	5
Statutory Framework	5
Group Boundary	6
Responsibilities	6
Operational Model	7
Strategy and Resources	7
Financial Performance	9
Force Operational Performance	11
External Factors	14
Outlook	15
The Financial Statements	16
Summary and Conclusion	18

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 Chief Constable for Northamptonshire (OCC) and are in accordance with the Police Reform and Social Responsibility Act 2011. They should be read in conjunction with the accounts produced by the Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPFCC) and the Group accounts into which they are consolidated.

They are prepared on a going concern basis, assuming that the Chief Constable (OCC) 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 2023/24.

The information provided also allows for an assessment of the Chief’s performance in terms of stewardship and the management of the resources entrusted to them. 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 OCC 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 790,000 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.





THE CHIEF CONSTABLE'S STRATEGIC PLAN

The Force Strategic Plan sets out the areas to focus on to achieve the 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 there is a 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.

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Matters of Priority

The Chief Constable 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.

POLICE, FIRE & CRIME PLAN 2021-2026

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

The PFCC's latest Police, Fire and Crime Plan covers the period to 2026 and 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.”

Trustworthy: Doing the right thing with honesty and integrity

Respectful: Treating the public and colleagues with care and dignity

Innovative: Aiming for continuous improvement and learning

Efficient: Working in a well-organised and competent way

Effective: Successfully achieving the best outcomes for our community

Transparent: Being open and honest in everything we do

The Plan sets out the following priorities for Fire and Policing in Northamptonshire:

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

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 this 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 PFCCs (PCCs) to be represented on the Fire Authority.
- Enable PFCCs (PCCs) 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 (NCFRA).

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 for Northamptonshire Police, Fire and Crime Commissioner 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 them or require them 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 2024, the Chief Constable’s budgeted establishment was 2,595 FTE. The analysis is shown in the table below:

Category of employee	2022/23	2023/24
Police Officers	1,501	1,501
Police Community Support Officers (PCSOs)	81	80
Police Staff*	1,044	1,014
Total	2,626	2,595

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

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

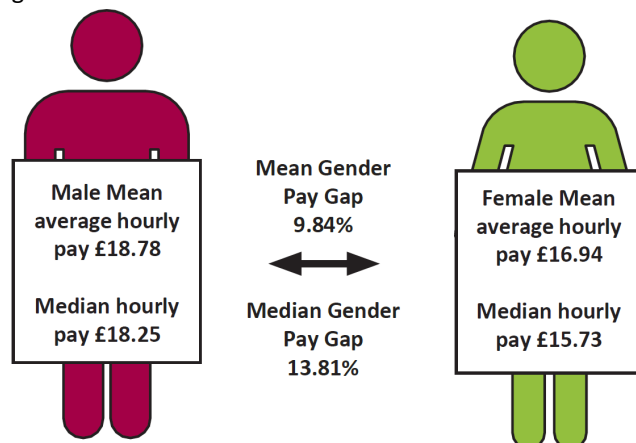
Gender Pay Gap

It is statutory for organisations with 250 or more employees to report annually on their gender pay gap. The latest report shows that 49.17% of the workforce is female.

The report also shows the difference in the average pay between all men and women in a workforce. Our mean average gender pay gap is 9.8% which lower than the national average of 14.3% and an improvement on the previous year.

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

fair treatment and reward of all staff, irrespective of gender.



Appointments

Chief Constable, Nick Adderley was suspended from duty during the year and Ivan Balhatchet took the role of Acting Chief Constable from 17th October 2023.

The role of Deputy Chief Constable was held by Ivan Balhatchet until this point and was left vacant for the rest of the year, with responsibilities realigned temporarily in the wider chief officer team as an interim measure.

Ash Tuckley continued as Assistant Chief Constable throughout the year and Paul Bullen continued as ACO Enabling Services. Vaughan Ashcroft initially continued as Chief Finance Officer for the Chief Constable and was replaced on an interim basis by Nick Alexander from 22nd December 2023.

Helen King retired as Chief Finance Officer to the OPFCC and was replaced on an interim basis by Vaughan Ashcroft from 22nd December 2023. Monitoring Officer, Nicci Marzec was in post until 23rd July 2023 and replaced by David Peet as Interim Monitoring Officer until Jonny Bugg started in the role on a permanent basis from 2nd January 2024. These roles also cover Northamptonshire Commissioner Fire and Rescue Authority (NCFRA).

STRATEGY AND RESOURCES

2023/24 Budget

In 2023/24, in line with the response to the public consultation, the PFCC increased the precept by £15,



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 2024/25, the PFCC again increased the precept by the maximum available which was £13.

Medium Term Financial Plan

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

- To make the best use of available resources.
- To maximise income and funding.
- To target expenditure and investments to priorities and value for money opportunities.
- To exploit fixed assets to deliver maximum value.
- To optimise delivery costs.
- To provide sufficient financial reserves in the context of unprecedented uncertainty, transformation and change.

The latest MTFP shows that the PFCC has produced a balanced budget for 2024/25 utilising earmarked reserves, with notable savings required from 2025/26. There is a plan underway to deliver the required savings needed over the medium term.

MTFP	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m
Expenditure	183.8	194.7	198.6	203.0	207.2
Efficiencies agreed	(0.8)	(1.7)	(2.6)	(3.5)	(4.5)
Efficiencies to be identified	-	(1.7)	(1.7)	(1.7)	(1.1)
	183.0	191.4	194.3	197.8	201.6
Funding	(183.0)	(185.0)	(189.3)	(193.7)	(198.2)
Shortfall	-	6.4	5.0	4.1	3.6

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 in line this level. It is prudent to have such a reserve 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 2023 totalled £24.3m, reducing to £23.8m at 31st March 2024.

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. As a result, the Fire, PFCC and Police joint building in Wellingborough became operational in March 2021. A new estates masterplan is now underway and sets out the next phases to the joint estates strategy over the long term. This includes plans for a joint building in Moulton and a joint fleet workshop.

Collaboration

The Home Office has actively encouraged collaborative working between Police Forces and Fire Authorities. The Forces and Police Authorities/PCCs 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.



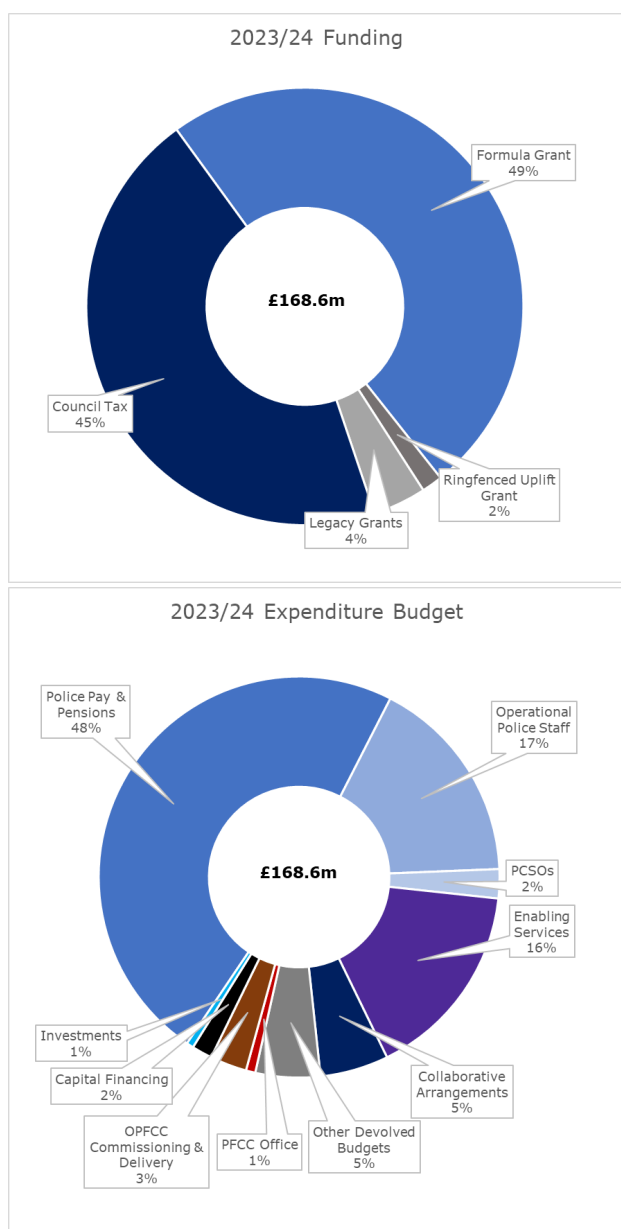
FINANCIAL PERFORMANCE

The Group Revenue Budget

Funding

Funding for the Police service is through a combination of government grant and precept (council tax). In 2023/24 the council tax element was based on a tax base of 256,340 properties at £293.04 at Band D. This was an increase of £15 per property compared to 2022/23.

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



*Subject to rounding

In 2023/24, the PFCC continued to invest in Northamptonshire Police and by 2024, officer numbers had increased to over 1,501, which is the most the force has ever had.

In addition to funding of officer uplift, the 2023/24 budget included ring-fencing the sum of almost £1m for the Chief Constable to support new areas of investment.

Within the OPFCC Commissioning and Delivery Budget, the PFCC has provided additional investment into Early Intervention and Youth Work teams in 2023/24 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.
- 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.



Group Revenue Outturn

The total budget envelope for the OPFCC Group, including the OCC in 2023/24 was £168.6m. The provisional year-end outturn is as follows:

2023/24 Group Budget	Variance £m
Chief Constable	(0.759)
OPFCC (inc. Commissioning & Delivery)	(0.302)
Core Funding	(0.023)
Over/(Under)	(1.084)

Whilst less impactful than the previous year, high price inflation, particularly on premises, utilities and vehicle costs caused pressures across the Enabling Services departments. However, this was more than offset by a savings due to staff vacancies.

Budget Outturn of the Chief Constable

The PFCC allocated £160.589m for the Chief Constable, plus £0.946m for investments. A cashable efficiency savings target of £0.500m was set for the year.

The Chief Constable underspent by £0.759m.

Key variances include:

Pay and Pensions

There was a net underspend on Police Officer pay of £0.320m which was the result of officer attrition early on in the year, along with additional income for officers posted to regional units. Recruitment activity was able to be adjusted to ensure uplift targets were still exceeded.

The underspend was offset by higher pension costs.

PCSOs

There was a £0.425m 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.

Non-Pay and Enabling Services

The remainder of the underspend was due to a number of factors including:

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

Offset by:

- Inflation on goods and services.
- Legal costs.



FORCE OPERATIONAL PERFORMANCE

The Chief set out 14 Key Performance Questions for 2023/24 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	Year Ending March 2024	Status
DRUG HARM					
KPQ1 <i>To what extent are we protecting our communities from drugs harm?</i>					
KPI1	Efficiently dismantle and disrupt County Lines and Local Drug Lines operating in the county	Increase % of disruptions with impact (major, moderate or minor)	54.3% (22/23)	55.9%	ACHIEVED
KPQ2 <i>To what extent are we reducing crime and disorder in our communities?</i>					
KPI2	Reduce Anti-Social Behaviour (ASB) repeat demand	Callers	5.7%	5.5%	ACHIEVED
		Demand contribution	10.3%	10.6%	
KPI3	Reduce neighbourhood crime* levels at a greater rate than the national average to improve our rate per 1000 population to at least top third of forces nationally or better <small>(*Residential burglary, all vehicle crime, personal robbery and theft from person)</small>	Rate per 1k	8.89	9.06	NOT ACHIEVED
		National rate per 1k	11.63	12.57	
		National position	25th	25th	
		Most Similar Group (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%	77.0%	NOT ACHIEVED
		Vehicle Crime	63.2%	59.6%	
		ASB	63.1%	59.5%	
SERIOUS AND ORGANISED CRIME					
KPQ4 <i>To what extent are we reducing the threat of SOC in our county?</i>					
KPI5	Increase the number of Firearms weapons/items seized / recovered linked to criminal use (exclude any handed in by public e.g. from attic)		53	24	NOT ACHIEVED
KPI6	Increase actionable intelligence submissions from police, public and other agencies	Firearms	411	574	ACHIEVED
		Organised Immigration Crime	39	101	
		Organised acquisitive crime	288	587	
KPI7	Improve the recording of Nationality data in Niche (data quality) for all occurrences	% of nationality fields blank or null	44.4%	48.6%	NOT ACHIEVED
KPQ5 <i>To what extent are we bringing SOC offenders to justice?</i>					
KPI8	Increase positive outcomes for SOC related offences	Organised Immigration Crime (OIC)/Modern Slavery (MSHT)	3.4%	3.1%	NOT ACHIEVED
		Fraud	8.6%	6.3%	
		Cyber-flagged Crimes	10.2%	6.5%	
VIOLENCE AGAINST WOMEN AND GIRLS					
KPQ6 <i>To what extent are we protecting women and girls from harm?</i>					
KPI9	Reduce repeat victimisation levels of DA, Rape and OSO through proactive and preventative policing	Domestic Abuse	41.9%	40.3%	ACHIEVED
		Rape	12.0%	11.5%	
		OSO	7.2%	6.6%	
KPI10	To achieve an arrest rate for domestic abuse above the most recent national average and above our pre Covid baseline (32%)		35.2%	44.1%	ACHIEVED
KPI11	Increase the 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	529	ACHIEVED
		Vehicles	153	140	
		Safeguarding	243	540	
KPQ7 <i>How well are we supporting victims of VAWG through our investigations?</i>					
KPI12	Improve positive outcomes for victims: DA, Rape and OSO	Domestic Abuse (DA)	13.5%	10.1%	PARTIALLY ACHIEVED
		Rape	5.1%	7.5%	
		OSO	8.3%	11.8%	
KPI13	Reduce the non-conviction rate for DA due to victim and witness reasons		66.2%	58.5%	ACHIEVED
KPI14	Improve the quality of service we provide to victims of VAWG	Satisfaction	89.6%	82.4%	NOT ACHIEVED
		Feel safer (% agree)	84.0%	74.0%	
		Would report again (% agree)	93.0%	86.2%	



How we are assessing our progress		Baseline 2021/22	Year Ending March 2024	Status	
SERIOUS VIOLENCE					
KPQ8	<i>To what extent are we reducing the threat of serious violence in the county?</i>				
KPI15	Reduce the volume of knife crime	659	565	ACHIEVED	
KPI16	Reduce the overall volume of robbery (all)	737	785	NOT ACHIEVED	
KPQ9	<i>To what extent are we preventing future offending?</i>				
KPI17	Reduce repeat perpetrators of knife crime (local definition)	20.9%	17.2%	ACHIEVED	
KPI18	Reduce u18 involvement in most serious violence (s18, S20, Homicide, Att murder, Robbery, agg burglary) - victims, suspects, offenders	MSV Crimes with u18	316	298	ACHIEVED
		MSV U18 nominals	450	416	
		Knife Crimes with u18	391	331	
		Knife crime U18 nominals	458	406	
KPQ10	<i>To what extent are we providing a quality investigation and outcome?</i>				
KPI19	Improve the positive outcome ratio for knife crime and robbery	Knife crime (local)	26.7%	25.8%	NOT ACHIEVED
		Robbery	10.0%	9.0%	
KPI20	Improve the quality of service we provide to victims of violence	Satisfaction with overall service	77.2%	72.7%	NOT ACHIEVED
		VCOP compliance (MSV)	76.8%	79.3%	
SERVICE DELIVERY					
KPQ11	<i>To what extent are we there for communities when they need us?</i>				
KPI21	Increase % of G1U incidents attended within 15 minute SLA	62.8%	56.6%	NOT ACHIEVED	
KPI22	Increase % of G1R incidents attended within 20 minute SLA	68.1%	65.4%	NOT ACHIEVED	
KPI23	Improve accessibility and visibility of policing within the county	Increase Online reports	25,848	32,713	ACHIEVED
		True visibility N'hoods	63.6% (May-Sep 21)	65.7%	
		True visibility Response	62.1% (May-Sep 21)	67.3%	
KPQ12	<i>How well are we protecting people from harm?</i>				
KPI24	Reduce repeat victimisation <i>(persistent victims who experienced 5 or more crimes in the last 12m)</i>	Demand contribution	8.5%	5.9%	ACHIEVED
KPI25	Achieve all crime levels per 1000 people in line with the top third of forces nationally	Rate per 1k	82.1	76.9	NOT ACHIEVED
		Volume	61,868	60,491	
		National position	23rd	17th	
		MSG Position	4th	2nd	
KPI26	Provide an appropriate service and response to people in need of mental health support Track each metric and provide overall assessment	S136 MH detentions	493	362	PARTIALLY ACHIEVED
		Incident demand with MH flags	5.8%	4.8%	
		Median response times to MH incidents (G1U/G1R)	00:14:21 00:16:32	00:15:54 00:18:21	
		Median response times to MH incidents (G2)	02:05:45	02:57:59	
KPQ13	<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 national average	Positive Outcome Ratio	14.1%	14.5%	ACHIEVED
		National / MSG position	6th / 1st	11th/3rd	
		Charge ratio	7.8%	9.2%	
		National/MSG position	15th/5th	18th/5th	
		OC16	21.9%	22.4%	
National / MSG position	16th / 2nd	18th/4th			
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 with overall service	75.8%	69.3%	NOT ACHIEVED
		VCOP compliance	86.3%	85.1%	



His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

In 2019, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) conducted their PEEL (Police Effectiveness, Efficiency and Legitimacy) assessment which concluded that the Force was failing in a number of areas and put the force into 'performance oversight'.

Since then, an improvement plan 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.

Following an inspection visit in mid-2023, HMICFRS published its concluding report which highlights a number of areas where the Force is showing both progress and, in some cases, leading the way in terms of good practice.

In 2021 when an "adequate" rating was added for the first-time to the existing four tiers – outstanding, good, requires improvement and inadequate – the Force was judged to be adequate in four and requiring improvement in six areas.

HMICFRS has since revised its inspection criteria, measuring the Force against nine areas of business, including how Northamptonshire Police treats victims of crime, its legitimacy in its use of powers, how it protects vulnerable people and its effectiveness in investigating crime.

One is now judged to be outstanding, one good, six are now adequate with one area requiring improvement.

Among the key areas of progress highlighted were:

- Good overall approach to using police powers and treating people fairly and with respect. The watchdog also noted the Force's external scrutiny panel worked effectively and involved young people.

- Top ranking across all Forces when it comes to quality of case files submitted to the Crown Prosecution Service for them to take forward to court proceedings.
- Improvements have been noted in the way the Force protects vulnerable people and manages registered sex offenders and those suspected of accessing indecent images of children.
- The Force's approach to investigating shoplifting, linked to the cost-of-living crisis, has been cited as promising practice. The Force later showcased its approach to retail crime when the policing minister visited Northampton in December 2023.

HMICFRS also flagged key areas linked to building trust and confidence including a positive and proportionate approach to Stop and Search powers, very good compliance around Body Worn Video and an arrest rate figure (34%) for domestic abuse offenders, higher than the national average.

The Force was also shown to be complying fully with the Victim's Code of Practice with victims kept regularly updated on cases by officers and staff.

Partnership working – a weakness highlighted in previous reports – has also improved in part by the data-sharing activity, known as the Observatory, between partner agencies, which has addressed the Force's early intervention and prevention activity whereby support is provided to those at risk of starting a life of crime before it is too late.

The re-launch of Northamptonshire Talking, an online community engagement platform is also gaining traction with more sign-ups and the ability for users to engage with police via translation tools when English is not their first language.

Acting Chief Constable Ivan Balhatchet said:

"The Force is continuing to move in the right direction from our last inspection in 2021 and we are a very long way now from the 2019 inspection report which identified some very serious gaps in performance and led to us spending a period in special measures.

"We took the findings from the last inspection and have worked hard to improve across a wide range of areas



and while there is still work to do, there are a lot of positives to be drawn from this report.

"This Force and policing in general have never been under more scrutiny than it has over the past couple of years, so it is especially encouraging to see how well we have been assessed in terms of our legitimacy, the way we use powers and treat the public with fairness and respect."

One area which HMICFRS has stated that the force requires improvement is how it investigates crime. Inspectors identified the Force sometimes allocated crimes to officers who lacked the capacity or capability to investigate effectively.

An area highlighted as needing specific attention was domestic abuse, but that approach is now subject to a detailed review in Force designed ensure we have the most robust response possible moving forward.

Work has already been put in place to address the findings of the latest report, including internal campaigns to identify why new recruits are leaving the Force, new technology to further bolster efficiency and performance. A new youth violence intervention unit to build on the Force's approach to prevent and deter crime is also now in place.

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.

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.

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. PFCCs await information on the potential precept flexibility and grant levels beyond 2024/25 which will need 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 taxpayers vote for the PFCC in each policing geographical area as well as paying for the police element of the council tax.

Before deciding on the level of precept, the PFCC undertook as wide a range of consultation as possible to obtain the views of Northamptonshire residents.

The highlights from the consultations informed the PFCC precept proposals and 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)

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. The next spending review is anticipated in 2024, but until it is announced there is considerable uncertainty around future levels of funding.

Economy

The last effects of the pandemic, the conflicts in Ukraine and Gaza, 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 as a key factor in the allocations.

His Majesty’s Inspectorate of Constabulary (HMICFRS) issue annually the Value for Money profiles which reflect that Northamptonshire’s central police grant per head of population is way below the national average.

Changing Demand

Northamptonshire is a very fast-growing county – its population has grown higher than national levels over a number of years. 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.

Estate

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

The PFCC is 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 underway.

Medium Term Financial Outlook

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



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

Enabling Services and Joint Working

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 the accounts of the Chief Constable, which should be read in conjunction with the accounts produced by the OPFCC and are consolidated into the group position.

The key statements are as follows:

Annual Governance Statement (AGS)

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

control and to include a statement reporting on the review with the 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. If, however, 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, there is a long-term financial impact of economic uncertainty to consider which will continue to be monitored very closely.

The budgeting process continues to develop with rigorous challenge from both the Chief Constable and the PFCC.

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 2024/25 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.

Nick Alexander
Interim Chief Finance Officer (s151)
Date:

Ivan Balhatchet
Acting Northamptonshire Chief Constable
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 Chief Finance Officer'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 Accounting in Great Britain ("The Code") and the Accounts and Audit Regulations 2015.

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 31st March 2024.

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

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.
- 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, Fire and Crime Commissioner.

Northamptonshire Police Finance Department staff under the supervision of, and with the assistance of the PFCC's Office, carries out the preparation of the accounts and liaises with the external auditors, Grant Thornton, during the audit process.

Chief Finance Officer Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Office of the Chief Constable as at 31st March 2024 and the income and expenditure for the year ended 31st March 2024.

Nick Alexander
Interim Chief Finance Officer (s151)

Ivan Balhatchet
Acting Northamptonshire Chief Constable

Date:

Date:



EXPENDITURE AND FUNDING ANALYSIS

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. It also shows how this expenditure is allocated for decision making purposes between the OPFCC and Force. Income and expenditure accounted for under generally accepted accounting practices is presented in the Comprehensive Income and Expenditure Statement.

2022/23				2023/24		
Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES	Chief Constable	Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
101,503	53,045	154,548	Policing Services	114,804	24,397	139,201
-	-	-	OPFCC & Commissioning	-	-	-
-	-	-	Non-Distributed Costs	-	-	-
101,503	53,045	154,548	Cost Of Services	114,804	24,397	139,201
(143,075)	-	(143,075)	Intra-Organisational Adjustment	(160,922)	-	(160,922)
41,572	-	41,572	Other Income and Expenditure	46,118	-	46,118
-	53,045	53,045	Surplus or Deficit on the Provision of Services	-	24,397	24,397
-			Opening Combined General Fund Balance	-		
-			Surplus or Deficit on the General Fund	-		
-			Transfers to/from other Reserves	-		
-			Closing Combined General Fund	-		



MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the OCC, 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 OCC’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.

Chief Constable	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2023	-	-	-	1,019,784	1,019,784
Movement in reserves during 2023/24					
Surplus or deficit on the provision of services	24,397	-	24,397	-	24,397
Other Comprehensive Income / Expenditure	-	-	-	13,808	13,808
Total Comprehensive Income and Expenditure	24,397	-	24,397	13,808	38,205
Adjustments between accounting basis and funding basis under regulations (Note 6)	(24,397)	-	(24,397)	24,397	-
Net Increase or Decrease before Transfers to Earmarked Reserves	-	-	-	38,205	38,205
Transfers to / from Earmarked Reserves	-	-	-	-	-
Increase or decrease in 2023/24	-	-	-	38,205	38,205
Balance at 31 March 2024	-	-	-	1,057,989	1,057,989

Chief Constable	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2022	-	-	-	1,503,452	1,503,452
Movement in reserves during 2022/23					
Surplus or deficit on the provision of services	53,045	-	53,045	-	53,045
Other Comprehensive Income / Expenditure	-	-	-	(536,713)	(536,713)
Total Comprehensive Income and Expenditure	53,045	-	53,045	(536,713)	(483,668)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(53,045)	-	(53,045)	53,045	-
Net Increase or Decrease before Transfers to Earmarked Reserves	-	-	-	(483,668)	(483,668)
Transfers to / from Earmarked Reserves	-	-	-	-	-
Increase or decrease in 2022/23	-	-	-	(483,668)	(483,668)
Balance at 31 March 2023	-	-	-	1,019,784	1,019,784



COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This account summarises the resources that have been generated and consumed in providing services and managing the OCC 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.

Expenditure	2022/23			Chief Constable	2023/24		
	£000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
189,376	(34,828)	154,548	Policing Services	180,392	(41,191)	139,201	
-	-	-	Police, Fire & Crime Commissioner	-	-	-	
-	-	-	Commissioning	-	-	-	
189,376	(34,828)	154,548	Cost of Services	180,392	(41,191)	139,201	
-	(143,075)	(143,075)	Intra-Organisational Adjustment	-	(160,922)	(160,922)	
1,822	(137)	1,685	Other Operating Expenditure (Note 7)	-	-	-	
40,019	(132)	39,887	Financing and Investment Income and Expenditure (Note 8)	46,799	(681)	46,118	
-	-	-	Taxation and Non-Specific Grant Income (Note 9)	-	-	-	
231,217	(178,172)	53,045	Surplus or Deficit on Provision of Services	227,191	(202,794)	24,397	
		-	Surplus or Deficit on Revaluation of Non-Current Assets			-	
		(536,713)	Actuarial Gains/Losses on Pension Schemes			13,808	
		(536,713)	Other Comprehensive Income and Expenditure			13,808	
		(483,668)	Total Comprehensive Income and Expenditure			38,205	



BALANCE SHEET

This account shows the overall financial position of the OCC at 31st March 2024. It therefore differs from the other financial accounts shown in this statement in that it deals with the position of the OCC at the end of the financial year instead of dealing with day-to-day transactions within that financial year.

OCC 31/03/2023			OCC 31/03/2024	
£000		Note	£000	
-	Property, Plant and Equipment	18	-	
-	Intangible Assets	23	-	
-	Long Term Investments		-	
-	Long Term Assets		-	
-	Short-term Investments		-	
-	Assets Held for Sale	20	-	
-	Inventories	27	-	
-	Short Term Debtors	26	-	
-	Cash and Cash Equivalents	33	-	
-	Current Assets		-	
(1,443)	Short Term Creditors	29	(2,969)	
-	Short-term Borrowing	39	-	
-	Provisions	28	-	
(1,443)	Current Liabilities		(2,969)	
-	Long Term Borrowing	39	-	
(1,018,341)	Other Long Term Liabilities	37	(1,055,020)	
(1,018,341)	Long Term Liabilities		(1,055,020)	
(1,019,784)	Net Assets		(1,057,989)	
-	Usable Reserves	16	-	
1,019,784	Unusable Reserves	17	1,057,989	
1,019,784	Total Reserves		1,057,989	

Signed:

Nick Alexander
Interim Chief Finance Officer (s151)

Ivan Balhatchet
Acting Northamptonshire Chief Constable

Date:

Date:



CASH FLOW STATEMENT

This statement shows a summary of the cash flowing in and out of the OCC 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.

2022/23 £000		2023/24 £000
53,045	Net Surplus/Deficit on Provision of Services	24,397
(53,045)	Adjustments to net surplus/deficit on the provision of services for non-cash movements (Note 34)	(24,397)
	Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities (Note 34)	-
	- Net cash flows from Operating Activities	-
	- Investing Activities (Note 35)	-
	- Financing Activities	-
	- Net (increase) or decrease in cash & cash equivalents	-
	- Cash & cash equivalents at the beginning of the reporting period	-
	- Cash & cash equivalents at the end of the reporting period	-



NOTES TO THE ACCOUNTS

Note 1 - Critical Judgements in Applying Accounting Policies	26
Note 2 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	26
Note 3 - Events after the Balance Sheet Date	27
Note 4 - Officers' Remuneration	27
Note 5A - Note to the Expenditure and Funding Analysis	29
Note 5B - Segmental Analysis of Income and Expenditure	29
Note 5C - Expenditure and Income Analysed by Nature	30
Note 6 - Adjustments between Accounting Basis and Funding Basis under Regulations	31
Note 7 - Other Operating Expenditure	32
Note 8 - Financing and Investment Income and Expenditure	33
Note 9 - Taxation and Non-Specific Grant Income	33
Note 10 - Material Items of Income and Expense	33
Note 11 - Trading Operations	33
Note 12 - Members' Allowances	33
Note 13 - External Audit Costs	33
Note 14 - Grant Income	34
Note 15 - Related Parties	34
Note 16 - Transfers to/from Earmarked Reserves	35
Note 17 - Unusable Reserves	35
Note 18 - Property, Plant and Equipment	36
Note 19 - Impairment Losses	36
Note 20 - Assets Held for Sale	36
Note 21 - Investment Properties	36
Note 22 - Leases	36
Note 23 - Intangible Assets	36
Note 24 - Capital Expenditure and Capital Financing	36
Note 25 - Construction Contracts	37
Note 26 - Debtors	37
Note 27 - Inventories	37
Note 28 - Provisions	37
Note 29 - Creditors	37
Note 30 - Capitalisation of Borrowing Costs	37
Note 31 - Contingent Liabilities	37
Note 32 - Contingent Assets	37
Note 33 - Cash and Cash Equivalents	37
Note 34 - Cash Flow from Operating Activities	38
Note 35 - Cash Flow from Investing Activities	38
Note 36 - Termination Benefits	39
Note 37 - Pension Schemes Accounted for as Defined Contribution Schemes	39
Note 38 - Defined Benefit Pension Scheme	45
Note 39 - Financial Instruments	47
Note 40 - Joint Operations & Associate Entities	47
Note 41 - Accounting Standards Issued, Not Adopted	47
Note 42 - Restatements	48



Note 1 - Critical Judgements in Applying Accounting Policies

In applying its accounting policies, the OCC 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 on Going Concern status, such as future levels of funding for central government departments.
- Possible impairment of investments.
- Whether other entities with which the OCC has a relationship are subsidiaries, associates or jointly controlled entities.
- The potential outcome of legal claims by or against the OCC.
- 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 OPFCC/OCC, there are no material uncertainties or concerns on the basis of preparing the 2023/24 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 OCC about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the OCC’s Balance Sheet as at 31st March 2024 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
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 2023/24, the Authority’s actuaries advised that the OCC’s net pension’s liability had decreased by £36.679m as a result of estimates being updated. If laws and regulations surrounding the management of the Police Pension Scheme were to change, the maximum additional liability the OCC could face would be £1,055.02m, being the total pension liability recorded on the balance sheet.



Note 3 - Events after the Balance Sheet Date

The statement of accounts was authorised for issue by the Chief Finance Officer in May 2024 and one post-balance sheet event had been reported at this date.

On the 2nd May 2024, the elections for Police, Fire and Crime Commissioner (PFCC) for Northamptonshire took place, with Danielle Stone elected as PFCC. The transition between Commissioners has taken place in May 2024.

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:

2022/23		2023/24		
Total	£'s	Officers	Police Staff	Total Employees
150	50,000 to 54,999	233	26	259
116	55,000 to 59,999	103	25	128
45	60,000 to 64,999	93	6	99
13	65,000 to 69,999	29	7	36
5	70,000 to 74,999	3	4	7
7	75,000 to 79,999	2	1	3
2	80,000 to 84,999	5	1	6
8	85,000 to 89,999	2	2	4
2	90,000 to 94,999	5	1	6
1	95,000 to 99,999	1	1	2
-	100,000 to 104,999	2	1	3
1	105,000 to 109,999	-	-	-
-	110,000 to 114,999	-	-	-
1	115,000 to 119,999	-	-	-
-	120,000 to 124,999	1	-	1
-	125,000 to 129,999	-	1	1
-	130,000 to 134,999	-	-	-
-	135,000 to 139,999	-	-	-
-	140,000 to 144,999	1	-	1
-	145,000 to 149,999	-	-	-
1	150,000 to 154,999	-	-	-
-	170,000 to 174,999	1	-	1

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:

2023/24 Post Holder Information	Start Date	Leaving date	Salary £	Expense Allowances (1) £	Other (2) £	Total Excluding Pension £	Employers Contribution £	Total Including Pension £
Nick Adderley - Chief Constable	01/04/23		170,821	-	-	170,821	-	170,821
Ivan Balhatchet - Acting Chief Constable	17/10/23		80,411	-	2,514	82,925	24,927	107,852
Deputy Chief Constable	19/12/22	16/10/23	62,022	-	3,946	65,968	14,812	80,780
T/Assistant Chief Constable	31/03/20		118,262	446	6,521	125,229	34,214	159,443
Assistant Chief Officer	01/12/20		124,089	-	7,010	131,099	24,570	155,669
Chief Superintendent	30/03/23		95,325	39	4,299	99,663	29,426	129,089
Chief Superintendent	01/10/18		99,302	406	5,274	104,982	30,766	135,748
Chief Superintendent	17/09/21		98,348	341	2,639	101,328	30,460	131,788
Chief People Officer	03/04/23		80,178	-	-	80,178	15,875	96,053
Chief Finance Officer	21/05/18	21/12/23	59,799	-	-	59,799	8,848	68,647
Interim Chief Finance Officer	22/12/23		25,585	-	-	25,585	5,066	30,651

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

(2) Other includes Rent Allowance, Housing Allowance and Car Allowance

(3) The Deputy Chief Constable became Acting Chief Constable from 17th October 2023 for the rest of the year when the substantive Chief Constable was suspended from duty.

2022/23 Post Holder Information	Start Date	Leaving date	Salary £	Expense Allowances (1) £	Other (2) £	Total Excluding Pension £	Employers Contribution £	Total Including Pension £
Nick Adderley - Chief Constable (3)	06/08/18	27/02/23	146,771	2,217	3,371	152,359	-	152,359
Paul Gibson - T/ Chief Constable (3)	27/02/23	31/03/23	-	-	-	-	-	19,316
Deputy Chief Constable (4)	04/02/19	05/07/22	32,583	-	1,134	33,717	10,101	43,818
T/ Deputy Chief Constable	19/12/22		35,785	-	-	35,785	11,093	46,878
T/ Deputy Chief Constable (4)	23/05/22	11/11/22	59,180	996	4,639	64,815	18,346	83,161
T/ Assistant Constable (4)	01/10/19	22/05/22	16,487	95	1,336	17,918	5,111	23,028
T/ 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
T/ 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.

(3) Nick Adderley temporarily ceased as Chief Constable from 27th February 23 and was replaced by Paul Gibson for the rest of the year.

(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.



Note 5A - Note to the Expenditure and Funding Analysis

2023/24	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	-	(22,871)	(1,526)	(24,397)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	-	(22,871)	(1,526)	(24,397)
Joint Venture & Associates	-	-	-	-
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	-	(22,871)	(1,526)	(24,397)

2022/23	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	-	(52,152)	(893)	(53,045)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	-	(52,152)	(893)	(53,045)
Joint Venture & Associates	-	-	-	-
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	-	(52,152)	(893)	(53,045)

Note 5B - Segmental Analysis of Income and Expenditure

2023/24	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(15,592)	(681)	-	-
OPFCC & Commissioning	-	-	-	-
Total	(15,592)	(681)	-	-

2022/23	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(14,223)	(133)	-	-
OPFCC & Commissioning	-	-	-	-
Total	(14,223)	(133)	-	-



Note 5C - Expenditure and Income Analysed by Nature

2022/23 £000	Nature of Expenditure or Income	2023/24 £000
	Expenditure	
155,540	Employee Benefit Expenses	134,427
33,836	Other Services Expenses	45,965
-	- Depreciation, amortisation, Impairment	-
40,020	Interest Payments	46,799
1,821	Precepts and Levies	-
-	- Gains/losses on the Disposal of Non-Current Assets	-
231,217	Total Expenditure	227,191
-	- Intra Company Adjustment (Expenditure)	-
231,217	Total Expenditure (Including Intra Company)	227,191
	Income	
(14,223)	Fees, Charges and Other Service Income	(15,592)
(133)	Interest and Investment Income	(681)
-	- Income from Council Tax & Non-Domestic Rates	-
(20,741)	Government Grants and Contributions	(25,599)
(35,097)	Total Income	(41,872)
(143,075)	Intra Company Adjustment (Income)	(160,922)
(178,172)	Total Income (Including Intra Company)	(202,794)
53,045	Surplus or Deficit on the Provision of Services	24,397



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 OCC in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the OCC, to meet future capital and revenue expenditure.

2023/24	General Fund Balance £000	Movement in Unusable Reserves £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)	(22,871)	22,871
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-
Council Tax and NNDR (transfers to or from the Collection Fund)	-	-
Holiday Pay (transferred to the Accumulated Absences Reserve)	(1,526)	1,526
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)	-	-
Total Adjustments to Revenue Resources)	(24,397)	24,397
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)	-	-
Total Adjustments between Revenue and Capital Resources	-	-
Other Adjustments	-	-
Total Adjustments	(24,397)	24,397



2022/23	General Fund Balance £000	Movement in Unusable Reserves £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)	(52,152)	52,152
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-
Council Tax and NDR (transfers to or from the Collection Fund)	-	-
Holiday Pay (transferred to the Accumulated Absences Reserve)	(893)	893
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)	-	-
Total Adjustments to Revenue Resources	(53,045)	53,045
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)	-	-
Total Adjustments between Revenue and Capital Resources	-	-
Other Adjustments	-	-
Total Adjustments	(53,045)	53,045

Note 7 - Other Operating Expenditure

Other Operating Expenditure includes:

2022/23 £000	2023/24 £000
1,821 Levies	-
- Gains/losses on the Disposal of Non-Current Assets	-
(136) Other	-
1,685 Total	-



Note 8 - Financing and Investment Income and Expenditure

2022/23 £000		2023/24 £000
	- Interest payable and similar charges	-
40,020	Net interest on the net defined benefit liability (asset)	46,799
(133)	Interest receivable and similar income	(681)
39,887	Total	46,118

Note 9 - Taxation and Non-Specific Grant Income

Refer to Note 9 Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 10 - Material Items of Income and Expense

Refer to Note 10 Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 11 - Trading Operations

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

Note 12 - Members' Allowances

Refer to Note 12 Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 13 - External Audit Costs

The OCC incurred direct external audit fees as follows for audit work on the Statement of Accounts, which is a statutory requirement.

2022/23 £000		2023/24 £000
12	Scale fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	48
12	Total	48



Note 14 - Grant Income

2022/23 £000		2023/24 £000
(1,041)	ACPO (TAM)	(1,309)
(502)	Other Grants	(88)
(15,670)	Pension Top Up Grant	(15,973)
(1,288)	Uplift Grant	(2,623)
(940)	Additional Uplift Grant	(1,185)
(1,273)	Pensions Grant	(1,273)
-	- Safer Streets Grant	-
-	- Pay Award Grant	(3,148)
-	- Ministry of Justice	-
(22)	ESN S31 Grant	-
(5)	Redmond Review Grant	-
-	- Victims Grant	-
(20,741)	Total	(25,599)

Note 15 - Related Parties

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

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

NCFRA (Fire) and Police collaborate on operational and non-operational activities. Shared support services teams are in place for a number of services and shared accommodation in Darby House. During 2023/24, net revenue costs of £2.755m 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 is due to be reviewed in 2024/25.

Both the OPFCC and the OCC maintain a register of business interests, and the Business Interest Policy 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 (i.e. significant financial dealings) with the OPFCC during the financial year. All returns and disclosures were received and reviewed by both s151 officers.

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.

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).



Note 16 - Transfers to/from Earmarked Reserves

Refer to Note 16 Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 17 - Unusable Reserves

2022/23 £000		2023/24 £000
-	Revaluation Reserve	-
-	Capital Adjustment Account	-
-	Collection Fund Adjustment Account	-
1,018,341	Pension Reserve	1,055,020
0	Deferred Capital Receipt Reserve	-
1,443	Accumulated Absences Account	2,969
1,019,784	Total	1,057,989

Pension 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 OCC 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 OCC 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 OCC 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.

2022/23 £000		2023/24 £000
1,503,452	Balance 1 April	1,018,341
(331,661)	Re-measurements of the net defined benefit (liability)/asset	13,808
(147,101)	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	63,806
(6,349)	Employer's pensions contributions and direct payments to pensioners payable in the year	(40,935)
1,018,341	Balance 31 March	1,055,020



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.

2022/23		2023/24
£000		£000
2,336	Balance 1 April	1,443
(2,336)	Settlement or cancellation of accrual made at the end of the preceding year	(1,443)
1,443	Amounts accrued at the end of the current year	2,969
1,443	Balance 31 March	2,969

Note 18 - Property, Plant and Equipment

Refer to Note 18 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 19 - Impairment Losses

Refer to Note 19 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 20 - Assets Held for Sale

Refer to Note 20 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 21 - Investment Properties

Refer to Note 21 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 22 - Leases

Refer to Note 22 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 23 - Intangible Assets

Refer to Note 23 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 24 - Capital Expenditure and Capital Financing

Refer to Note 24 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.



Note 25 - Construction Contracts

At 31 March 2024 the OCC had no construction contracts in progress as the Office for the Police, Fire & Crime Commissioner (OPFCC) is the owner of all contracts. Please refer to Note 25 of the OPFCC’s Group Statement of Accounts for further information.

Note 26 - Debtors

Refer to Note 26 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 27 - Inventories

Refer to Note 27 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 28 - Provisions

Refer to Note 28 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 29 - Creditors

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

Total 31 March 2023 £000		Creditors	Total 31 March 2024 £000	
(1,443)		Accumulated Absence Accrual		(2,969)
(1,443)		Total		(2,969)

Note 30 - Capitalisation of Borrowing Costs

Refer to Note 30 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 31 - Contingent Liabilities

There were no Contingent Liabilities to disclose as at 31st March 2024.

Note 32 - Contingent Assets

Refer to Note 32 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 33 - Cash and Cash Equivalents

Refer to Note 33 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.



Note 34 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2022/23 £000	2023/24 £000
(133) Interest received	(681)
- Interest paid	-
(133) Total	(681)

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

2022/23 £000	2023/24 £000
- Depreciation	-
- Impairment and downward valuations	-
- Amortisation	-
893 (Increase)/decrease in creditors	(1,526)
- Increase/(decrease) in debtors	-
- Increase/(decrease) in inventories	-
(53,938) Movement in pension liability	(22,871)
- Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-
- Other non-cash movements charged to the surplus or deficit on provision of services	-
(53,045) Total	(24,397)

The surplus or deficit on the provision of services has been adjusted for the following items which are investing and financing activities:

2022/23 £000	2023/24 £000
- Any other items for which the cash effects are investing or financing cash flows	-
- Total	-

Note 35 - Cash Flow from Investing Activities

Refer to Note 35 Office of the Police, Fire & Crime Commissioner (OPFCC) Group Statement of Accounts.

Note 36 - Termination Benefits

The OCC has taken account of termination benefits in accordance of IAS 19. The termination benefits are dealt with separately from other employee benefits because the event which gives rise to an obligation is the termination rather than employee service.

The OCC would have incurred costs if the termination was either a decision to terminate an employee's employment prior to their retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

The OCC terminated the contract of two employees in 2023/24, summarised below:

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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	FTE	FTE	FTE	FTE	FTE	FTE	£000	£000
£0 - £20,000	1	-	-	1	1	1	12	20
£20,001 - £40,000	-	-	-	1	-	1	-	34
£60,001 - £80,000	-	-	-	-	-	-	-	-
£160,001 - £180,000	-	-	-	-	-	-	-	-
Total	1	-	-	2	1	2	12	54

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 and OCC offer retirement benefits. Although these benefits will not actually be payable until the employees retire, there is 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 and OCC 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. The OPFCC and OCC schemes are 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 changed the level of contributions from 2023/24 onwards. Therefore, 2024/25 contributions are expected to be consistent with 2023/24 contributions.

(b) Transactions Relating to Retirement Benefits

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

Pensions liabilities and future considerations

The current service costs contained in the table below are part of 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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000	£000	£000
Net Cost of Services						
Current service cost	(14,544)	(7,178)	(29,700)	(9,750)	(44,244)	(16,928)
Unfunded	-	-	-	-	-	-
Past service cost/Transfers in	-	(39)	(170)	(40)	(170)	(79)
Net Operating Expenditure						
Interest Costs**	(8,214)	(9,807)	(37,700)	(46,880)	(45,914)	(56,687)
Expected return on employers' assets**	5,894	9,888	-	-	5,894	9,888
Net Charge to the Income and Expenditure Account	(16,864)	(7,136)	(67,570)	(56,670)	(84,434)	(63,806)
<u>Movement In Reserves</u>						
Movement on Pensions Reserve	82,175	19,706	400,600	(34,890)	482,775	(15,184)
(Reversal of net charges made for retirement benefits in accordance with IAS 19)						
<u>Actual amount charged against Council Tax (General Fund Balance) for pensions</u>						
Contributions to the Scheme	6,352	7,065	(22,189)	(24,500)	(15,837)	(17,435)
Additional Contributions to the Pension Fund			15,680	15,973	15,680	15,973

** 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 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 Policing Services
- 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	
	31 Mar 23 £000	31 Mar 24 £000	31 Mar 23 £000	31 Mar 24 £000
Opening Defined Benefit Obligation 1st April	(293,123)	(204,699)	(1,420,730)	(1,020,130)
Current Service Cost (net up for employee contributions)	(14,544)	(7,178)	(29,700)	(9,750)
Interest Cost	(8,214)	(9,807)	(37,700)	(46,880)
Contributions by Scheme Participants	(2,034)	(2,308)	(6,650)	(7,380)
Actuarial (Gains)/ Losses	108,299	8,363	442,240	(12,090)
Past Service (Costs)/ Gains	-	(39)	(170)	(40)
(Losses)/ Gains on Curtailments	-	-	-	-
Transfers in	-	-	-	-
Estimated Unfunded Benefits Paid	3	3	-	-
Estimated Benefits Paid	4,914	5,958	32,580	41,250
Effect of business combinations and disposals	-	-	-	-
Closing Defined Benefit Obligation 31st March	(204,699)	(209,707)	(1,020,130)	(1,055,020)

Reconciliation of the Fair Value of the Schemes Assets

Pension Asset – Local Government Pension Scheme Only

	31 Mar 23	31 Mar 24
	£000	£000
Pensions Asset 1st April	212,737	206,488
Expected Return on Assets	5,894	9,888
Contributions by Members	2,034	2,308
Employers Contributions (Inc Injuries) - excluding Top-Up Grant	6,349	7,062
Pension Fund Asset Split (Group to Single Entity)	-	-
Contributions in Respect of Unfunded Benefits	(3)	(3)
Actuarial Gains	(15,612)	11,414
Estimated Unfunded Benefits paid	3	3
Estimated Benefits Paid	(4,914)	(5,958)
Effect of business combinations and disposals	-	-
Effect of Asset Ceiling Calculations	-	(21,495)
Fair Value of Pensions Asset 31st March	206,488	209,707

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 £9,888k (£5,894k in 2022/23).

The OCC's total pension liability of £1,055m reconciles to the Unusable Reserves within the Balance Sheet of £1,057m, by adding back the figures within the Movement in Reserves Statement of the Capital Adjustment Account, the Collection Fund Adjustment Account and 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 local government scheme has an expected surplus as per the actuary report. However, the OCC is not able to include this amount within the statement of accounts as the asset ceiling calculations work out that it will not be possible to realise any part of this surplus for the benefit of the OCC, 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 OCC, OPFCC and Group:

	2022/23		2023/24	
	Local Government Pension Scheme	Police Pension Scheme	Local Government Pension Scheme	Police Pension Scheme
Mortality Assumptions	Years	Years	Years	Years
Longevity at 65 for current pensioners				
Men	20.70	20.90	21.90	21.90
Women	24.00	23.70	23.50	23.60
Longevity at 65 for future pensioners				
Men	21.90	21.70	23.50	23.60
Women	25.70	25.50	25.00	25.10
Financial Assumptions	%	%	%	%
Rate of Inflation	2.95	2.75	2.60	2.60
Rate of Increase in Salaries	3.45	3.25	3.85	3.85
Actual Return on Assets	4.50	10.20	n/a	n/a
Rate for Discounting Scheme Liabilities (Gross)	4.75	4.85	4.65	4.65
Rate of Revaluation for CARE Pensions	n/a	n/a	3.85	3.85
Take up Option to Convert annual Pension into retirement Lump Sum (LGPS)	50	55	n/a	n/a
Take up Option to Convert annual Pension into retirement Lump Sum (1987)			25	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)			20	20
Take up Option to Convert annual Pension into retirement Lump Sum (Mixed 1987 & 2015)			25/12	25/12
Take up Option to Convert annual Pension into retirement Lump Sum (Mixed 2006 & 2015)			0/20	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. Our actuaries have advised that this will reduce the value of the OCC'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 23	Description	31 Mar 24
%		%
8	Debt Securities	15
7	Private Equity	7
59	Equity Investments	43
10	Bonds	15
7	Property	6
7	Infrastructure	6
2	Cash and Liquidity	2
0	Equity Securities	6
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 Sargent and McCloud High Court rulings, all members will be moved to the 2015 scheme from 1st April 2012 to ensure that there is no further possibility of age discrimination within the pension arrangements.

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 Groups Income and Expenditure Account.

		Police Pension Scheme	
		2022/23	2023/24
Contributions Receivable			
Group			
From Employer			
Normal		(15,536)	(17,121)
Early Retirements			
Ill Health			
From Members			
		(6,653)	(7,379)
Transfers In			
Individual Transfers in from other schemes			
		(170)	(38)
Benefits Payable			
Pensions including ill health			
		31,703	34,971
Commutations and lump sums retirement benefits			
		6,033	5,198
Other			
		264	342
Payments to and on account of leavers			
Individual Transfer Out from other schemes			
		39	0
Net amount payable for the year		15,680	15,973
Top up grant receivable from Central Government		(15,680)	(15,973)

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 31st March 2024.

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 1987 and 2006 Schemes are closed, with all new entrants entering the 2015 scheme. The current percentages of pensionable pay are:

		2022/23			2023/24		
		1987	2006	2015	1987	2006	2015
Employer Contributions:		31.00%	31.00%	31.00%	31.00%	31.00%	31.80%
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 IAS 19 adjustments in this statement; they are part of the Group and OCC 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 OCC to cover the Group and OCC'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 OCC, 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 OCC'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. 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

Refer to Note 39 Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

Note 40 - Joint Operations & Associate Entities

Refer to Note 40 Office of the Police, Fire & Crime Commissioner (OPFCC) Statement of Accounts.

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 2023/24 are:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.
- Updated disclosures based on IFRS 16 Leases issued in January 2016

Note 42 - Restatements

No restatements have taken place in preparation of the 2023/24 Statement of Accounts for the OCC.

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 OCC has a relationship are subsidiaries, associates or jointly controlled entities.
- The potential outcome of legal claims by or against the OCC.
- 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 OCC 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) 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.

4) 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.

5) Tangible Fixed Assets Recognition

All expenditure (subject to a de minimis of £10k) on the acquisition, creation or enhancement of fixed assets is capitalised in accordance with IAS 16 (Recognition, Revaluation & Measurement of Tangible Fixed Assets). Subsequent capital expenditure is capitalised where it provides an enhancement of the economic benefits of the asset in excess of those previously assessed.

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

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

6) 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.

7) 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 in order 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 OCC. A Reserves Strategy is in place and is reviewed at least twice a year.

8) 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 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 West Northamptonshire 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.

9) 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.

10) Joint Arrangements

The OCC has interests in a number of Joint Arrangements. All of these collaborations are governed by formal Section 22A 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 in the OPFCC accounts provides further details.

11) Value Added Tax (VAT)

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

12) Contingent Assets and Contingent Liabilities

These are not recognised in the accounting statements but disclosed in the Notes to the Accounts where they have been identified.

13) 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 OCC.

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.

14) 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.

15) Accounting Convention

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

16) 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.

17) 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.

18) 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.

19) 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 OCC. An accrual is made for the cost of holiday

entitlements (or any form of leave, e.g., 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.

20) 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.

21) 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.

22) 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.

23) 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.

24) 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 2023/24) 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 (OCC)

Background and Framework

In the financial year 2023/24, the focus for the two corporations sole has been to maintain the governance arrangements and strategies in place and to drive forward performance improvements. As the PFCC also undertakes governance of Northamptonshire Commissioner Fire and Rescue Authority (NCFRA), there continues to be momentum to develop strategic management and close working arrangements with Fire. 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 Chief Constable 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 2023/24 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 entity is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the entity to monitor that the achievement of its strategic objectives has led to the delivery of appropriate, value-for-money services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the entity'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 last 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 OCC.

- Engagement in Value for Money benchmarking such as is conducted by HMICFRS.
- 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. The agreement is due for review in 2024/25.
- A well embedded Force meeting governance structure including Force Executive Meeting, Strategic Planning Board, Force Assurance Boards and quarterly capital reviews, attended by key officers/staff.

In the full year to 31 March 2024, the PFCC and CC have sought to ensure that appropriate management and reporting arrangements are in place to enable them 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 organisation 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 2023/24, related party disclosures have been undertaken for all key staff in the OPFCC, CC and JIAC members. Additionally, the CC and all members of OCC 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 the 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 2023/24 and

2024/25. The consultation included wider public engagement for policing and the report is available on the OPFCC website.

Additional consultation took place to gauge public confidence and to identify any areas where work needs to be done to make the public feel safer. The results are available on the PFCC website.

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

For the 2023/24 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 2023/24 and 2024/25 budgets were prepared on zero-based budget principles, the Chief Constable was fully involved in the preparation of the budgets. The 2023/24 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 the level of precept.

Grants for financial support were advertised on the PFCC website and administered in 2023/24 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 a response in an efficient and cost-effective manner. The Regional Governance Team continued to support the Regional P(F)CCs to drive and develop collaboration.

In the context of resource constraints, Regional P(F)CC and CCs continue to review the most appropriate balance of local and regional resource delivery.

General Reserves were maintained at a sustainable level of £5.3m during the year which is in keeping with the Northamptonshire Reserves Strategy.

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

Monitoring of the police officer establishment has taken place 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 2023/24 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 31st March 2024. In fact, as Northamptonshire exceeded both the local and national police officer uplift levels, enabling further Home Office grants to be drawn down.

In 2022/23, 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 the company was ultimately closed down in 2023/24.

Principle E: Developing Capacity and Capability

During 2023/24, both the Statutory Chief Finance Officer and Monitoring Officer left the organisation. A permanent replacement for the Monitoring Officer was recruited, and since 22nd December 2023 the Chief Finance Officer post has been filled on an interim basis.

Following the suspension of Nick Adderley, Ivan Balhatchet took the role of Acting Chief Constable from 17th October 2023 and continued to take forward the operational delivery arrangements within the Force under the Force Strategic Plan. There was also one Assistant Chief Constable and two Assistant Chief Officers in post during this time.

The OPFCC continued with the commitment to Early Intervention and Youth Work, continuing to appoint people to focus on these roles, with investment in additional Domestic Violence and Sexual Abuse support for the County.

The PFCC and Acting Chief Constable commitment to Police Officer recruitment continued throughout the year. The local and national establishment target of 1,501 FTE was maintained. This establishment represents the highest number of police officers Northamptonshire has ever had and has enabled the OPFCC 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 2023/24, the PFCC and the Office continued to demonstrate a 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 meetings 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.

The OCC has the Force Assurance Board which is in place to oversee all risk management and feeds into the Strategic Planning Board to ensure the Chief Constable is fully sighted. Risks are reviewed regularly as part of this and also considered at JIAC meetings.

During 2023/24, Mazars continued as internal auditors for the Region. Regular review and planning meetings took place with Force and OPFCC officers (both locally and regionally) to update on progress. Mazars attended each JIAC meeting to routinely report and give assurance on the adequacy and effectiveness of internal control. In addition, they contribute to the JIAC forward plan and agenda setting to inform and highlight national and regional themes, considerations and practices.

The JIAC Chair and three members continued in their roles during the year. One member was appointed and commenced their role in March 2024. JIAC members were offered and some attended CIPFA, 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.

In line with the Accounts and Audit Regulations, the draft 2023/24 NCFRA statement of accounts were placed on the OPFCC website by the 31 May 2024.

As with every year since 2018/19, it is a major concern to the PFCC, the Panel, JIAC and statutory officers, that, due to factors outside of OPFCC and OCC's control, the audit of accounts has been delayed. 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, whilst the audit of 2020/21 accounts was completed successfully, the 2021/22 and 2022/23 Statement of Accounts have not been audited in line with the statutory timescales. This is a national issue for external audit firms, and following detailed consultation, legislative changes are expected which should provide the ability for audit firms to catch up with historic audits. The changes will also seek to enable timely audits to be carried out for 2023/24 and into the future. The Chief Finance Officer will continue to work closely with the auditor to ensure audit work is scheduled and concluded as soon as possible so that transparency and accountability is delivered for the public of Northamptonshire in a timely and effective manner. Any delays will 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 2023/24. This agreed plan was approved by the PFCC and considered by the JIAC in March 2023. The plan covered areas of risk and internal control. At the date of the reviewing the draft annual internal auditor report at the end of April 2024, two audit reports remain in draft form with final versions imminent. The assessment of internal controls for these audits and overall is not expected to change when these are finalised.

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 2023/24 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		
	2021/22	2022/23	2023/24
Head of Internal Audit Annual Report	Significant	Significant	Moderate
Core Financials*	Satisfactory	Satisfactory	Moderate
Payroll	Included in Core Financials		Moderate
Fleet Management			Moderate
Procurement			
GDPR	Significant		
Health and Safety	Satisfactory		
IT/Cyber Security	Limited		
New Finance System - Control environment	Significant		
Seized Property	Satisfactory		
Business Change	Limited		
Data Management	Satisfactory		
Governance	Satisfactory		
Released Under Investigation	Limited	Limited	Moderate
Closedown arrangements for MINT		Significant	
Complaints Management		Significant	
Positive Action		Significant	
Medium Term Financial Plan		Significant	
Balance transfers from new system		Significant	
MFSS - closedown		Significant	
Information Management		Satisfactory	
Risk Management		Satisfactory	
Data Quality		Satisfactory	
IT Disaster Recovery		Limited	
Reasonable Adjustments		Limited	Moderate
Firearms Licensing			Moderate
Business Continuity & Emergency Planning			Limited
IT Asset Management*			Moderate
IT Identity Access Management*			Limited
Vetting			Moderate

* Denote joint audits with NCFRA (Fire)

The Draft Internal Audit Annual Report for 2023/24 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 2024. The results of the report are summarised as follows:

“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 Moderate in its overall adequacy and effectiveness. This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions were provided during the period in respect of Business Continuity and Emergency Planning.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as 'High' and 'Medium'. All of these have been, or are in the process of being addressed, as detailed in our individual reports..."

Following a thorough procurement exercise, a new contract was awarded with Mazars in 2023/24 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 2024/25, and this is captured in the Annual Governance Statement (AGS) action plan as a recommendation.

Review of Effectiveness

A training and induction session is scheduled for both new and existing audit committee members in July 2024 with key individuals and the s151 officers in attendance to provide context and understanding of the funding, governance, decision making and internal control environments for OPFCC, OCC and NCFRA.

There were four JIAC meetings during the year, and workshops to go through all the draft 2022/23 Statement of Accounts in detail. The four meetings considered the following across Fire and Police:

JIAC Meeting	Areas Covered	Fire	Police
July 2023	• Meeting of members with auditors without officers present	Y	Y
	• Annual Report of the JIAC and Terms of Reference Review	Y	Y
	• External Audit Update	Y	Y
	• Internal Audit Annual Report 2022/23	Y	Y
	• Internal Audit Progress Report 2023/24	Y	Y
	• Risk Register Update	Y	-
	• Internal Audit progress against recommendations update	Y	-
	• System Implementation (including new finance system)	Y	Y
	• HMICFRS Update	Y	-
	• Benefits Realisation	Y	Y
	• Enabling Services Evaluation 2020 to 2023	Y	Y

September 2023	<ul style="list-style-type: none"> • Internal Audit Progress Report 2023/24 • Internal Audit progress against recommendations update • External Audit Update • Anti-Fraud and Corruption Processes • HMICFRS Update • 2024/25 Budget and MTFP Processes, Plan and Timetable • OPFCC Risk Register Update • Enabling Services update 	Y - Y Y - Y - Y	Y Y Y - Y Y Y
December 2023	<ul style="list-style-type: none"> • Internal Audit Progress Report 2023/24 • Internal Audit progress against recommendations update • External Audit Update • Anti-Fraud and Corruption Processes • HMICFRS Update • IT Disaster Recovery assurance • Feedback from the Accounts Workshops • Risk Register Update • Benefits Realisation 	Y Y Y - Y Y Y - Y	Y - Y Y - Y Y Y Y
March 2024	<ul style="list-style-type: none"> • Internal Audit Progress Report 2023/24 • Internal Audit Plan 2024/25 • Internal Audit progress against recommendations update • External Audit Update • HMICFRS Update • 2024/25 Treasury Management Strategy • Risk Register Update 	Y Y - Y - Y Y	Y Y Y Y Y Y -

During 2023/24 Northamptonshire Police were subject to a Police Effectiveness, Legitimacy and Efficiency (PEEL) Inspection. The inspection results were published in February 2024, as summarised in the narrative statement earlier in these accounts.

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

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 2024/25 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 2023/24 Internal Control Actions		
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.	Complete Documentation was reviewed and has been updated. Given the alignment of policies and procedures across Enabling Services, there will continue to be an on-going review to ensure that these documents remain fit for purpose.
	Recommendation 2 On receipt of the HMICFRS Inspection findings, take forward recommendations and areas for improvement and monitor updates regularly through the Accountability Board.	Complete Areas for interest and recommendations have been taken forwards and these updates are being monitored through the Accountability Board.
Principal E: Developing Capacity and Capability	Recommendation 3 Review demand modelling to better align resource to demand.	Complete Demand requirements to resource modelling was revisited and agreed through the Force Executive Meeting. This area will continue to be revisited as demand and resource models are updated.
	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.	Complete This approach was investigated, and it was concluded as being impractical and undeliverable. As such, the Force focused on more targeted recruitment, which resulted in increased numbers.
Principal 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.	Ongoing Some improvements and actions have been completed. Work on the remaining actions will continue. This is carried forward to 2024/25 recommendations.

Recommendations for 2024/25

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

2024/25 Internal Control Action Plan	
Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.	Recommendation 1: To undertake a review of the collaboration agreement between Police and Fire to ensure that governance arrangements are relevant and up to date.
Principle G: Implementing good practices in transparency, reporting and accountability.	Recommendation 2: To improve the consistent application of governance principles to option appraisals and investment decisions, ensuring business cases are robust and go through all the appropriate channels for well-informed decision-making.
Principle G: Implementing good practices in transparency, reporting and accountability	Recommendation 3: The Commercial Team are embedded and have Value-for-Money at the core of all activities. However, there are improvements to be made with regard to ICT contracts and ensuring full and timely involvement of commercial specialists.
Principle G: Implementing good practices in transparency, reporting and accountability	Recommendation 4: 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:

Nick Alexander
Chief Finance Officer (s151)
 Date:

Ivan Balhatchet
Acting Northamptonshire Police Chief Constable
 Date:

ANNUAL GOVERNANCE STATEMENT (COLLABORATION)

The Annual Governance Statement (Collaboration) is not required to be included in the draft statement of accounts and therefore this page acts as a placeholder for when it is included in the audited statement of accounts.

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 (e.g., 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.

Receipts and Payments

Amounts actually paid or received in a given accounting period irrespective of the period for which they are due.

Retirement Benefits

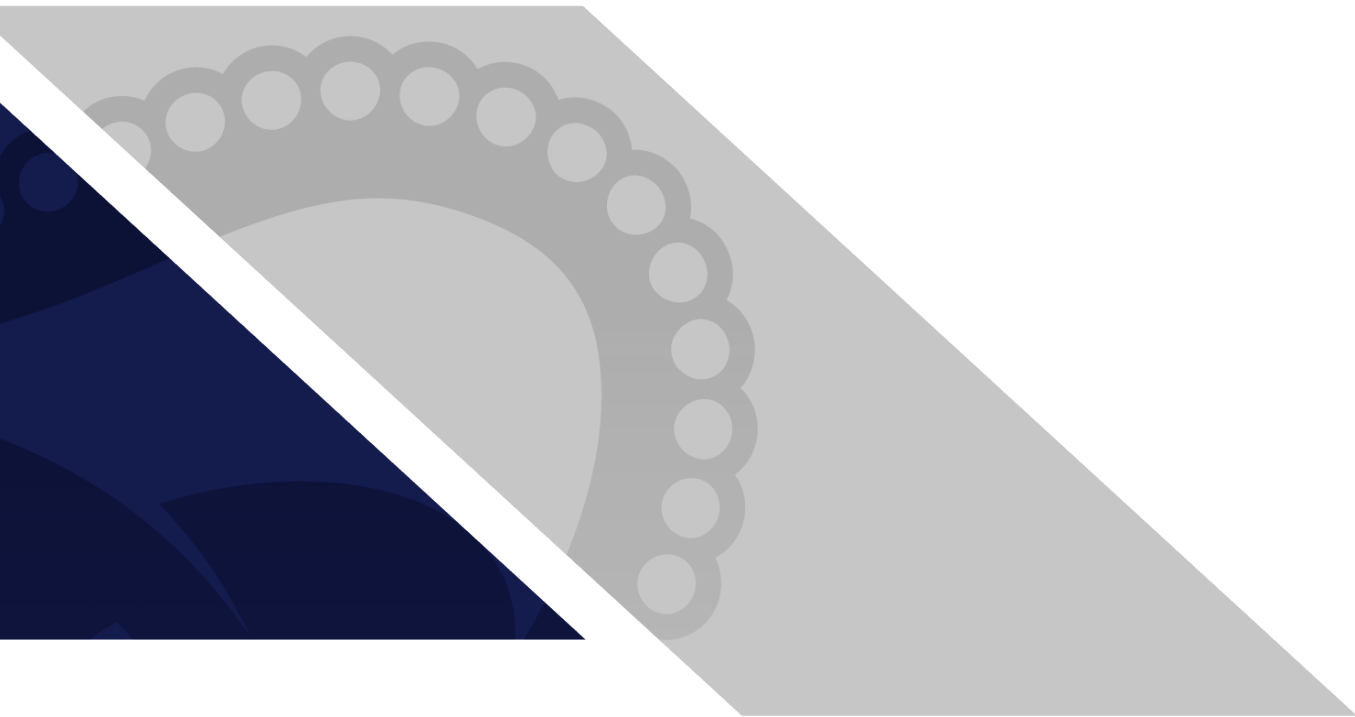
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

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.



NORTHAMPTONSHIRE
POLICE
Fighting Crime. Protecting People.

