



Northamptonshire Police, Fire and Crime Commissioner

Single Entity & Group

Draft Statement of Accounts for the year 2023/24



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NARRATIVE STATEMENT

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FOREWORD BY CHIEF FINANCE OFFICER

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

They are prepared on a going concern basis, assuming that the Police, Fire and Crime Commissioner (PFCC) will continue in operation for the foreseeable future. They have been prepared in accordance with the Accounts and Audit Regulations 2015, the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice 2023/24.

The information provided also allows for an assessment of the Commissioner’s performance in terms of stewardship and the management of the resources entrusted to 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 OPFCC and Force. It provides an explanation of the financial position and assists in the interpretation of the financial statements. It contains information about the activities of the OPFCC and the main influences on the financial statements to provide a link between the Police activities; Police and Crime Plan; future challenges and how these impact on its financial resources.

It includes information on the budget preparation process, final accounts, performance information, Medium Term Financial Plans (MTFP) 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.



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.



THE CHIEF CONSTABLE'S STRATEGIC PLAN

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

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

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

Intent to Action Strategic Ambition

Healthy Culture

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

Quality of Service

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

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

Effective Partnerships

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

Release Capacity

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

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

Prevention and Intervention

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

NORTHAMPTONSHIRE POLICE
Fighting Crime. Protecting People.



Performance and Accountability

The plan is underpinned by a comprehensive performance framework, using considered and relevant indicators that will enable the organisation to assess its progress in delivery against the plan. Oversight and scrutiny of delivery of the plan takes place through the Chief Constable's Strategic Planning Board.

STATUTORY FRAMEWORK

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

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

The Policing and Crime Act 2017 provided legislation to:

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

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

GROUP BOUNDARY

The Police, Fire and Crime Commissioner for Northamptonshire (Fire and Rescue Authority) Order 2018 utilised existing legislation (Specifically Section 4A of the Fire and Rescue Services Act 2004) to create a new

corporation sole NCFRA, a role which is held by the Police, Fire and Commissioner, but acting as NCFRA. This legislation outlines the key responsibilities for oversight and ensuring good governance within the NCFRA.

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

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

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

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

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

RESPONSIBILITIES

The Police Reform and Social Responsibility Act 2011 and the Financial Management Code of Practice for the Police (England) describe the high-level responsibilities



and the working financial relationship between the PFCC and the Chief Constable, summarised as:

The Police, Fire and Crime Commissioner:

- Appoints the Chief Constable and may suspend 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 Northamptonshire Police Force and the OPFCC Budgeted establishment was 2,723 FTE. The analysis is shown in the table below:

Category of employee	2022/23	2023/24
Police Officers	1,501	1,501
PCSO	81	80
Police Staff*	1,044	1,014
OPFCC Staff*	16	16
OPFCC Delivery (Complaints, Youth Work and Early Intervention)	48	52
OPFCC Victims (Voice & Sunflower)	n/a	60
Total	2,690	2,723

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

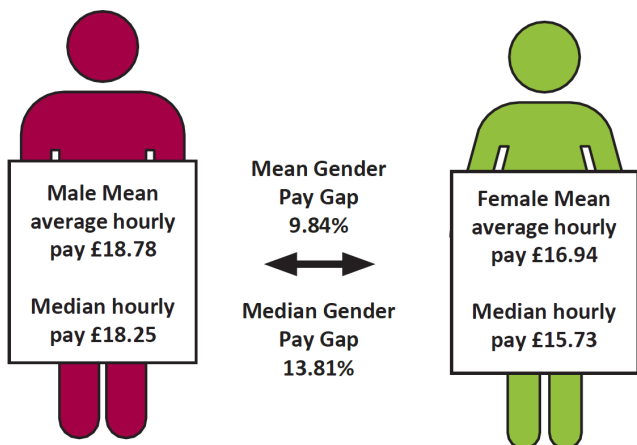
In addition to this the Force has officers and staff seconded to national and regional projects and employs a number of dedicated PCSOs, funded by local partners.

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

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).

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.

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	191.3	194.3	197.8	201.6
Funding	(183.0)	(185.0)	(189.3)	(193.7)	(198.2)
Shortfall	-	6.3	5.0	4.1	3.4

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/PCC’s within the East Midlands Region (Northamptonshire, Derbyshire, Leicestershire, Lincolnshire and Nottinghamshire) have collaborated on a wide range of activities both formally and informally for over 10 years.

The collaboration agenda is underpinned by 5 guiding principles:

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

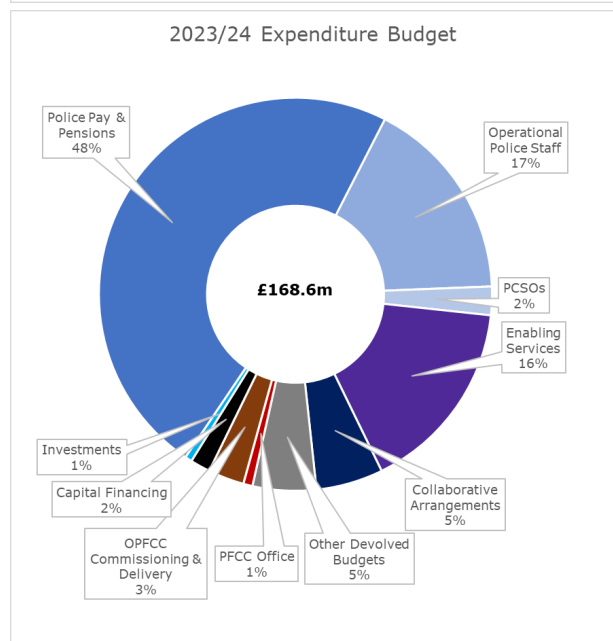
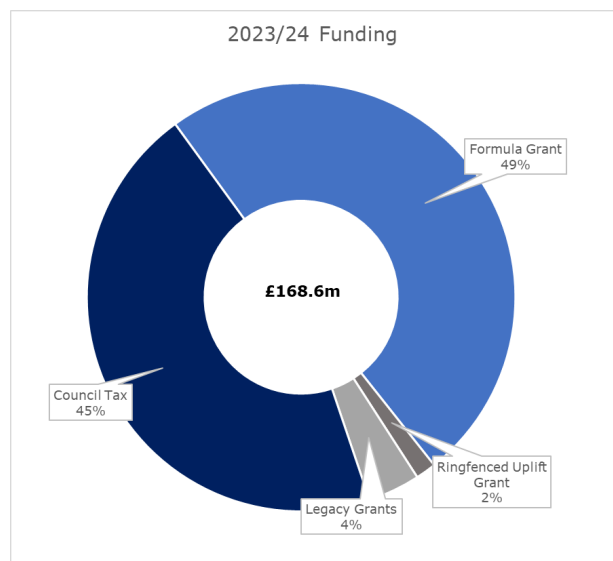
FINANCIAL PERFORMANCE

The Revenue Budget

Funding

Funding for the Police service is through a combination of government grant and precept (council tax). In 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	(0.76)
OPFCC (inc. Commissioning & Delivery)	(0.30)
Core Funding	(0.02)
Over/(Under)	(1.08)

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.

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 OPFCC

The net PFCC budget (after contributions for shared services from Fire) for 2023/24 was £5.98m.

OPFCC	Original Budget £m	Adjusted Budget £m	Outturn £m	Variance £m
OPFCC Office	1.29	1.28	1.36	0.08
<u>Commissioning & Delivery</u>				
People	4.03	3.98	3.50	(0.48)
Place	0.53	0.55	0.65	0.10
Joint Comms Team	0.13	0.10	0.10	(0.01)
	4.69	4.63	4.25	(0.39)
Over/(Under)	5.98	5.91	5.61	(0.30)

There is a budget of £1.29m for the costs associated with running the Office of the Police, Fire and Crime Commissioner, including statutory roles and requirements.

At year end, the PFCC office budget was overspent by £0.08m with the overspend mainly arising from higher than budgeted pay awards and recruitment costs.

The PFCC delivery budget of £4.69m was underspent by £0.39m at year end, mainly comprised of timing delays in recruiting staff to the Early Intervention and Youth Teams.

The Capital Programme

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

The approved budget was £10.7m and expenditure totalled £7.7m:

Scheme	Expenditure £'000
Expenditure:	
Estates	0.3
Information Technology	4.7
Vehicles & Equipment	2.7
TOTAL Capital Expenditure	7.7
Funded by:	
Capital Receipts	(1.3)
S106 Developer Contributions	(0.3)
Revenue Contributions	(1.9)
Internal Borrowing	(4.2)
TOTAL Capital Funding	(7.7)

Estates costs were lower than anticipated due to some projects that were held, pending final decisions on the new masterplan. Projects are being progressed in line with the masterplan in 2024/25.

There was some slippage on Information Technology Projects. However, this is an improvement on previous years and updates to some key systems/hardware and mobile devices was achieved in-year.

Expenditure on vehicles was higher than expected in the programme, due to unplanned and unavoidable vehicle replacements and improved lead times.

Capital receipts include £1m for the sale of the old Corby Police Station building.

Capital Financing

A total of £1.9m of revenue budget from across the group was used to fund capital expenditure which reduces the need to borrow and the subsequent financing costs in future years. All borrowing required for the year is via internal cash balances.



Cash Flow

Total 'Cash and Cash Equivalents' at 31 March 2024 is £4.029m including a share of Joint Venture (Regional Collaboration) cash balances. The main factors that will affect cash in the future are:

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

Borrowing

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

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

- Affordable
- Prudent
- Sustainable

The Treasury Management Strategy and Minimum Revenue Provision are reviewed annually. The last update was undertaken in March 2024.

Total borrowing is £22.9m and has all been obtained via the Public Works Loan Board (PWLb).

NON-FINANCIAL PERFORMANCE

Outcomes

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

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

- Victims services
- Complaints arrangements
- Safer Streets investments
- Supporting young people
- Criminal Justice – Serious Violence Duty

Independent Custody Visitor Scheme

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

Review of Complaints against the Force

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

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



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	00:15:54	
		Median response times to MH incidents (G2)	00:16:32	00:18:21	
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	
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	OC16	21.9%	22.4%	NOT ACHIEVED
		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%	



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.

Vaughan Ashcroft
Interim Chief Finance Officer (s151)
Date:

Danielle Stone
Northamptonshire Police, Fire and Crime Commissioner
Date:



STATEMENT OF RESPONSIBILITIES

The PFCC's Responsibilities

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

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

The 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 OPFCC 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 31 March 2024.

In preparing this Statement of Accounts, the Section 151 (s151) Officer:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice on Local Authority Accounting in the United Kingdom 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 Financial Services staff under the supervision of, and with the assistance of the PFCCs Office, carries out the preparation of the accounts and liaises with the external auditors, Grant Thornton LLP, during the audit process.

Chief Finance Officer (OPFCC) Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of the OPFCC and Northamptonshire Police Force as at 31st March 2024 and the income and expenditure for the year ended 31st March 2024.

Vaughan Ashcroft
Interim Chief Finance Officer (s151)

Danielle Stone
Northamptonshire Police, Fire and Crime Commissioner

Date:

Date:



EXPENDITURE AND FUNDING ANALYSIS (GROUP)

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

2022/23			Group	2023/24		
Net Expenditure Chargeable to CIES	Adjustments	Net Expenditure as per CIES		Net Expenditure Chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
101,348	52,675	154,023	Policing Services	114,906	24,547	139,453
8,257	1,114	9,371	OPFCC & Commissioning	3,921	1,933	5,854
1,224	-	1,224	Non-Distributed Costs	-	-	-
110,829	53,789	164,648	Cost of Services	118,827	26,480	145,307
(115,846)	-	(115,846)	Other Income and Expenditure	(118,677)	-	(118,677)
(5,017)	53,789	48,772	Surplus or Deficit on the Provision of Services	150	26,480	26,630
(19,350)			Opening Combined General Fund Balance	(24,367)		
(5,017)			Surplus or Deficit on the General Fund	150		
-			Transfers to/from other Reserves	402		
(24,367)			Closing Combined General Fund	(23,815)		

EXPENDITURE AND FUNDING ANALYSIS (OPFCC)

2022/23			Office of the Police, Fire & Crime Commissioner	2023/24		
Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES		Net Expenditure chargeable to CIES	Adjustments	Net Expenditure as per CIES
£000	£000	£000		£000	£000	£000
(154)	(370)	(524)	Policing Services	102	150	252
8,257	1,114	9,371	OPFCC & Commissioning	3,921	1,933	5,854
487		1,224	Non-Distributed Costs	-		-
9,327	744	10,071	Cost Of Services	4,023	2,083	6,106
143,075	-	143,075	Intra-Organisational Adjustment	114,123	-	114,123
(157,419)	-	(157,419)	Other Income and Expenditure	(117,996)	-	(117,996)
(5,017)	744	(4,273)	Surplus or Deficit on the Provision of Services	150	2,083	2,233
(19,350)			Opening Combined General Fund Balance	(24,367)		
(5,017)			Surplus or Deficit on the General Fund	150		
-			Transfers to/from other Reserves	402		
(24,367)			Closing Combined General Fund	(23,815)		



MOVEMENT IN RESERVES STATEMENT (GROUP)

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

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

Group	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2023	(5,300)	(19,067)	(24,367)	960,287	935,920
Movement in reserves during 2023/24					
Surplus or deficit on the provision of services	26,630	-	26,630	-	26,630
Other Comprehensive Income / Expenditure	-	-	-	6,107	6,107
Total Comprehensive Income and Expenditure	26,630	-	26,630	6,107	32,737
Adjustments between accounting basis and funding basis under regulations (Note 6)	(26,480)	402	(26,078)	26,078	-
Net Increase or Decrease before Transfers to Earmarked Reserves	150	402	552	32,185	32,737
Transfers to / from Earmarked Reserves		150	-	-	-
Increase or decrease in 2023/24	-	552	552	32,185	32,737
Balance at 31 March 2024	(5,300)	(18,515)	(23,815)	992,472	968,657

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



MOVEMENT IN RESERVES STATEMENT (OPFCC)

Office of the Police, Fire & Crime Commissioner	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2023	(5,300)	(19,067)	(24,367)	(59,497)	(83,864)
Movement in reserves during 2023/24					
Surplus or deficit on the provision of services	2,233		2,233		2,233
Other Comprehensive Income / Expenditure	-	-	-	(7,701)	(7,701)
Total Comprehensive Income and Expenditure	2,233	-	2,233	(7,701)	(5,468)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(2,083)	402	(1,681)	1,681	-
Net Increase or Decrease before Transfers to Earmarked Reserves	150	402	552	(6,020)	(5,468)
Transfers to / from Earmarked Reserves	(150)	150	-	-	-
Increase or Decrease in 2022/23	-	552	552	(6,020)	(5,468)
Balance at 31 March 2024	(5,300)	(18,515)	(23,815)	(65,517)	(89,332)

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



COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (GROUP)

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

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

2022/23			Group	2023/24		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
198,820	(44,797)	154,023	Policing Services	187,922	(48,469)	139,453
9,713	(342)	9,371	Police, Fire & Crime Commissioner	9,147	(3,293)	5,854
3,947	(2,723)	1,224	Commissioning	-	-	-
212,480	(47,862)	164,618	Cost of Services	197,069	(51,762)	145,307
2,622	(1,137)	1,485	Other Operating Expenditure (Note 7)	1,321	(651)	670
40,641	(132)	40,509	Financing and Investment Income and Expenditure (Note 8)	47,351	(681)	46,670
-	(157,840)	(157,840)	Taxation and Non-Specific Grant Income (Note 9)	-	(166,017)	(166,017)
255,743	(206,971)	48,772	Surplus or Deficit on Provision of Services	245,741	(219,111)	26,630
		(10,670)	Surplus or Deficit on Revaluation of Non-Current Assets			(6,996)
		(541,481)	Actuarial Gains/Losses on Pension Schemes			13,102
		(552,151)	Other Comprehensive Income and Expenditure			6,106
		(503,379)	Total Comprehensive Income and Expenditure			32,736

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (OPFCC)

2022/23			Office of the Police, Fire & Crime Commissioner	2023/24		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
9,444	(9,969)	(525)	Policing Services	7,530	(7,278)	252
9,713	(342)	9,371	Police, Fire & Crime Commissioner	9,147	(3,293)	5,854
3,947	(2,723)	1,224	Commissioning	-	-	-
23,104	(13,034)	10,070	Cost of Services	16,677	(10,571)	6,106
143,075	-	143,075	Intra-Organisational Adjustment	160,922	-	160,922
800	(1,000)	(200)	Other Operating Expenditure (Note 7)	1,321	(651)	670
622	-	622	Financing and Investment Income and Expenditure (Note 8)	552	-	552
-	(157,840)	(157,840)	Taxation and Non-Specific Grant Income (Note 9)	-	(166,017)	(166,017)
167,601	(171,874)	(4,273)	Surplus or Deficit on Provision of Services	179,472	(177,239)	2,233
		(10,670)	Surplus or Deficit on Revaluation of Non-Current Assets			(6,996)
		(4,768)	Actuarial Gains/Losses on Pension Schemes			(706)
		(15,438)	Other Comprehensive Income and Expenditure			(7,702)
		(19,711)	Total Comprehensive Income and Expenditure			(5,469)



BALANCE SHEET (OPFCC & GROUP)

This account shows the overall financial position of the Group at 31 March 2024. It therefore differs from the other financial accounts shown in this statement in that it deals with the position of the OPFCC at the end of the 2023/24 financial year instead of dealing with day-to-day transactions within that financial year.

OPFCC 31/03/2023 £000	Group 31/03/2023 £000		Note	OPFCC 31/03/2024 £000	Group 31/03/2024 £000
89,400	89,400	Property, Plant and Equipment	18	98,271	98,271
1,233	1,233	Intangible Assets	23	1,471	1,471
14	14	Long Term Investments		22	22
90,647	90,647	Long Term Assets		99,764	99,764
-	-	Short Term Investments		-	-
1,250	1,250	Assets Held for Sale	20	-	-
660	660	Inventories	27	655	655
31,057	31,057	Short Term Debtors	26	27,576	27,576
6,114	6,114	Cash and Cash Equivalents	33	4,029	4,029
39,081	39,081	Current Assets		32,260	32,260
(22,182)	(23,625)	Short Term Creditors	29	(17,514)	(20,483)
-	-	Short Term Borrowing	39	-	-
(377)	(377)	Provisions	28	(2,235)	(2,235)
(22,559)	(24,002)	Current Liabilities		(19,749)	(22,718)
(23,100)	(23,100)	Long Term Borrowing	39	(22,943)	(22,943)
(205)	(1,018,546)	Other Long Term Liabilities	37	-	(1,055,020)
(23,305)	(1,041,646)	Long Term Liabilities		(22,943)	(1,077,963)
83,864	(935,920)	Net Assets		89,332	(968,657)
(24,367)	(24,367)	Usable Reserves	16	(23,815)	(23,815)
(59,497)	960,287	Unusable Reserves	17	(65,517)	992,472
(83,864)	935,920	Total Reserves		(89,332)	968,657

Signed:

Vaughan Ashcroft
Interim Chief Finance Officer (s151)
Date:

Danielle Stone
Northamptonshire Police, Fire and Crime Commissioner
Date:



CASH FLOW STATEMENT (OPFCC & GROUP)

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

2022/23			2023/24	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
(4,274)	48,772	Net Surplus/Deficit on Provision of Services	2,233	26,630
9,261	(43,785)	Adjustments to net surplus/deficit on the provision of services for non-cash movements (Note 34)	937	(23,460)
-	-	Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities (Note 34)	-	-
4,986	4,987	Net cash flows from Operating Activities	3,170	3,170
(597)	(597)	Investing Activities (Note 35)	(1,085)	(1,085)
-	-	Financing Activities	-	-
4,389	4,390	Net (increase) or decrease in cash & cash equivalents	2,085	2,085
10,504	10,504	Cash & cash equivalents at the beginning of the reporting period	6,114	6,114
6,114	6,114	Cash & cash equivalents at the end of the reporting period	4,029	4,029



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Note 1 - Critical Judgements in Applying Accounting Policies

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

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

Based on our assessment of the financial and liquidity position of the OPFCC and 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 OPFCC about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, as balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the OPFCC’s Balance Sheet as at 31 March 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
Property	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
		It is estimated that the annual depreciation charge for buildings would increase £0.066m for every year that useful lives had to be reduced.
Vehicles, Plant and Equipment and Intangible Assets	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The nature of the authority is that for example some equipment, eg. vehicles can be driven in extreme conditions, which could result in increased impairments or reduced useful economic lives, however, historically this has not been the case.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
		It is estimated that the annual depreciation charge for vehicles would increase by £0.675m for every year that useful lives had to be reduced.



Joint Venture	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The nature of the authority is that the joint assets could be used driven in extreme conditions, which could result in increased impairments or reduced useful economic lives, however, historically this has not been the case.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Provisions	The Authority requested an external expert assess its liability at the end of the 2023/24 financial year and has made a provision of £2.006m for the settlement of insurance claims, based on the number of known claims. As none of these claims have yet been settled the extent of the liability is still unknown.	An increase over the forthcoming year of 10% in either the total number of claims or the estimated average settlement would each have the effect of adding £0.201m to the provision needed.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two firms of consulting actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied.	The assumptions interact in complex ways. During 2023/24, the Authority's actuaries advised that the net pension's liability had increased by £36.215m as a result of estimates being corrected. If laws and regulations surrounding the management of the Police Pension scheme were to change, the maximum additional liability the OPFCC could face would be £1,055.020m, being the total pension liability.
Arrears	At 31 March 2024, the OPFCC had a balance of sundry debtors for £1.47m. A review of balances given the likelihood of default suggested that a bad debts provision of £0.023m was appropriate.	If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £0.023m to set aside as an allowance.
Investments	At 31 March 2024, the OPFCC held a balance of investments of £4.029m, before IFRS accounting adjustments for cash & cash equivalents. A review of these investments showed they were all banking institutes were either within the top 30 most secure (rating completed by Building Society's Association, ranked by group assets), or other financial investment bodies are reviewed for credit worthiness via a stability assessment, based on short and long-term market forecasts provided by the three main credit rating agencies. In the current unprecedented economic climate financial institutes have a higher risk of failure.	If one of these institutes were to fail, the maximum liability the OPFCC could face would £4.029m for an internally managed fund.



Note 3 - Events After the Balance Sheet Date

Where events taking place before this date provided information about conditions existing as at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 4 - Officers' Remuneration

Employee Remuneration

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

2022/23			2023/24			
OPFCC Total	Group Total	£'s	OPFCC Staff	Group Officers	Group Staff	Total Employees
3	153	50,000 to 54,999	4	233	26	259
2	118	55,000 to 59,999	2	103	25	128
-	45	60,000 to 64,999	1	93	6	99
-	13	65,000 to 69,999	1	29	7	36
-	5	70,000 to 74,999	-	3	4	7
1	8	75,000 to 79,999	1	2	1	3
-	2	80,000 to 84,999	1	5	1	6
1	9	85,000 to 89,999	-	2	2	4
-	2	90,000 to 94,999	1	5	1	6
-	1	95,000 to 99,999	-	1	1	2
1	1	100,000 to 104,999	1	2	1	3
1	2	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 144,500	-	1	-	1
-	-	145,000 to 149,999	-	-	-	-
-	1	150,000 to 154,999	-	-	-	-
-	-	170,000 to 174,999	-	1	-	1
9	361		12	481	76	557

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 £
Police, Fire and Crime Commissioner Stephen Mold - Police, Fire and Crime Commissioner	12/05/2016	08/05/2024	76,100	428	-	76,528	15,107	91,635
Office of the Police, Fire and Crime Commissioner								
Director for Delivery	21/11/2016		91,450	16	-	91,466	-	91,466
Chief Finance Officer	09/11/2017	21/12/2023	82,156	131	-	82,287	15,929	98,216
Interim Chief Finance Officer	22/12/2023		35,764	20	-	35,784	7,081	42,865
Director and HOPS Monitoring Officer	17/12/2018	23/07/2023	100,706	614	-	101,320	6,980	108,300
Interim Monitoring Officer	24/07/2023	01/01/2024	24,988	-	-	24,988	9,021	34,009
Chief Executive Officer (Monitoring Officer)	02/01/2024		27,204	-	-	27,204	5,386	32,590
Chief Executive Officer VOICE	01/08/2017		68,370	-	-	68,370	13,537	81,907
Chief Constable								
Nick Adderley - Chief Constable	01/04/2023		170,821	-	-	170,821	-	170,821
Ivan Balhatchet - Acting Chief Constable	17/10/2023		80,411	-	2,514	82,925	24,927	107,852
Deputy Chief Constable	19/12/2022	16/10/2023	62,022	-	3,946	65,968	14,812	80,780
Temporary Assistant Chief Constable	31/03/2020		118,262	446	6,521	125,229	34,214	159,443
Assistant Chief Officer	01/12/2020		124,089	-	7,010	131,099	24,570	155,669
Chief Superintendent	30/03/2023		95,325	39	4,299	99,663	29,426	129,089
Chief Superintendent	01/10/2018		99,302	406	5,274	104,982	30,766	135,748
Chief Superintendent	17/09/2021		98,348	341	2,639	101,328	30,460	131,788
Chief People Officer	03/04/2023		80,178	-	-	80,178	15,875	96,053
Chief Finance Officer	21/05/2018	21/12/2023	59,799	-	-	59,799	8,848	68,647
Interim Chief Finance Officer	22/12/2023		25,585	-	-	25,585	5,066	30,651

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

⁽²⁾ Other includes Rent Allowance, Housing Allowance, Car Allowance, Chief Officer Team (COT) Medical Allowances, Relocation Allowances.

⁽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 £
Police, Fire and Crime Commissioner								
Stephen Mold - Police, Fire and Crime Commissioner	12/05/2016		76,142	543	0	76,685	7,728	84,413
Office of the Police, Fire and Crime Commissioner								
Director for Delivery	21/11/2016		87,806	462	-	88,268	-	88,268
Chief Finance Officer	09/11/2017		104,142	693	-	104,835	21,141	125,976
Director and HOPS Monitoring Officer	17/12/2018		104,142	1,408	-	105,550	21,141	126,691
Voice Ltd								
Chief Executive	01/08/2017		65,355	-	-	65,355	11,045	76,400
Chief Constable								
Nick Adderley - Chief Constable (3)	06/08/2018	27/02/2023	146,771	2,217	3,371	152,359	-	152,359
Paul Gibson - Temporary Chief Constable (3)	27/02/2023	31/03/2023				-		19,316
Deputy Chief Constable	04/02/2019	05/07/2022	32,583	-	1,134	33,717	10,101	43,818
Temporary Deputy Chief Constable	19/12/2022		35,785	-	-	35,785	11,093	46,878
Temporary Deputy Chief Constable (4)	23/05/2022	11/11/2022	59,180	996	4,639	64,815	18,346	83,161
Temporary Assistant Constable (4)	01/10/2019	22/05/2022	16,487	95	1,336	17,918	5,111	23,028
Temporary Assistant Chief Constable	09/05/2022		105,047	2,057	300	107,404	28,788	136,192
Assistant Chief Officer	01/12/2020		116,861	-	-	116,861	23,723	140,584
Temporary Chief Superintendent	09/05/2022		87,145	1,470	1,480	90,095	24,440	114,535
Chief Superintendent	01/10/2018		92,859	1,560	5,398	99,817	28,786	128,603
Chief Superintendent	17/09/2021		89,664	2,025	1,640	93,328	27,796	121,124
Chief Finance Officer	21/05/2018		85,794	294	-	86,088	17,416	103,504
Joint Head of HR	14/12/2020	31/12/2022	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 2023 for the remainder of the financial year and was replaced by Paul Gibson for this period.

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



Note 5A - Note to the Expenditure and Funding Analysis

2023/24 - OPFCC	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(2,977)	(242)	1,285	(1,933)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(2,977)	(242)	1,285	(1,933)
Joint Venture & Associates	125	(259)	(16)	(150)
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement (CIES)	(2,852)	(501)	1,269	(2,083)

2022/23 - OPFCC	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(1,557)	(630)	1,073	(1,114)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(1,557)	(630)	1,073	(1,114)
Joint Venture & Associates	(503)	800	73	370
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	(2,060)	170	1,146	(744)

2023/24 - Group	Net Capital Statutory Adjustments £000	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Policing Services	(2,977)	(23,113)	(241)	(26,330)
OPFCC & Commissioning	-	-	-	-
Net Cost of Services	(2,977)	(23,113)	(241)	(26,330)
Joint Venture & Associates	125	(259)	(16)	(150)
Other Income and Expenditure	-	-	-	-
Exceptional Item	-	-	-	-
Difference between the Statutory Charge and the (Surplus) or Deficit in the CIES	(2,852)	(23,372)	(257)	(26,480)

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



Note 5B - Segmental Analysis of Income and Expenditure

2023/24 - OPFCC	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(7,278)	-	-	-
OPFCC & Commissioning	(8,074)	-	543	5,599
Total	(15,352)	-	543	5,599

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

2023/24 - Group	Revenues from External Customers £000	Interest Revenue £000	Interest Expense £000	Depreciation and Amortisation £000
Policing Services	(22,870)	(681)	-	-
OPFCC & Commissioning	(8,074)	-	543	5,599
Total	(33,440)	(681)	543	5,599

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



Note 5C - Expenditure and Income Analysed by Nature

2022/23		Nature of Expenditure or Income	2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
Expenditure				
3,306	158,846	Employee Benefit Expenses	5,622	140,049
13,882	47,718	Other Services Expenses	5,456	51,421
5,916	5,916	Depreciation, amortisation, Impairment	5,599	5,599
620	40,640	Interest Payments	552	47,351
-	1,821	Precepts and Levies	-	-
(200)	(200)	Gains/losses on the Disposal of Non-Current Assets	670	670
23,524	254,741	Total Expenditure	17,899	245,090
143,075	-	Intra Company Adjustment (Expenditure)	160,922	-
166,599	254,741	Total Expenditure (Including Intra Company)	178,821	245,090
Income				
(10,784)	(25,007)	Fees, Charges and Other Service Income	(8,074)	(23,666)
-	(133)	Interest and Investment Income	-	(681)
(69,540)	(69,540)	Income from Council Tax & Non-Domestic Rates	(76,156)	(76,156)
(90,548)	(111,289)	Government Grants and Contributions	(92,358)	(117,957)
(170,872)	(205,969)	Total Income	(176,588)	(218,460)
-	-	Intra Company Adjustment (Income)	-	-
(170,872)	(205,969)	Total Income (Including Intra Company)	(176,588)	(218,460)
(4,273)	48,772	Surplus or Deficit on the Provision of Services	2,233	26,630



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

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

2023/24	OPFCC		Group	
	General Fund Balance £000	Movement in Unusable Reserves £000	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)	(501)	501	(23,372)	23,372
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-	-	-
Council Tax and NDR (transfers to or from the collection Fund)	1,232	(1,232)	1,232	(1,232)
Holiday Pay (transferred to the Accumulated Absences Reserve)	37	(37)	(1,489)	1,489
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(6,237)	6,237	(6,237)	6,237
Total Adjustments to Revenue Resources)	(5,469)	5,469	(29,866)	29,866
Adjustments between Revenue and Capital Resources				
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	1,178	(1,178)	1,178	(1,178)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,874	(1,874)	1,874	(1,874)
Total Adjustments between Revenue and Capital Resources	3,052	(3,052)	3,052	(3,052)
Other Adjustments	333	(333)	333	(333)
Total Adjustments	(2,083)	2,083	(26,480)	26,480



2022/23	OPFCC		Group	
	General Fund Balance	Movement in Unusable Reserves	General Fund Balance	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustment to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements	-	-	-	-
Pension Cost (transferred to (or from) the pensions reserve)	170	(170)	(51,982)	51,982
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	-	-	-	-
Council Tax and NDR (transfers to or from the collection Fund)	1,081	(1,081)	1,081	(1,081)
Holiday Pay (transferred to the Accumulated Absences Reserve)	44	(44)	(849)	849
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(5,673)	5,673	(5,673)	5,673
Total Adjustments to Revenue Resources)	(4,378)	4,378	(57,423)	57,423
Adjustments between Revenue and Capital Resources				
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	1,178	(1,178)	1,178	(1,178)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,456	(2,456)	2,456	(2,456)
Total Adjustments between Revenue and Capital Resources	3,634	(3,634)	3,634	(3,634)
Other Adjustments	-	-	-	-
Total Adjustments	(744)	744	(53,789)	53,789

Note 7 - Other Operating Expenditure

Other Operating Expenditure includes:

2022/23			2023/24	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
-	1,821	Levies	-	-
(200)	(200)	Gains/losses on the Disposal of Non-Current Assets	670	670
-	(137)	Other	-	-
(200)	1,485	Total Other Operating Expenditure	670	670



Note 8 - Financing and Investment Income and Expenditure

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
499	499	Interest payable and similar charges	543	543
123	40,143	Net interest on the net defined benefit liability (asset)	9	46,808
-	(133)	Interest receivable and similar income	-	(681)
622	40,509	Total	552	46,670

Note 9 - Taxation and Non-Specific Grant Income

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
(69,540)	(69,540)	Council tax income	(76,156)	(76,156)
-	-	Non-domestic rates income and expenditure	-	-
(88,264)	(88,264)	Non-ringfenced government grants	(89,861)	(89,861)
(36)	(36)	Capital grants and contributions	-	-
-	-	Other tax or non-specific grant income / expenditure	-	-
(157,840)	(157,840)	Total	(166,017)	(166,017)

Note 10 - Material Items of Income and Expense

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
(377)	(377)	Insurance Provision	(2,235)	(2,235)
(377)	(377)	Total	(2,235)	(2,235)

Note 11 - Trading Operations

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

Note 12 - Members' Allowances

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
15	15	Allowances and Re-imburements	14	14
15	15	Total	14	14



Note 13 - External Audit Costs

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
34	46	Scale fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	102	150
34	46	Total	102	150

Note 14 - Grant Income

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

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
(81,620)	(81,620)	Revenue Support Grant	(83,216)	(83,216)
(6,644)	(6,644)	Council Tax Legacy Grant	(6,644)	(6,644)
(36)	(36)	Capital Grants and Contributions	-	-
-	-	Section 31 Grants	-	-
(88,300)	(88,300)	Total	(89,860)	(89,860)

Credited to Services

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
-	(1,041)	ACPO (TAM)	-	(1,309)
(80)	(582)	Other Grants	(197)	(285)
-	(15,670)	Pension Top Up Grant	-	(15,973)
-	(1,288)	Uplift Grant	-	(2,623)
-	(940)	Additional Uplift Grant	-	(1,185)
-	(1,272)	Pensions Grant	-	(1,273)
(833)	(833)	Safer Streets Grant	(300)	(300)
-	-	Pay Award Grant	-	(3,148)
(1,321)	(1,321)	Ministry of Justice - Victims Grant	(1,382)	(1,382)
-	(22)	ESN S31 Grant	-	-
(15)	(20)	Redmond Review Grant	-	-
-	-	Serious Violence Duty Grant	(333)	(333)
-	-	NHS Sexual Violence Prevention Grant	(77)	(77)
-	-	Immediate Justice Grant	(209)	(209)
(2,249)	(22,989)	Total	(2,498)	(28,097)



Note 15 - Related Parties

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

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

The OPFCC has direct control over the OPFCC's financial and operating policies. Chief Officers might also be in a position to significantly influence the policies of the OPFCC.

The Chief Executive (and Monitoring Officer) and Chief Finance Officer of the OPFCC also undertake these roles in NCFRA (Fire), and all OPFCC Directors and OPFCC staff support the governance of NCFRA. There is also a joint Communications Team for OPFCC and Fire. The costs are reviewed annually as part of the budget setting process and in 2023/24, the sum of £368k was charged to NCFRA for this support.

NCFRA (Fire) and Northamptonshire Police work together on a number of collaboration and other activities or where one organisation provides services for another. Shared support services teams are in place for a number of services and shared accommodation in Darby House. During 2023/24, net charges 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 Police maintain a register of business interests, and the OPFCC has a Business Interest Policy which sets out the criteria for deciding whether the Business Interest is compatible with the individual's role within the organisation.

Key members of staff in the OPFCC, JIAC and Police are required, at the end of each year, to declare whether they, or any member of their immediate family have any related party transactions (ie. significant financial dealings) with the OPFCC during the financial year. All returns and disclosures were received and reviewed by both s151 officers.

Northamptonshire Police and the PFCC work closely with Regional and National and other public sector partners in the course of their business. (see Note 40)

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



Note 16 - Transfers to/from Earmarked Reserves

This note sets out the Group amounts set aside from the General Fund and Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet the General Fund requirements in 2024/25 onwards.

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

On 31st March 2024, the total Earmarked Reserves balance stood at £23.815m (£24.267m in 2022/23). This includes a General Fund balance of £5.300m (£5.300m in 2022/23).

Group	Balance at 31 March 2022 £000	Intra-Reserve Transfers £000	Transfers in 2022/23 £000	Transfers out 2022/23 £000	Balance at 31 March 2023 £000	Intra-Reserve Transfers £000	Transfers in 2023/24 £000	Transfers out 2023/24 £000	Balance at 31 March 2024 £000
Insurance	(3,710)	-	(43)	-	(3,753)	-	(131)	1,879	(2,006)
Operational Equipment	(400)	-	(100)	-	(500)	-	(100)	53	(547)
Earmarked Funding	(947)	(696)	(876)	963	(1,556)	776	-	387	(393)
Victims	-	(478)	(52)	110	(420)	420	-	-	-
Pensions	(360)	-	-	145	(215)	-	-	-	(215)
Developer Contributions	(406)	-	-	105	(301)	-	-	301	(0)
Initiatives Fund	(3,762)	(25)	(660)	-	(4,447)	560	(302)	50	(4,139)
Transformation	(3,058)	521	(445)	694	(2,288)	(2,045)	(50)	1,553	(2,830)
Safer Roads	(533)	-	(154)	109	(578)	-	(219)	133	(664)
Additionality	(678)	678	-	-	-	-	-	-	-
Capital	(77)	-	-	-	(77)	-	-	-	(77)
Collaboration	(419)	-	(156)	-	(575)	-	-	103	(473)
Smoothing	-	-	(2,505)	-	(2,505)	289	(1,691)	97	(3,810)
Neighbourhood	-	-	(1,752)	-	(1,752)	-	(1,610)	-	(3,361)
Total Earmarked Reserves	(14,350)		(6,743)	2,126	(18,967)	-	(4,103)	4,555	(18,515)
General Fund	(5,000)	-	(300)	-	(5,300)	-	-	-	(5,300)
Total Reserves	(19,350)		(7,043)	2,126	(24,267)	-	(4,103)	4,555	(23,815)

The key purposes of these reserves are as follows:

Insurance

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

Operational Equipment

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



Earmarked Funding

To cover specific areas of potential future financial impact, using budgets earmarked from prior years.

Victims

To fund specific programmes or schemes to support victims services. This was subsumed into the Initiatives Fund during the year.

Pensions

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

Developer Contributions

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

Initiatives Fund

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

Transformation

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

Safer Roads

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

Capital

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

Collaboration

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

Smoothing

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

Neighbourhood

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

General Fund

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



Note 17 - Unusable Reserves

2022/23			2023/24	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
(43,668)	(43,668)	Revaluation Reserve	(50,663)	(50,663)
(15,205)	(15,205)	Capital Adjustment Account	(13,003)	(13,003)
(27)	(27)	Collection Fund Adjustment Account	(1,260)	(1,260)
205	1,018,546	Pension Reserve	-	1,055,020
(900)	(900)	Deferred Capital Receipt Reserve	(651)	(651)
98	1,541	Accumulated Absences Account	60	3,029
(59,497)	960,287	Balance as at 31 Mar	(65,517)	992,472

Revaluation Reserve

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

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

2022/23			2023/24	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
(32,997)	(32,997)	Balance 1 April	(43,668)	(43,668)
(11,363)	(11,363)	Upward revaluation of assets	(7,802)	(7,802)
692	692	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	807	807
(43,668)	(43,668)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(6,995)	(6,995)
-	-	Difference between fair value depreciation and historical cost depreciation	-	-
-	-	Amount written off to the Capital Adjustment Account	-	-
-	-	Other movements to the Surplus or Deficit on Provision of Services	-	-
-	-	Other movements to Other Comprehensive Income and Expenditure	-	-
(43,668)	(43,668)	Balance 31 March	(50,663)	(50,663)



Capital Adjustment Account

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
(17,301)	(17,301)	Balance 1 April	(15,205)	(15,205)
3,504	3,504	Charges for depreciation and impairment of non-current assets	4,287	4,287
2,876	2,876	Revaluation gain/losses on non-current assets	1,098	1,098
307	307	Amortisation of intangible assets	308	308
-	-	Revaluation Reserve written out	-	-
944	944	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,321	1,321
7,631	7,631	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	7,014	7,014
(692)	(692)	Adjusting Amounts written out of the Revaluation Reserve	-	-
6,939	6,939	Net written out amount of the cost of non-current assets consumed in the year	7,014	7,014
(275)	(275)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(301)	(301)
(1,178)	(1,178)	Statutory provision for the financing of capital investment charged against the General Fund	(1,178)	(1,178)
(3,390)	(3,390)	Capital expenditure charged against the General Fund	(3,207)	(3,207)
(4,843)	(4,843)	Capital financing applied in year:	(4,686)	(4,686)
-	-	Other movements	(126)	(126)
(15,205)	(15,205)	Balance 31 March	(13,003)	(13,003)

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



Pensions Reserve

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
4,747	1,505,863	Balance 1 April	205	1,018,546
(6,242)	(335,567)	Re-measurements of the net defined benefit (liability)/asset	71	13,879
2,088	(145,013)	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	711	64,517
(388)	(6,737)	Employer's pensions contributions and direct payments to pensioners payable in the year	(987)	(41,922)
205	1,018,546	Balance 31 March	-	1,055,020



Collection Fund Adjustment Account

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
1,054	1,054	Balance 1 April	(27)	(27)
(1,081)	(1,081)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,233)	(1,233)
(27)	(27)	Balance 31 March	(1,260)	(1,260)

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	
OPFCC £000	Group £000		OPFCC £000	Group £000
54	2,390	Balance 1 April	98	1,541
(54)	(2,390)	Settlement or cancellation of accrual made at the end of the preceding year	(98)	(1,541)
98	1,541	Amounts accrued at the end of the current year	60	3,029
98	1,541	Balance 31 March	60	3,029

Deferred Capital Receipts Account

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
-	-	Balance 1 April	(900)	(900)
(900)	(900)	Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	(651)	(651)
-	-	Transfer to the capital receipts reserve upon receipt of cash	900	900
(900)	(900)	Balance 31 March	(651)	(651)



Note 18 - Property, Plant and Equipment

Movements to 31 March 2024	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000
<u>Cost or Valuation</u>				
at 1 April 2023	80,505	26,457	540	107,502
				-
Additions	260	6,889	182	7,331
Revaluation increases/(decreases) recognised in the Revaluation Reserve	6,996	-	-	6,996
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,098)	-	-	(1,098)
Derecognition – disposals	(71)	412	-	341
Depreciation Eliminated on Revaluation	(2,005)	-	-	(2,005)
Reclassifications and transfers	-	526	(526)	-
Reclassifications to Assets Held for Sale	-	-	-	-
at 31 March 2024	84,587	34,284	196	119,067
<u>Accumulated Depreciation and Impairment</u>				
at 1 April 2023	(298)	(17,804)	-	(18,102)
				-
Depreciation charge	(2,005)	(2,282)	-	(4,287)
Depreciation Eliminated on Revaluation	2,005	-	-	2,005
Reversal of Depreciation on transfer to AHFS	-	-	-	-
Derecognition – disposals	-	(412)	-	(412)
at 31 March 2024	(298)	(20,498)	-	(20,796)
<u>Net Book Value</u>				
at 31 March 2024	84,289	13,786	196	98,271
at 31 March 2023	80,207	8,653	540	89,400



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

The figures contained within this note are represented by the OPFCC assets, as well as Joint Venture Assets.

Note 19 - Impairment Losses

There were no true impairment losses in 2023/24.



Note 20 - Assets Held for Sale

As the 31 March 2023, the OPFCC held 1 asset that are classified as Assets Held for Sale - Kettering Police Station. As at 31st March 2024, this asset has been sold subject to contract and therefore there are no Assets Held for Sale at the balance sheet date

2022/23			2023/24	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
2,050	2,050	Balance at Start of Year	1,250	1,250
(800)	(800)	Assets disposed of in year	(1,250)	(1,250)
1,250	1,250	Total	-	-

Note 21 - Investment Properties

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

Note 22 - Leases

As at the end of 31st March 2023 and 2024, the Group had no Finance Leases.

The OPFCC holds premises and some equipment on an Operating Lease basis, made payments of £0.360m for the year (£0.338m in 22/23) and was committed to making the following lease payments:

2023/24	Future Years Committed Expenditure			
	Land	Buildings	Equipment	Total
	£000	£000	£000	£000
Leases expiring in 2024/25	137	185	-	322
Leases expiring between 2025/26 and 2028/29	224	303	-	527
Leases expiring 2029/30 and after	5	-	-	5
Total	365	488	-	853

2022/23	Future Years Committed Expenditure			
	Land	Buildings	Equipment	Total
	£000	£000	£000	£000
Leases expiring in 2023/24	120	162	1	283
Leases expiring between 2024/25 and 2027/28	403	548	-	951
Leases expiring 2028/29 and after	1	2	-	3
Total	524	712	1	1,237



Note 23 - Intangible Assets

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

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

The carrying amount of intangible assets is amortised on a straight-line basis over three years or where appropriate over the asset life. Amortisation of £0.308m was charged to revenue in 2023/24 (£0.318m in 2022/23).

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

31 March 2023			31 March 2024		
OPFCC	Group		OPFCC	Group	
Total	Total		Total	Total	
£000	£000		£000	£000	
Balance at start of year					
3,143	3,143	Gross carrying amounts	7,269	7,269	
(3,132)	(3,132)	Accumulated amortisation	(6,036)	(6,036)	
11	11	Net carrying amount at start of year	1,233	1,233	
3	3	Additions	547	547	
(2,586)	(2,586)	Disposals	(1)	(1)	
1,537	1,537	Reclassifications and transfers	-	-	
(318)	(318)	Amortisation for the period	(308)	(308)	
2,586	2,586	Amortisation written off on disposal	-	-	
1,233	1,233	Net carrying amount at end of year	1,471	1,471	
Balance at end of year					
7,269	7,269	Gross carrying amounts	2,086	2,086	
(6,036)	(6,036)	Accumulated amortisation	(615)	(615)	
1,233	1,233	Total	1,471	1,471	

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



Note 24 - Capital Expenditure and Capital Financing

The capital financing requirement measures the OPFCC's need to borrow for a capital purpose. The following statement shows the effect of the OPFCC's capital investment decisions on the capital financing requirement. The minimum revenue provision is now £1.178m, which ensures that all capital expenditure is fully funded over the natural lifecycle of the asset.

31 Mar 2023		Capital Expenditure and Capital Financing	31 Mar 2024	
OPFCC £000	Group £000		OPFCC £000	Group £000
32,928	32,928	Opening Capital Financing Requirement	33,467	33,467
		<u>Capital Investment</u>		
4,818	4,818	Property, Plant and Equipment (Note 18)	7,331	7,331
-	-	Intangible Assets (Note 23)	547	547
-	-	Assets Held for Sale (Note 20)	-	-
-	-	Revenue Expenditure Funded from Capital Under Statute	-	-
-	-	Other Capital Expenditure	-	-
4,818	4,818	Total Capital Spending	7,878	7,878
		<u>Sources of Finance</u>		
-	-	Capital receipts	(1,333)	(1,333)
(36)	(36)	Government Grants and other contributions	(301)	(301)
		<u>Sums set aside from revenue</u>		
(3,064)	(3,064)	Direct revenue contributions	(2,457)	(2,457)
(1,179)	(1,179)	Minimum revenue provision	(1,178)	(1,178)
(4,279)	(4,279)	Total Sources of Finance	(5,269)	(5,269)
33,467	33,467	Closing Capital Financing Requirement	36,076	36,076

Note 25 - Construction Contracts

The OPFCC Group discloses all material capital Commitments and after a review of all approved contracts has not identified any material capital commitments.



Note 26 - Debtors

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

Total 31 March 2023 £000		OPFCC and Group	Total 31 March 2024 £000
2,323	Council Tax		3,706
15,790	System Debtors		2,379
6,251	Income Accruals		15,506
4,414	Prepayments		5,116
2,413	VAT		892
(134)	Bad Debt Adjustment		(23)
31,057	Total Debtors		27,576

Note 27 - Inventories

The following stocks were held as available for issue as at 31 March 2024:

Group	Vehicle Fuel		Operational		Uniforms		Total	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Balance outstanding at start of year	186	187	141	72	278	401	605	660
Purchases	187	109	72	66	401	480	660	655
Recognised as an expense in the year	(186)	(187)	(141)	(72)	(278)	(401)	(605)	(660)
Balance Outstanding at Year End	187	109	72	66	401	480	660	655

Each total represents both Group and OPFCC balances.



Note 28 - Provisions

An independent evaluation of the Insurance Provision as at 31 March 2024 has identified a requirement of £2.235m for future year's potential claims, an increase of £0.022m, with a large proportion of this value being transferred into the Insurance Reserve.

OPFCC and Group	Insurance Provision	Total
2023/24	£000	£000
Opening Balance	(377)	(377)
Increase in provision during year	(2,235)	(2,235)
Utilised during year	377	377
Unused in Year	-	-
Closing Balance	(2,235)	(2,235)

OPFCC and Group	Insurance Provision	Total
2022/23	£000	£000
Opening Balance	(355)	(355)
Increase in provision during year	(377)	(377)
Utilised during year	355	355
Unused in Year	-	-
Closing Balance	(377)	(377)

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

The main assumptions and methodologies are:

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

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

Note 29 - Creditors

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

31 March 2023		Creditors	31 March 2024	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
(5,327)	(5,327)	System Creditors	(5,354)	(5,354)
(16,321)	(16,321)	Expenditure Accruals	(10,229)	(10,229)
(415)	(415)	Receipts in Advance	(1,884)	(1,884)
(119)	(1,562)	Payroll Creditors	(47)	(3,016)
(22,182)	(23,625)	Total Creditors	(17,514)	(20,483)



Note 30 - Capitalisation of Borrowing Costs

The OPFCC elected not to capitalise its new borrowing costs.

Note 31 - Contingent Liabilities

Insurance

The professional opinion of the Group insurance consultants, Gallagher Bassett, suggested the OPFCC do not have any contingent liabilities resulting from our insurance portfolio for 2023/24.

Airwave

The Home Office and Airwave Services Ltd (provider of communication services used by all UK police forces) are in dispute over the application of indexation to the Airwave contracts. In January 2024, Airwave issued discounted invoices to all forces including Northamptonshire Police, and at the balance sheet date there remains a risk that Airwave could be entitled to reclaim all or part of this discount.

Note 32 - Contingent Assets

The OPFCC have no contingent assets for 2023/24.

Note 33 - Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements, which includes £0.595m within Note 40:

2022/23			2023/24	
OPFCC	Group		OPFCC	Group
£000	£000		£000	£000
6,114	6,114	Cash and Bank Balances	4,029	4,029
6,114	6,114	Total	4,029	4,029



Note 34 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
-	(133)	Interest received	-	(681)
499	499	Interest paid	543	543
499	366	Total	543	(138)

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

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
8,253	8,253	Depreciation	8,871	8,871
-	-	Impairment and downward valuations	-	-
1,222	1,222	Amortisation	238	238
1,328	2,221	(Increase)/decrease in creditors	2,810	1,284
9,320	9,320	Increase/(decrease) in debtors	(3,481)	(3,481)
55	55	Increase/(decrease) in inventories	(4)	(4)
(226)	(54,164)	Movement in pension liability	(501)	(23,372)
(10,670)	(10,670)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(6,996)	(6,996)
(22)	(22)	Other non-cash movements charged to the surplus or deficit on provision of services	-	-
9,260	(43,785)	Total	937	(23,460)

Note 35 - Cash Flow from Investing Activities

The cash flows for investing activities include the following items:

2022/23			2023/24	
OPFCC £000	Group £000		OPFCC £000	Group £000
(800)	(800)	Purchase of property, plant and equipment, investment property and intangible assets	(1,250)	(1,250)
3	3	Purchase of short-term and long-term investments	-	-
200	200	Other receipts from investing activities	165	165
(597)	(597)	Net cash flows from investing activities	(1,085)	(1,085)



Note 36 - Termination Benefits

Exit Package Cost Band (including Special Payments)	2022/23		2023/24		2022/23		2023/24		2022/23		2023/24	
	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					
	FTE		FTE		FTE		£000					
£0 - £20,000	1	-	-	1	1	1	12	1	20			
£20,001 - £40,000	-	-	-	1	-	1	-	1	34			
£40,001 - £60,000	-	-	-	-	-	-	-	-	-			
Total	1	-	-	2	1	2	12	2	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 offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the OPFCC has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

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

- The Local Government Pension Scheme for Police Staff, administered by West Northamptonshire Council. This is a funded scheme, meaning that the OPFCC, OCC and Voice for Victims and Witnesses employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The Actuary to the fund is Hymans Robertson LLP. These schemes are all pooled under one LGPS pension group.
- The Police Pension Scheme for Police Officers includes the following pension schemes; the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and Police Pension Scheme 2015 (PPS). All schemes are administered by XPS on behalf of the Group. These are unfunded, meaning that there are no investment assets built-up to meet the pension's liabilities, and cash has to be generated to meet actual pension's payments as they eventually fall due. These are defined benefit schemes (lump sum payments and periodic pension). New funding arrangements commenced on 1 April 2006 that required a police pension fund account to be created. This account is credited with employer contributions, and any shortfall over retirements benefits paid is met by a contribution by the OPFCC, which is in turn met by Home Office Pensions Top Up Grant. If there is a surplus, it is paid to the OPFCC in the first instance before being recouped by the Home Office. The levels of pension contribution rates are set nationally by the Home Office, following review by the Government Actuary's Department (GAD).
- The Local Government Pension Scheme contributions payable by employers are determined by the actuary to the Pension Fund based on triennial valuations, the most recent of which was at 31st March 2022 which has changed the level of contributions from 2023/24. The level of contributions payable during the year was consistent with 2021/22.

(b) Transactions Relating to Retirement Benefits

Under IAS19, the cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Account when employees earn them, rather than when the benefits are actually paid as pensions. However, the charge that is required to be made against the precept is based on the cash payable in the year, by reversing the real cost of retirement benefits out of the Statement of Movement in Reserves in the General Fund Balance.



Pensions liabilities and future considerations

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

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

Group Pensions Revenue Items

Comprehensive Income and Expenditure	Local Government Pension Scheme				Police Pension Scheme		TOTAL			
	2022/23		2023/24		2022/23	2023/24	2022/23		2023/24	
	OPFCC	Group	OPFCC	Group	Group	Group	OPFCC	Group	OPFCC	Group
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Cost of Services										
Current service cost	(895)	(15,439)	(702)	(7,880)	(29,700)	(9,750)	(895)	(45,139)	(702)	(17,630)
Unfunded	-	-	-	-	-	-	-	-	-	-
Past service cost/Transfers in	-	-	-	(39)	(170)	(40)	-	(170)	-	(79)
Net Operating Expenditure										
Interest Costs**	(289)	(8,503)	(385)	(10,192)	(37,700)	(46,880)	(289)	(46,203)	(385)	(57,072)
Expected return on employers assets**	166	6,060	376	10,264	-	-	166	6,060	376	10,264
Net Charge to the Income and Expenditure Account	(1,018)	(17,882)	(711)	(7,847)	(67,570)	(56,670)	(1,018)	(85,452)	(711)	(64,517)
Movement In Reserves										
Movement on Pensions Reserve (Reversal of net charges made for retirement benefits in accordance with IAS 19)	2,942	85,117	1,205	20,911	400,600	(34,890)	2,942	485,717	1,205	(13,979)
Actual amount charged against Council Tax (General Fund Balance) for pensions										
Contributions to the Scheme	388	6,740	728	7,793	(22,189)	(24,500)	388	(15,449)	728	(16,707)
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 addition to the recognised gains and losses included in the CIES, actuarial loss of £13.102m (gain of £541.481m in 2022/23) were included within other Comprehensive Income & Expenditure.

The estimated 2023/24 pension scheme contributions for employees are £7.381m for the Police Pension Scheme and £2.549m for the Local Government Pension Scheme, and for employer are £17.126m for the Police Pension Scheme and £7.751m for the Local Government Pension Scheme.



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

- Current Service Costs & Employers contributions to the scheme and additional contributions to the Police Pensions Fund Account are all apportioned across the Local Policing to National Policing headings by officer numbers.
- Past Service Costs are wholly included within the heading 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	
	OPFCC	Group	OPFCC	Group	Group	Group
	31 Mar 23	31 Mar 23	31 Mar 24	31 Mar 24	31 Mar 23	31 Mar 24
	£000	£000	£000	£000	£000	£000
Opening Defined Benefit Obligation 1st April	(10,008)	(303,131)	(6,490)	(211,189)	(1,420,730)	(1,020,130)
Current Service Cost (net up for employee contributions)	(895)	(15,439)	(702)	(7,880)	(29,700)	(9,750)
Interest Cost	(289)	(8,503)	(385)	(10,192)	(37,700)	(46,880)
Contributions by Scheme Participants	(138)	(2,172)	(243)	(2,551)	(6,650)	(7,380)
Actuarial (Gains)/ Losses	4,812	113,111	496	8,859	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	28	4,942	127	6,085	32,580	41,250
Effect of business combinations and disposals	-	-	(1,209)	(1,209)	-	-
Closing Defined Benefit Obligation 31st March	(6,490)	(211,189)	(8,406)	(218,113)	(1,020,130)	(1,055,020)



Reconciliation of the Fair Value of the Schemes Assets

Pension Asset – Local Government Pension Scheme Only

	OPFCC	Group	OPFCC	Group
	31 Mar 23	31 Mar 23	31 Mar 24	31 Mar 24
	£000	£000	£000	£000
Pensions Asset 1st April	5,802	218,539	6,026	212,514
Expected Return on Assets	166	6,060	376	10,264
Contributions by Members	138	2,172	243	2,551
Employers Contributions (Incl Injuries) - excluding Top-Up Grant	388	6,737	728	7,790
Pension Fund Asset Split (Group to Single Entity)	-	-	-	-
Contributions in Respect of Unfunded Benefits	-	(3)	-	(3)
Actuarial Gains	(440)	(16,052)	433	11,847
Estimated Unfunded Benefits paid	-	3	-	3
Estimated Benefits Paid	(28)	(4,942)	(127)	(6,085)
Effect of business combinations and disposals	-	-	1,468	1,468
Effect of Asset Ceiling Calculations	-	-	(741)	(22,236)
Fair Value of Pensions Asset 31 March	6,026	212,514	8,406	218,113

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 £10.264m (£6.060m in 2022/23).

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 OPFCC 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 OPFCC, as assessed by the scheme actuary.
- Police Pension Schemes**
Finance is only required to be raised to cover police pensions when the pensions are actually paid. Any deficit on the Pensions Fund Account for the year is funded by the OPFCC with Home Office Top-Up Grant payable to cover the OPFCC's contribution.



Basis for Estimating Assets and Liabilities

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

	2022/23	2023/24	2022/23	2023/24
	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	4.75
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. The actuaries have advised that this will reduce the value of the OPFCC's pension liabilities, and this has been included within Non-Distributed Costs on the face of the Income and Expenditure Account.

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



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

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



	Police Pension Scheme	
	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 31 March 2023.

Notes to the Police Pension Fund Account

A. Employer and Officer Contributions to the Pension Fund

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

	2022/23			2023/24		
	1987	2006	2015	1987	2006	2015
Employer Contributions:	31.00%	31.00%	31.00%	31.00%	31.00%	31.00%
Employee Contributions:						
Tier 1	14.25%	11.00%	12.44%	14.25%	11.00%	12.44%
Tier 2	14.25%	12.05%	13.44%	14.25%	12.05%	13.44%
Tier 3	15.05%	12.75%	13.78%	15.05%	12.75%	13.78%



B. Transfer Values

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

C. Pensions Fund Liabilities

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

D. Accounting Policies

Accounting Policies conform to those in the Statement of Accounts.

E. Home Office Pensions Top-Up Grant

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

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

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

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



Note 39 - Financial Instruments

Financial instruments are recognised on the Balance Sheet when the OPFCC becomes party to the contractual provisions of such. They are initially measured at fair value.

Financial Liabilities

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

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

Financial Assets

Financial assets are classified as below:

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

As at the 31st March 2024 (or 31st March 2023), the OPFCC has no type 2) assets or liabilities in its balance sheet.

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

Financial Instrument Balances

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

Group Income, Expense, Gains and Losses Statement

OPFCC & Group	2022/23		2023/24	
	£000 Long Term	£000 Current	£000 Long Term	£000 Current
Financial Liabilities				
Borrowing at Amortised Cost	23,100	-	22,943	-
Borrowing at Fair Value through Profit and Loss (FVTPL)	-	-	-	-
Fair Value through Profit and Loss		23,210		19,112
Financial Assets				
Debtors and Prepayments		26,643		27,576
Cash in Hand		5,459		4,029
Money Market Investments		-		-
Joint Venture Cash Balance		655		595



Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Estimated interest rates at 31 March 2024 for loans through PWLB are between 4.43% and 4.98%, based on new lending rates for equivalent loans at that date.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount less cost of collection by third party agency if applicable.

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

	2022/23		2023/24	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Loans	23,100	23,210	22,943	19,112

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

Long term assets are held at face value as a reflection of a fair approximation of fair value as at 31 March 2024.

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



Note 40 - Joint Operations & Associate Entities

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

Joint Operations & Associates

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

2022/23					2023/24				
Net Op Exp	Income	Surplus/ (Deficit)	Ownership	Arrangement	Ownership	Net Op Exp	Income	Surplus/ (Deficit)	
£000	£000	£000	%		%	£000	£000	£000	
4,422	(4,452)	(30)	14.80%	EM Legal Services	14.80%	337	(343)	(6)	
297	(294)	3	14.80%	EM Major Crime	14.80%	123	(123)	-	
121	(125)	(4)	14.80%	EM Serious Organised Crime	14.80%	4,781	(4,781)	-	
38	(39)	(1)	18.90%	EM Criminal Justice	18.90%	-	-	-	
319	(322)	(3)	14.80%	EM Occupational Health Unit	14.80%	-	-	-	
1,545	(1,514)	31	14.80%	EM Forensics	14.80%	1,768	(1,762)	6	
230	(234)	(4)	17.11%	EM Learning & Development	17.11%	265	(266)	(1)	
-	-	-	22.12%	Multi-Force Shared Services	22.12%	-	-	-	
55	(58)	(3)	16.10%	ESN	16.10%	3	(3)	-	
51	(51)	-	29.20%	SOT	29.20%	-	-	-	
-	-	-	100%	Voice	100%	253	-	253	
7,078	(7,089)	(11)		Total		7,530	(7,278)	252	



Associate Entities

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

Voice for Victims and Witnesses (only)

The OPFCC previously had involvement with Voice for Victims and Witnesses, a company set up by guarantee in 2017/18 and has concluded that the requirement to produce Group Accounts applies in relation to it. Employees of Voice for Victims and Witnesses transferred employment to the OPFCC on the 31st March 2023. This company was dissolved on 6th February 2024 with all assets and liabilities being transferred to the OPFCC from this day onwards.

2022/23				Voice for Victims and Witnesses			2023/24		
Net Op Exp £000	Income £000	Surplus/ (Deficit) £000	Ownership %		Ownership %	Net Op Exp £000	Income £000	Surplus/ (Deficit) £000	
2,006	(2,004)	2	100.00%	Cost of Services	100.00%	-	-	-	
-	-	-		Remeasurement of the net defined benefit liability / asset					
2,006	(2,004)	2		Total Comprehensive Income & Expenditure		-	-	-	
		(2)		MiRS - CIES to Unusable Reserve				-	
		20		Balance Sheet - Debtors				-	
		(244)		Balance Sheet - Creditors				-	
		224		Balance Sheet - Cash and Cash Equivalents				-	
		541		Balance Sheet - Pension Liability				-	
		541		Net Assets				-	
		(541)		Balance Sheet - Pension Reserve				-	
		(541)		Net Reserves				-	



Joint Operations – Movement in Reserves

2023/24	General Fund Balance £000	Earmarked General Fund Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2023	(575)	-	(575)	(1,668)	(2,243)
Movement in reserves during 2023/24					
Surplus or deficit on the provision of services	252		252	-	252
Other Comprehensive Income / Expenditure			-		-
Total Comprehensive Income and Expenditure	252	-	252	-	252
Adjustments between accounting basis and funding basis under regulations	(150)		(150)	150	-
Net Increase or Decrease before Transfers to Earmarked Reserves	102	-	102	150	252
Transfers to / from Earmarked Reserves			-		-
Increase or Decrease in 2023/24	102	-	102	150	252
Balance at 31 March 2024	(473)	-	(473)	(1,518)	(1,991)

2022/23	General Fund Balance £000	Earmarked General Fund Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2022	(419)	-	(419)	(903)	(1,322)
Movement in reserves during 2022/23					
(Surplus) or deficit on the provision of services	(526)		(526)	(395)	(921)
Other Comprehensive Income / Expenditure			-		-
Total Comprehensive Income and Expenditure	(526)	-	(526)	(395)	(921)
Adjustments between accounting basis and funding basis under regulations	370		370	(370)	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(156)	-	(156)	(765)	(921)
Transfers to / from Earmarked Reserves			-		-
Increase or Decrease in 2022/23	(156)	-	(156)	(765)	(921)
Balance at 31 March 2023	(575)	-	(575)	(1,668)	(2,243)



Joint Operations – Comprehensive Income and Expenditure Statement

2022/23				2023/24		
Expenditure	Income	Net	Joint Ventures	Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
11,208	(11,024)	184	Policing Services	7,530	(7,278)	252
11,208	(11,024)	184	Cost of Services	7,530	(7,278)	252
-	-	-	Other Operating Expenditure	-	-	-
-	-	-	Financing and Investment Income and Expenditure	-	-	-
-	-	-	Taxation and Non-Specific Grant Income	-	-	-
11,208	(11,024)	184	Surplus or Deficit on Provision of Services	7,530	(7,278)	252
		349	Surplus or Deficit on Revaluation of Non-Current Assets			-
			Actuarial Gains/Losses on Pension Schemes			-
		349	Other Comprehensive Income and Expenditure			-
		533	Total Comprehensive Income and Expenditure			252

Joint Operations – Balance Sheet

31 Mar 23		31 Mar 24	
£000		£000	
1,495	Property, Plant and Equipment	1,630	
3	Intangible Assets	2	
3	Long Term Investments	-	
1,501	Long Term Assets	1,632	
-	Assets Held for Sale	-	
-	Inventories	-	
394	Short Term Debtors	372	
655	Cash and Cash Equivalents	595	
1,049	Current Assets	967	
(566)	Short Term Creditors	(608)	
-	Short-term Borrowing	-	
-	Provisions	-	
(566)	Current Liabilities	(608)	
259	Other Long Term Liabilities	-	
259	Long Term Liabilities	-	
2,243	Net Assets	1,991	
(575)	Usable Reserves	(473)	
(1,668)	Unusable Reserves	(1,518)	
(2,243)	Total Reserves	(1,991)	



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

There are therefore no Accounting Standards that have been issued but not yet adopted that need to be disclosed in the 2023/24 Statement of Accounts.

Note 42 - Restatements

Whilst the audit of 2022/23 has not yet been concluded, there has not been any adjustment resulting in restatements.



ACCOUNTING POLICIES

1) Introduction

The financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). Any exceptions are disclosed below.

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

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

2) Recognition of Income and Expenditure

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

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

In particular:

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



3) Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes party to the contractual provisions of a financial instrument. They are initially measured at fair value.

Financial Assets

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

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

Financial Liabilities

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

4) Government Grants and Contributions

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

5) Intangible Fixed Assets

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

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

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

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



6) Tangible Fixed Assets Recognition

All expenditure (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.

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

Disposals

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

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

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

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

Componentisation

Where an item of Property, Plant and Equipment has major components whose cost and life span is significantly different from the rest, the components are depreciated separately.

The criteria for componentisation are as follows:

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

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

7) Redemption of Debt

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

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



8) Stocks and Stores

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

9) Reserves

Reserves are maintained to finance expenditure on projects that will be carried out in future years and to protect the OPFCC against unexpected events. Certain reserves/accounts are kept 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 OPFCC. A Reserves Strategy is in place with regards to the Usable Reserves and is reviewed at least twice a year.

10) Provisions

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

11) Investments

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

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

12) Transactions relating to Retirement Benefits

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

The group participates in two pension schemes:

The Police Pension Scheme for Police Officers

The Police Pension Scheme (PPS) is an unfunded defined benefit 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.

13) Leasing

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

The organisation assesses its position on operating leases and lessor arrangements on an annual basis. It recognises lessor arrangements as the minimum payments on the asset and the residual value of that asset. Operating leases are



not recognised as assets but the associated repayments are recognised as expense costs within the Comprehensive Income & Expenditure Statement.

14) Joint Arrangements

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

15) Value Added Tax

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

16) Contingent Assets and Contingent Liabilities

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

17) Exceptional Items and Prior Period Adjustments

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

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

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

18) Events After the Balance Sheet Date

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

19) Accounting Convention

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

20) Estimation Techniques Used



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

- Payroll Creditors i.e. overtime – average overtime rates
- IAS 19 Valuation – actuarial valuations of future pension liabilities are provided by independent actuaries
- Bad Debts are valued at the receivable value. Therefore, the cost of collection of debt assessed as recoverable are deducted from the outstanding value.
- Property assets are valued at Market Value (MV) and Depreciated Replacement Cost (DRC), but held in Fixed Assets at the depreciated cost assessed as MV/DRC less the cumulative depreciation over the Useful Economic Life of that asset.

21) Comparison with Previous Years

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

22) Cash and Cash Equivalents

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

23) Employee Benefits

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

24) Revenue Expenditure Funded from Capital Under Statute

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

25) Actuarial Gains and Losses

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

26) Termination Benefits

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



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

27) Interest in Companies and Other Entities

The OPFCC is required to produce Group Accounts alongside its own financial statements where it has material interests in subsidiaries, associates and/or joint ventures. The OPFCC previously had involvement with Voice for Victims and Witnesses, a company set up by guarantee in 2017/18 and has concluded that the requirement to produce Group Accounts applies in relation to it. Employees of Voice for Victims and Witnesses transferred employment to the OPFCC on the 31st March 2023. This company was dissolved on 06th February 2024 with all assets and liabilities being transferred to the OPFCC from this day onwards.

28) Opening balances

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

29) Going Concern

These accounts have been prepared on a going concern basis.

The concept of a going concern assumes that the functions of the organisation will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in the United Kingdom 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 (OPFCC)

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 Police, Fire and Crime Commissioner (PFCC) and 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 OPFCC is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the OPFCC to monitor that the achievement of its strategic objectives have led to the delivery of appropriate, value-for-money services.

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

The PFCC and CC Joint Corporate Governance Framework was reviewed 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 CC.
- 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 2023, 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 OPFCC and staff behave. The Force internal and external ethics committee is in place and values have been included as an overarching element of the Police, Fire and Crime Plan.

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

For 2023/24, related party disclosures have been undertaken for all key staff in the OPFCC, CC and JIAC members. Additionally, the PFCC and all members of OPFCC staff complete a declaration of business interests. At the time of the draft accounts, all returns were received and reviewed by the two S151 officers and any disclosures required are included within the Statement of Accounts.

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

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

The OPFCC website is used to publish a wide range of policy and information on the PFCC and 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 the PFCC's 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.

Additional funding has been made available from April 2024 to enhance the training provision to further increase capability and ensure the workforce is consistently equipped with essential skills.

The Joint Head of Business and Commercial Development is working across Fire and Police and a commercial strategy is in place which is intended to consider all opportunities available to both services.

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.

The OPFCC website contains a substantial amount of information to an appropriate level of transparency. In line with the Accounts and Audit Regulations, the draft 2023/24 NCFRA statement of accounts were placed on the OPFCC website by the 31st 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 PFCC'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 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 P(F)CC 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	<ul style="list-style-type: none"> Meeting of members with auditors without officers present Annual Report of the JIAC and Terms of Reference Review External Audit Update Internal Audit Annual Report 2022/23 Internal Audit Progress Report 2023/24 Risk Register Update Internal Audit progress against recommendations update System Implementation (including new finance system) HMICFRS Update Benefits Realisation Enabling Services Evaluation 2020 to 2023 	Y	Y
		Y	Y
		Y	Y
		Y	Y
		Y	Y
		Y	-
		Y	-
		Y	Y
		Y	-



		Y	Y
		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
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
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 2024/25:

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:

Vaughan Ashcroft
Interim Chief Finance Officer (s151)
Date:

Danielle Stone
Northamptonshire Police, Fire and Crime Commissioner
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.

DRAFT



GLOSSARY OF TERMS

Accounting Period

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

Accrual

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

Agency Arrangements

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

Budget

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

Capital Expenditure

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

Capital Financing Requirement

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

Capital Receipts

These are proceeds from the sale of capital assets.

CIPFA

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

Contingent Liabilities

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

Corporate Democratic Core

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



Council Tax

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

Creditors

Individuals or organisations to whom the OPFCC owes money.

Current Assets and Liabilities

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

Debtors

Individuals or organisations who owe the OPFCC money.

Deferred Liabilities

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

Earmarked Reserves

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

Employee Costs

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

Finance Lease

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

International Financial Reporting Standards (IFRS)

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

Fixed Assets

These consist of: -

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



Formula Grant Distribution System

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

IAS 19 Retirement Benefits

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

Impairment

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

Interest Income

The money earned from the investment of surplus cash.

Net Book Value

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

Non-Distributed Costs

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

Operating Lease

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

Outturn

The actual amount spent in the financial year.

Payments in Advance

These represent payments made prior to supplies and services received.

Pension – Defined Benefit Scheme

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

Pension Assets – Expected Rate of Return

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



Pension – Interest Costs

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

Pension – Past Service Costs

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

Pension Fund

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

Pensions Top-Up Grant (PTUG)

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

Precept

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

Provision

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

Prudential Code

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

Public Works Loan Board (PWLB)

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

Receipts in Advance

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

Retirement Benefits

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

Revenue Contributions

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



AUDIT REPORT

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

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