



**HUMBERSIDE
POLICE & CRIME
COMMISSIONER**



Protecting Communities, Targeting Criminals

THE POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE

FINANCIAL STATEMENTS

2016-2017

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NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS

INTRODUCTION TO THE HUMBERSIDE POLICE FORCE AREA

The Humberside Police Force area is located in the North of England on the East Coast, equidistant from London, Edinburgh and Rotterdam. It covers the local authority areas of North East Lincolnshire, North Lincolnshire and the East Riding of Yorkshire along with the urban area of Kingston upon Hull.

The total area of approximately 1,259 square miles centres on the Humber Estuary and has a population of over 917,000 residents. It is estimated that one million people a year travel to and from continental Europe by ferry via Hull and a further quarter of a million people travel on domestic and international flights from Humberside Airport. The popularity of the City has been significantly enhanced by the fact that it became the UK City of Culture 2017 in January.

The area maintains its strong maritime heritage and the port infrastructure accounts for more than 15% of the UK overseas trade.

Nearly 90% of the Humber area is rural. Its main settlement and commercial capital is Kingston upon Hull, the 10th largest UK city. Major settlements include the port and local town of Grimsby, the renaissance resorts of Cleethorpes and Bridlington, and the industrial 'garden town' of Scunthorpe. The predominantly rural areas of the East Riding, North Lincolnshire and North East Lincolnshire look to the Market towns of Beverley, Brigg, Epworth and Barton. To the west, Goole, the UK's most inland port, is rapidly developing as a northern logistics hub.

The Force changed its operating model to one that is Command based, a significant change from the previous arrangements when there were three territorial policing divisions covering Hull, the East Riding of Yorkshire and Northern Lincolnshire.

Keith Hunter became the PCC in May 2016 and his Police and Crime Plan 2017-2021 was published on 23 March 2017. This places great emphasis on working with the Community Safety Partnerships in the Force area in helping to deliver the outcomes that he has detailed in the Plan.

TREASURER'S STATEMENT

This is the Statements of Accounts for the PCC for Humberside for 2016/17.

The accounts provide a record of the financial position and performance for the year and once again incorporate transactions relating to the Force, the PCC and for the PCC Group reflecting the combined position of both organisations.

All the financial transactions incurred during 2016/17 for policing Humberside along with transactions relating to financial support for the PCC's own crime reduction, community safety initiatives and provision for services for victims as well as the costs of his Office have been recognised and recorded within these

financial statements. The statements set out the overall financial position of the PCC and PCC Group for the year ending 31 March 2017.

The PCC Group position represents the consolidated financial statements of the PCC and the subsidiary, the Chief Constable. Where the PCC Group position differs from the PCC position this is made clear in the financial statements and notes.

Separate statutory financial statements have been prepared for the Chief Constable.

Annual Governance Statements for the PCC and for Humberside Police for 2016/17 have been published separately and are available on the PCC and Force websites.

PERFORMANCE - FORCE

Policing, along with all public bodies, has faced years of funding cuts, so change has been necessary. Although policing has received some protection, the financial outlook remains difficult and there is considerable uncertainty beyond 2017/18. There is a broad performance challenge around securing and maintaining public confidence, whilst working to deliver services to the public that meet their needs with the resources available.

It is important to recognise that the story beneath the headlines is the key to sustainable improvement, leading to a brighter future for the Force and an enhanced service for the people of the Humber area. The public should not base their views of the Force purely on gradings. Judgements based on arbitrarily determined standards should not be the only yardstick against which the Force's progression or effectiveness is judged; neither should positions in league tables.

The judgements from Her Majesty's Inspectorate of Constabulary (HMIC) in their annual PEEL assessments: efficiency, effectiveness and legitimacy – have highlighted a theme around more fundamental issues locally being at the core of the problems. The PCC's view is that these stem from poor strategic planning and implementation that remain capable of deflecting the Force from its goal of focused and steady improvement. This is a priority for the new Chief Constable in 2017/18.

The PEEL assessments for 2016 are as follow:

- Efficiency: Requires Improvement (change from Inadequate in 2015)
- Effectiveness: Requires Improvement (no change from 2015)
- Legitimacy: Good (no change from 2015)

Her Majesty's Inspector Michael Cunningham QPM stated that "*Humberside Police has made some improvements since my assessment last year. However, I am disappointed that the force has not made further progress, and it needs to move quickly and effectively to provide a consistently good service to the public*".

In 2016/17, records show that there were 77,462 crimes reported across the area. This is a continued rise (12% higher than 2015/16) that is being seen across the country. Some of this is down to changes in recording practices (particularly

recorded violence offences and public order offences), but there is still an underlying upward trend adding an additional burden on the police and, more importantly, creating more victims of crime. The problems experienced in some parts of the Humber area suggest that this trend is being felt in our communities, which is a real cause for concern. However, crime levels locally remain low in contrast to those recorded ten years ago, and it is believed that some of the rise over the past year reflects an improved confidence by the public to report certain crimes, particularly those involving vulnerability.

The Force has also continued to work closely with partners to encourage reporting of rape and sexual offences and domestic abuse, and to increase the confidence of victims. Consequently, recording of these crimes increased by 21.5%, 20.2% and 45.5% respectively during 2016/17.

Certain increases also reflect how proactive and successful the Force and partners have been in targeting offending. Preventive work and targeted operations are having an impact. For example, between January-March 2017, Operation Impact focused on engaging the public as much as possible, making every contact count, understanding communities more effectively, changing the way the Force and partners deliver services in those communities, and ultimately delivering a better service and making a difference. The Force also continued to adapt to meet the challenges of new and emerging threats, such as cyber enabled crime and modern day slavery. These new challenges will impact on reports of crime in future years.

The provision of services to victims and the vulnerable that meet their needs is vital. Therefore, it is positive to note that overall victim satisfaction for Humberside Police has increased. This improvement gave rise to the Force moving from 41st position in March 2016 to 23rd in December 2016, with the upward trajectory continuing with an overall satisfaction rating of 81.4% in March 2017.

Victim satisfaction with the overall service provided by Humberside Police (rolling 12 month)

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
North East Lincolnshire	75.5%	77.3%	77.9%	77.4%	78.2%	78.6%	77.6%	79.8%	80.0%	79.8%	81.9%	82.7%
North Lincolnshire	72.6%	74.6%	74.9%	74.8%	74.8%	76.5%	77.5%	79.6%	79.3%	79.1%	81.5%	82.3%
East Riding of Yorkshire	75.1%	74.9%	76.2%	76.8%	77.9%	79.6%	79.6%	82.4%	81.7%	81.4%	80.5%	79.9%
Kingston upon Hull	80.5%	79.8%	80.2%	79.6%	80.4%	81.0%	81.2%	83.4%	81.6%	81.9%	81.0%	80.8%
Force	76.9%	77.3%	78.0%	77.7%	78.5%	79.4%	79.4%	81.0%	80.9%	80.9%	81.3%	81.4%

During 2016/17, the Force also began asking victims of domestic abuse about the service provided, and 83.1% of victims were satisfied with the overall level of service.

Of particular note this year were call handling problems. The operation of the Command Hub, introduced during the reorganisation of Humberside Police continued to have a negative impact in a number of areas. However, the overall abandonment rate fell in 2016/17 to 6.1% (0.6% for 999 emergency calls and 8.4% for crime 101 calls/7.8% for incident 101 calls) compared to 11.0% in 2015/16 (2.0%/20.6%/11.7% respectively). HMIC stated in their PEEL assessment that *“since last year’s assessment, Humberside Police has improved its understanding of the demand for its services and the way in which it manages calls from the public.”*

In relation to neighbourhood policing, HMIC reported on the positive aspects of the re-introduced neighbourhood policing capability, which is a major priority for the PCC and Force with additional funding and emphasis. Reducing crime is complex but the Force can make the biggest impact on crime when it works closely with partners and gets to the root of problems, not deal just with the symptoms. That is what is now beginning to happen locally, with extra police officers and PCSOs working in high-demand areas, hand-in-hand with local authorities and other partners. The early signs are very promising and the extra capability adds value to many other aspects of policing whilst also meeting the needs of communities for visible and interactive local policing.

PERFORMANCE – OPCC

The PCC provided financial support to a range of organisations which have delivered significant community benefits. The main programmes included the following:-

- Drug Intervention Programmes (DIP)/Substance Misuse Programmes linked to contracts in each of the four unitary authority areas
- Youth Offending Teams
- Crime Reduction Fund and Community Safety grants
- Local Safeguarding Adults and Children’s Boards

In addition, the PCC allocated funding from the Ministry of Justice of £1.092m, topped up with contributions from his budget for Community Safety which supported initiatives including:-

- Initial referral and needs assessment services for victims of crime
- Services for victims of sexual violence
- Services for victims of domestic violence
- Services for victims of child sexual abuse
- Restorative justice services for victims of crime
- Building the capability and capacity of the VCSE sector to deliver victims’ services

Force costs were also supported directly for the following projects:-

- Drug testing on arrest
- Tagging of offenders

FINANCIAL PERFORMANCE

ECONOMIC CLIMATE

The PCC recommended an increase in the precept for 2016/17 of 1.99%. The Police and Crime Panel (PCP) supported this proposal unanimously. The PCC formally declared the precept of £183.67 for a Band D property. The precept proposal for 2017/18 was for a further increase to £187.33 for a Band D property, another 1.99%, and this was also supported by the PCP.

For the precept proposals for 2016/17 and 2017/18, both PCCs and the Force continued to utilise a Medium Term Resource Strategy (MTRS) providing details of the resources available to support the delivery of the PCC's Police and Crime Plan. This was used to ensure that precept decisions were set in the context of medium term financial projections.

The budget for 2016/17 reflected the decision to provide relative protection to police funding which was announced in November 2015. This had been unexpected as there was a widespread view immediately beforehand that the service would be looking at further cuts of between 25% and 40%, based on Government statements.

It had been anticipated therefore that austerity measures were set to continue and deepen. At the same time the Home Office had continued to promote proposals for a new funding formula for the distribution of police resources. This was expected to be applied in 2016/17 in conjunction with the outcome of CSR2015 but the proposals were abandoned late in the year.

The protection afforded to policing was based on assumptions that if all PCCs implemented the highest possible increases in precept then "policing" as a whole would receive a flat cash settlement compared with 2015/16. Whilst this was the case, all PCCs still received a reduction in Government support in 2016/17. Similar arrangements applied in relation to 2017/18.

As a result of these issues, the planned levels of resources for 2016/17 and 2017/18 and later years, although still representing a reduction in real terms, have been much better than PCCs had been expecting. This meant that there was a need to substantially reassess the position whilst recognising that significant uncertainties still remain in relation to funding in future years. Although additional information was provided in late 2015 for future years, this was and continues to be insufficient to identify amounts available for individual PCCs.

The position has been exacerbated by concerns over the amount of funding being diverted to major projects requiring investment such as the Emergency Services Mobile Communication Programme (ESMCP), the replacement for the Emergency Services Network, and for Transformation Fund initiatives along with worries over the future treatment of legacy grants and changes to the funding formula. The timing and implications of a new formula remains a matter of conjecture.

PCCs and Forces still have to absorb inflation as well having to face additional demands from CSE, cybercrime etc. The impact of national and international events have added to the uncertainty with the decision in the referendum held on 23 June 2016 for the UK to exit the European Union (BREXIT) and the result of a hung parliament in the General Election held on 8 June 2017.

There are also continuing fears over the fact that many other local service providers, including key community safety and criminal justice partners, such as local councils, Probation and Youth Justice, faced bigger cuts and the effects are already becoming noticeable in some of these areas.

The PCC's financial position locally has however been improved by increases in the Council Taxbase in 2016/17. This has given rise to forecasts of greater increases than originally planned for in 2016/17, 2017/18 and future years. This results in significant additions to the PCC's permanent income base although the improvements could be taken into account in future Grant Settlements.

In 2016/17, the PCC created a Technology and Capability Fund in order to give the Force access to resources to keep pace with new technological advances and to ensure those involved are properly trained.

As indicated above, Keith Hunter was elected as PCC on 6 May 2016, replacing Matthew Grove. He formally took office later that month and during the year he has produced a new Police and Crime Plan.

The PCC understands that delivering community safety is a hugely complex endeavour that involves not just the police but many different statutory and voluntary agencies along with the public themselves. The overall approach is to encourage change that delivers the best results. It is focussed on promoting long term improvement and requires those delivering community safety to be clear about what they want to achieve and how to work towards it.

The updated MTRS continues to set out details of the resources available to the PCC and to the Chief Constable to deliver the new Plan. It recognised a change from the previous plan, particularly in relation to the need to further develop joined up cross-agency working with an embedded outcome based approach.

The Police and Crime Plan sets out the PCC's vision, mission and values which provide the broad direction behind it. These statements are followed by three aims (outcomes) formulated in consultation with the public and partners. The aims are long term aspirations which will remain for the whole period of the Plan.

The three aims of the Plan are:-

- To develop increasingly self-sustaining and safe communities in the Humber area;
- To build confidence in the agencies involved in creating safer communities and
- To provide services to victims and the most vulnerable that meets their needs.

The Chief Constable has produced a delivery plan setting out how the Force intends to improve its delivery against the priority areas reflected in the aims and the changes that will be introduced which will lead to better results. The MTRS identifies the resources made available to support these activities.

It also sets out details of the funding that is available to allow the PCC to support partnership working and the costs of the Office of the Police and Crime Commissioner. The Chief Executive has produced a delivery plan in connection with these resources.

The updated MTRS continues to incorporate a 5-year financial forecast, including estimates of both revenue and capital expenditure. The latest version incorporates a revised process for budgeting for staffing costs. This is designed to place greater emphasis on adhering to targets for the number of police officers, PCSOs and police staff. These targets will be monitored closely as the year progresses. Assumptions for future years are indicative at this stage as the Provisional Police Grant Settlement announced in December 2016, and Final Settlement confirmed in February 2017, cover only information for 2017/18. Assumptions for later years are based on the best information at this time using intelligence from the Autumn Statement announced on 23 November 2016 and the Settlement.

The Minister of State for Policing, Fire, Criminal Justice and victims announced that the PCC for Humberside would receive £1,084,387 next year, compared with £1,091,981 in 2016/17, in respect of his responsibility to commission services for victims.

The PCC continued to maintain a budget for support for partnership activities in addition to the Victims Services grant and has access to the Partnership Reserve. Due to projected underspending in 2016/17, he agreed to make a further amount of £1.5m in 2017/18 available to the CSPs who were being given responsibility to administer funding previously controlled by the OPCC, including the Commissioner's Crime Reduction Fund.

FINANCIAL MANAGEMENT

REVENUE OUTTURN

The precept of £183.67 for a band D property for 2016/17 approved by the Police and Crime Commissioner in February 2016 was based on a revenue budget of £173.416m for the financial year.

This budget was allocated as follows:-

Budget Allocation	Budget 2016/17 £'000
Force	168,763
OPCC	4,653
Net Revenue Budget	173,416
Financed by:-	
Central Government	123,835
Council Tax Precept	47,014

Collection Fund Surplus	1,450
Use of Reserves	1,117
Total Funding	173,416

A Capital Programme of £13.870m was approved at the same time.

The final outturn for the year was £169.665m against the agreed budget of £173.420m a difference of £3.755m. This compares with a forecast outturn at period 11 of £169.657m, an underspend of £3.763m as reported to the Corporate Governance Group.

Summary details are set out below:-

Command/ Branch	Revised Approved Budget	Final Outturn	Total Annual Variance	Total Annual Variance
	£'000	£'000	£'000	%
JSO(U) Collaboration	12,479	12,343	136	1.1
Communities Command	55,955	56,376	(421)	(0.8)
Enabling Services	32,848	32,730	118	0.4
Force Command	7,004	1,517	5,487	78.3
Command Hub	17,361	17,366	(5)	(0.02)
Criminal Justice	8,023	7,940	83	1.0
Non-Command functions	2,919	5,524	(2,605)	(89.2)
Protecting Vulnerable People	11,341	11,449	(108)	(1.0)
Regional Collaboration	7,075	6,328	747	10.6
Specialist Command	13,712	13,862	(150)	(1.1)
Specialist Operations	50	30	20	40.0
Police and Crime Commissioner	4,653	4,200	453	9.7
TOTAL	173,420	169,665	3,755	2.2

The main reasons for the variance are vacancies in police officers and staff that has resulted in underspends within the pay budget, and slippage in the capital programme resulting in reduced debt charges. These have been partially offset by a shortfall in the delivery of the savings programme leading to a net underspend of £3.755m.

The management accounts final outturn of £169,665k is higher than the Net Cost of Services of £167,753k chargeable to the General Fund as reported in the statutory financial statements Expenditure and Funding Analysis. The difference of £1,912k principally relates to debt charges and reserve movements included in the management accounts which are required to be eliminated from the Net Cost of Services under the CIPFA Code.

CAPITAL OUTTURN

The capital outturn for the year was £4.909m against a budget of £13.870m, an underspend of £8.961m compared with the projected underspend of £7.435m on the reported forecast outturn at period 11.

Capital Expenditure	Approved Budget	Final Outturn	Total Annual Variance	Total Annual Variance
	£'000	£'000	£'000	%
Estate Strategy	3,931	1,227	2,704	69
IT Equipment	6,157	2,017	4,140	67
Vehicle/ Equipment	3,382	1,564	1,818	54
Asset Replacement Plan	400	101	299	75
TOTAL	13,870	4,909	8,961	65
Funded by:				
Borrowing	12,968	2,091		
Capital Receipts	-	1,435		
Revenue	-	52		
Capital Grant	902	1,331		
TOTAL	13,870	4,909		

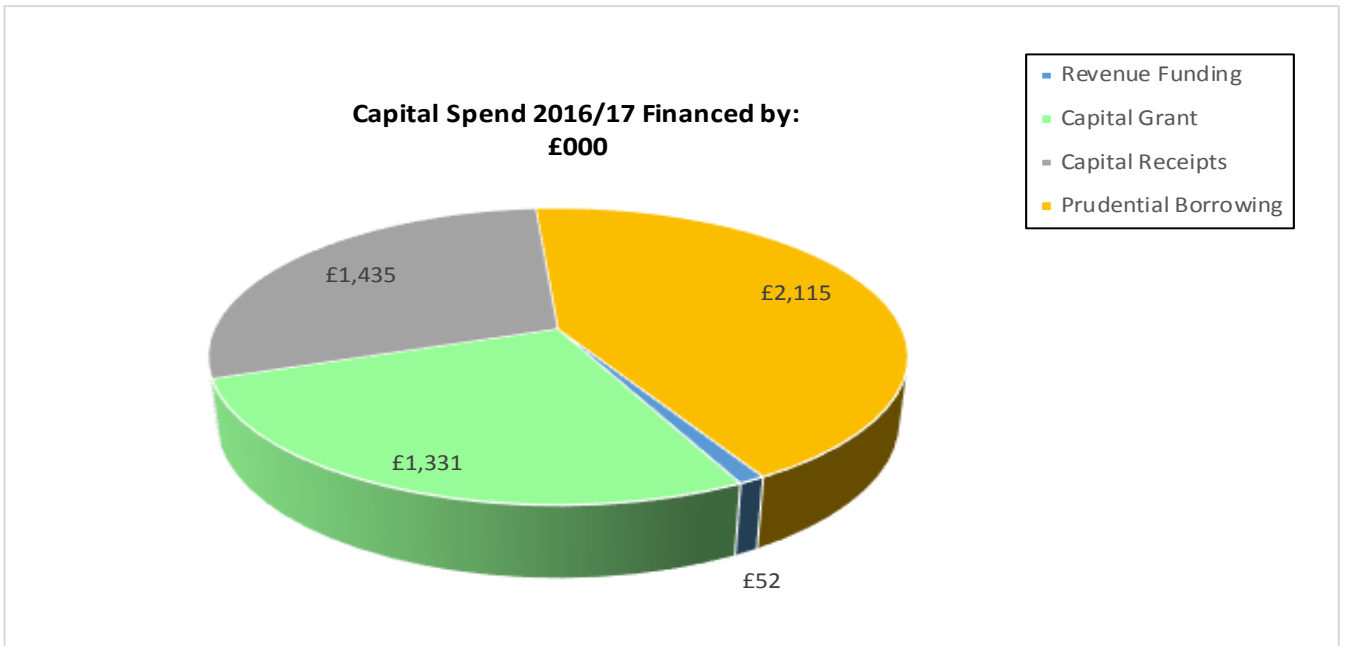
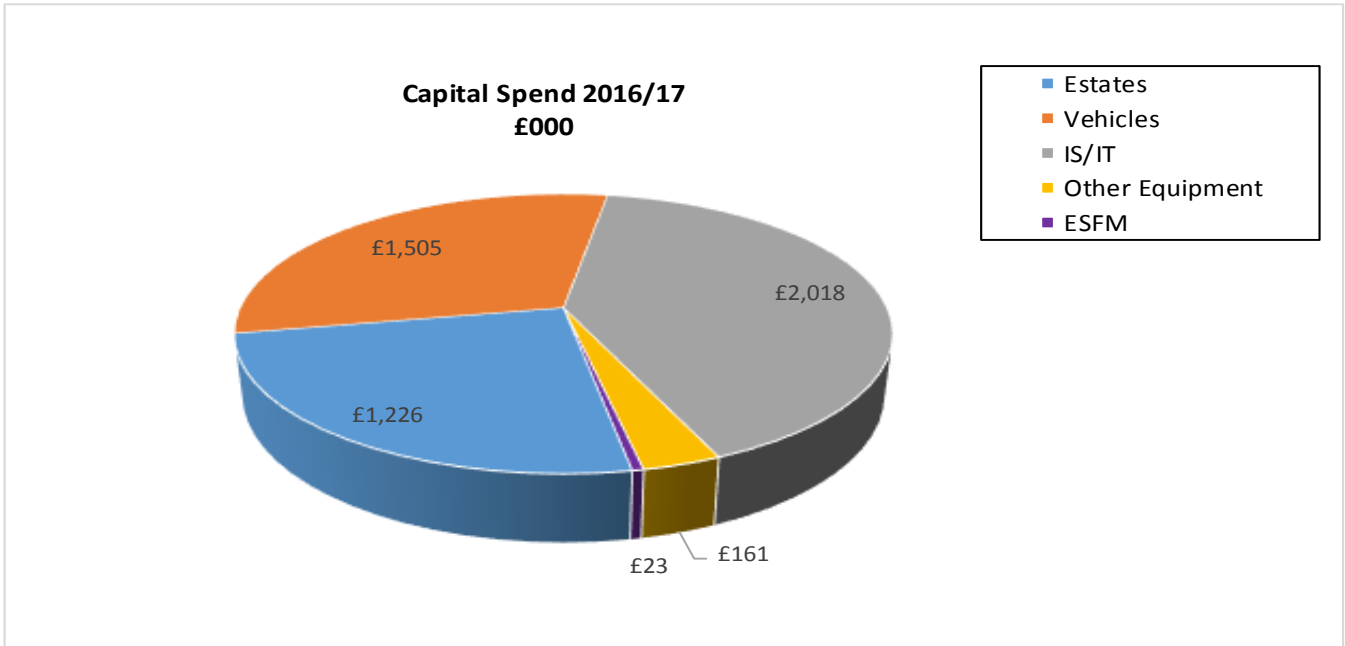
The reasons for the main variations are:

Estates – delay in works at Force Headquarters, Hessle Police Station and Force Training Centre and saving on asbestos removal at Queens Garden Police Station.

IT – Slippage in the roll out of contact management and CONNECT criminal Justice programmes.

Vehicles and Equipment – saving on vehicle fuelling infrastructure work.

The two pie charts below show details of the capital spending, including the share of ESFM capital spending, and how this expenditure was financed.



All of the assets and the majority of the liabilities remained with the PCC during 2016/17.

5 YEAR CAPITAL PROGRAMME

The Capital Programme approved in the 2017/18 to 2021/22 MTRS is as follows: -

Capital Expenditure	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Estate Strategy	11,455	9,720	900	250	250
IT Equipment	2,730	3,177	3,060	932	1,059
Vehicle/ Equipment	1,858	818	553	650	337
TOTAL	16,043	13,715	4,513	1,832	1,646
Funded by:					
Borrowing	15,345	13,018	3,816	1,135	949
Capital Receipts	-	-	-	-	-
Revenue	-	-	-	-	-
Capital Grant	698	697	697	697	697
TOTAL	16,043	13,715	4,513	1,832	1,646

CAPITAL FUNDING

The Commissioner has and will continue to make decisions on capital expenditure, capital funding and borrowing.

BALANCE SHEET

The Balance Sheet shows the value of the assets and liabilities recognised by the PCC at 31 March 2017. The net assets of the PCC (assets less liabilities) are matched by the reserves held by the PCC. Reserves are categorised as either, usable reserves, those reserves that the PCC may use to provide services or to fund capital expenditure or repay debt, and unusable reserves which cannot be used to support service delivery.

	At 31 March 2016 £'000	At 31 March 2017 £'000
Long Term Assets	72,100	72,947
Net Current Assets/(Liabilities)	1,210	(463)
Long Term Liabilities	(1,747,215)	(2,127,538)
NET LIABILITIES	(1,673,905)	(2,055,054)
Represented by:		
Usable Reserves	33,418	34,808
Unusable reserves	(1,707,323)	(2,089,862)
TOTAL	(1,673,905)	(2,055,054)

COLLABORATION

Yorkshire and the Humber and North Eastern Region

The Force continues to actively participate in the regional collaboration involving the four Yorkshire and the Humber forces on the established basis covering work on serious and organised crime, underwater search, public order and forensics. There has also been wider collaboration with the three North East forces on areas around capabilities where working together is beneficial.

Humberside/South Yorkshire

As described last year, the Force entered a new phase with the creation of a strategic partnership building on the longstanding work with South Yorkshire Police on shared back office functions such as Information Technology and Human Resources. This was extended to cover legal services. 2016/17 saw the creation of a Joint Special Operations Uniformed unit (JSOU) which provides roads policing, police dogs and other specialist functions to both forces.

The two forces have also continued to develop a single approach to IT platforms; replacing outdated systems that were specific to each force and single function, with joint multi-functional platforms particularly in relation to CONNECT (crime recording) and Contact Management systems. A joint ERP system is already in operation and has been extended and now includes payroll in Humberside.

Due to changes in PCCs and senior staff during 2016/17, the presumption that work should be done jointly with South Yorkshire was revisited and whilst existing functions would carry on it was agreed that new initiatives would only be progressed if there was a demonstrable benefit to each individual PCC and Force.

Humberside Fire and Rescue Service/Humberside Fire Authority

The collaboration with Humberside Fire and Rescue Service (HFRS) in terms of Emergency Services Fleet Management (Humberside) Ltd has continued and the service is now delivering impressive performance in relation to fleet management and the maintenance of police and fire vehicles. This is leading to increasingly close working relationships with HFRS in relation to driver training and with the

Force's Estates Team looking to provide that service for them in the near future. This will assist in identifying and pursuing options for maximising the use of properties and facilities and in asset rationalisation.

In respect of wider governance issues, the PCC is a member of the Humberside Fire Authority currently with observer status.

Local Authorities and Community Safety Partnerships

The structure of the OPCC has been adjusted to reflect the need for closer working relationships with local partners in line with the arrangements set out in the new Police and Crime Plan. Four new Engagement Officers have been appointed which will enable each CSP to have a dedicated officer to support work in their area and to provide a vital link between local communities and the PCC.

RESERVES AND BALANCES

The Commissioner has used the established practice of medium term financial and resource planning through the MTRS to ensure that budgets are sustainable over the medium term i.e. that expenditure can be contained within realistic assumptions of Government funding and modest precept increases. The MTRS identifies gaps between the quality and costs of the services to be provided to local communities and the actual and predicted level of resources available so that spending plans can be shown to be affordable. Options available for bridging funding gaps, including the use of reserves are risk assessed. This approach has been used consistently when developing the precept proposals for 2016/17 and for 2017/18.

The PCC Group has continued to maintain a significant level of reserves and balances, primarily within the PIR, to cushion the impact of impending budget cuts and to continue to support business change.

At the end of the financial year the balances on the PCC Group's usable reserves were:

Reserve	As at 31 March 2016 £'000	As at 31 March 2017 £'000
Performance Improvement Reserve(PIR)	25,939	24,806
Partnership Reserve	483	2,500
Risk Management Reserve	1,800	1,800
General Reserve	5,196	5,220
General Fund	33,418	34,326
Capital Grants Unapplied Reserve	-	482
TOTAL	33,418	34,808

TREASURY MANAGEMENT

As in previous years as a result of the low interest rate environment, cash balances have continued to be used to temporarily fund capital spending. Using these resources in lieu of taking external borrowing has been a cost effective way of financing this expenditure. At 31 March 2017 the value of external loans from the PWLB totalled £29.2m. The underlying need to borrow, the Capital Financing Requirement (CFR), was £59.3m at that date. The PCC therefore has the capacity to enable additional loans to be drawn down as and when the need arises whilst keeping within agreed prudential limits.

The PCC held investments of £3.2m at 31 March 2017.

An updated Treasury Management Strategy Statement (TMSS), including details of Prudential and Treasury Management Indicators for the year designed to ensure that spending plans are affordable, was approved in March 2016. The PCC has received the required reports on treasury management activity as the year progressed to ensure compliance with the Prudential Code.

The OPCC has continued to provide the treasury management function to the South Yorkshire PCC.

PENSION LIABILITIES

The PCC Group and the PCC's accounts again reflect actuarial valuations of assets and liabilities in accordance with International Accounting Standard (IAS) 19, in respect of both Police Pensions for police officers and for police staff in the Local Government Pensions Scheme. The valuations for police officers are provided by the Government Actuaries' Department (GAD). The liabilities in connection with police officer pensions will be met by the Home Office.

Police staff are members of the East Riding of Yorkshire Council's Pension Fund and information is provided in respect of their pension liabilities by Hymans Robertson, the East Riding's Fund actuaries. These liabilities will be paid as they fall due. The Pension Fund will be revalued every three years. The latest valuation was carried out in March 2016. Revised contribution rates set to recover the deficit position are being applied with effect from 1 April 2017.

The impact on the PCC Group of pension liabilities continues to generate the level of negative net worth shown in the PCC Group balance sheet at £2,055m; a deterioration of £381m. The net worth excluding these pension liabilities would be £46m.

ENVIRONMENTAL

The Humberside and South Yorkshire Police Forces and OPCCs have a longstanding commitment to the sustainability agenda. As they are significant local and regional employers their actions have a large impact on our local communities and the people who work for us and with us.

Working together, both Forces have developed a number of strategic commitments. During 2016 the PCCs and Chief Constables signed up to a joint Sustainability Statement and agreed shared aims and common approaches, allowing ideas, knowledge and resources to be shared.

The Sustainability Strategy 2016-2020 recognises the corporate responsibility and the need to embed sustainability within all levels of the organisations by embracing the following principles of sustainability:-

- Minimising the impact on the environment and continually improving
- Meeting environmental and legal targets as a minimum
- Maximising our positive impact on society
- Setting relevant, measurable sustainability objectives and targets and reporting regularly
- Encouraging our employees to integrate sustainability considerations in to all we do
- Educating, training and motivating employees to work in a sustainable and responsible manner
- Taking part in the Business in the Community Yorkshire and the Humber Environmental Index and striving to improve performance year on year
- Seeking out good practice in other organisations and sharing success

Commitments have been made in respect of:-

- Energy
- Transport
- Waste and recycling
- Materials and products
- Pollution and prevention
- Water
- IT
- People
- Communities

The PCCs and Chief Constables believe that success depends on everyone playing their part and that the necessary organisational and cultures exist to ensure targets will be reached to achieve a real difference.

PEOPLE

The Chief Constable has direction and control of all police officers who are officers of the Crown and employs all PCSOs and the vast majority of police staff with the PCC retaining the employment contracts of a small number of support staff.

The numbers of officers and employees in terms of full time equivalents is as follows:-

Workforce Analysis

(Source: Workforce Plan 2017-18 to 2021-22 version 1.5)

	FTEs
Police Officers	1,551
Police Community Support Officers	228
Police Staff	1,080

The Force is also supported by 300 Special Constables and 133 volunteers.

	25 and under	26 to 40	41 to 55	Over 55
Staff	6%	29%	40%	25%
PCSOs	3%	45%	46%	6%
Police Officers	1%	40%	58%	1%
Specials	42%	44%	13%	1%
Volunteers	32%	19%	18%	31%
Force	8%	36%	45%	11%

Urban Total	Total Population	% Female	% Black and Minority Ethnic	Visible Minority Ethnic (VME)
Humberside Total	917,647	51%	6.5%	3.5%

Humberside Police		% Female	% Black and Minority Ethnic	Visible Minority Ethnic (VME)
Police Officers		32.1%	2.0%	1.1%

Force Family	Staff	Officers	Specials
46% Female	62% Female	32% Female	35% Female
2% BME*	1.4% BME	2.0% BME	2.0% BME
3.3%w/Disability**	4.5% w/Disability	2.4% W/Disability	0.7% w/Disability

**BME includes all ethnicity categories except White British and not stated*

*** Non-Disabled also includes not stated*

PRINCIPAL RISKS AND UNCERTAINTIES

Risk is managed in the Force and the OPCC and consideration of the current status of risk informs the development of agendas for the Corporate Governance Group which is made up of the PCC and the Chief Constable and their statutory officers. The risks currently being managed include the following:-

- The transition of all forces from the UK Airwave TETRA to LTE4G Emergency Services Network(ESMCP) and potential delays which could have operational and financial implications
- The implementation of the new CONNECT crime system being brought into use to replace existing systems and the transfer of data to the Police National Database (PND)
- The uncertainty over the level of funding available beyond 2017/18 where reductions could inhibit plans to increase the number of police officers and the ability to meet the changing face of demand in policing

EXPLANATION OF ACCOUNTING STATEMENTS

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting (the Code). This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by HM Treasury.

The financial statements reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (PRSRA);
- The Home Office Financial Management Code of Practice for the Police Service of England and Wales 2013;
- The Corporate Governance Framework.

The Corporate Governance Framework includes:

- A Statement of corporate governance – statutory framework and local policy;
- A Code of corporate governance – setting out how the good governance core principles will be implemented;
- A Scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business;
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.

The basic position remains that the Commissioner is responsible for the finances of the whole PCC Group and controls the assets, the majority of liabilities and reserves. The PCC received all income and funding and made all payments for the PCC Group from the PCC Police Fund.

In turn, the Chief Constable continued to have the duty to fulfil prescribed functions under the PRSRA within the annual budget (set by the Police and Crime Commissioner in consultation with the Chief Constable) in line with the approved Corporate Governance Framework. This Framework sets out how the two “corporations sole” will discharge their respective responsibilities.

The 2016/17 Code included format changes to the Comprehensive Income and Expenditure Statement, a streamlined Movement in Reserves Statement and the introduction of a new Expenditure and Funding Analysis. This new analysis reports performance on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Fund. Both the new Expenditure and Funding Analysis and the Comprehensive Income and Expenditure Statement include a segmental analysis which reports performance based on how the PCC Group is structured and how it operates, monitors and manages financial performance. There is no longer a requirement to report the cost of services in the Comprehensive Income and Expenditure Statement under the format specified by SeRCOP.

As a result of the above Code changes the presentation of financial information in 2016/17 is different to how it was reported in 2015/16. Comparative figures have been restated where appropriate.

THE FINANCIAL STATEMENTS

The consolidated financial statements comprise of:

- Statement of Responsibilities for the Statement of Accounts

This sets out details of the responsibilities of the Police and Crime Commissioner and those of the Chief Finance Officer in relation to the Statement of Accounts.

- Expenditure and Funding Analyses

These show how expenditure is used and funded from resources by the PCC Group and the PCC and how expenditure is allocated for decision making purposes between the operating functions.

- Comprehensive Income and Expenditure Statements

These statements report the accounting cost of providing services in accordance with generally acceptable accounting practices, rather than the amount to be funded by taxation.

- Movement in Reserves Statements

These statements show the movement in the year in the different reserves held by the PCC Group and the PCC. These reserves are analysed between those that can be used to support local expenditure or to reduce taxation and other reserves which cannot be used in this way.

- Balance Sheets

These show the value of the assets and liabilities recognised by the PCC Group and the PCC as at 31 March 2017. The net assets of the PCC Group

and the PCC are matched by its reserves. The Balance Sheets include long term liabilities associated with defined benefit pension schemes for employees.

- Cash flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCC Group and the PCC during the year.

- Statement of Accounting Policies

This sets out details of the accounting policies adopted in compiling the Statement of Accounts.

- Police Pension Fund Accounts

These set out the position of the Police Pension Fund Accounts at 31 March 2017.

The notes to the financial statements provide more detail about the accounting policies and transactions.

FURTHER INFORMATION

You can also find more information about the finances of the PCC and the Force on the respective websites www.humberside-pcc.gov.uk and www.humberside.police.uk

ACKNOWLEDGEMENT

I would like to once again express my thanks to the Finance Team which is part of the Corporate Support Team within the Office of the Police and Crime Commissioner who, together with Force colleagues, have been principally responsible for compiling these accounts. I would also like to pass on my appreciation to the operational managers within the Force for assisting in their completion.

John Bates
Chief Finance Officer

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

We have audited the financial statements of the Police and Crime Commissioner for Humberside for the year ended 31 March 2017 on pages 1 to 74. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the Police and Crime Commissioner for Humberside, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that the financial statements give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Police and Crime Commissioner's and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner and the Group as at 31 March 2017 and of the Police and Crime Commissioner's, and the Group's, expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if:

- the Annual Governance Statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' (CIPFA/SOLACE 2016 Edition); or
- the information given in the Narrative Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014; or
- any other special powers of the auditor have been exercised under the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Conclusion on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Police and Crime Commissioner's responsibilities

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

Auditor's responsibilities

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the C&AG in November 2016, as to whether the Police and Crime Commissioner had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The C&AG determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

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

Conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2016, we are satisfied that, in all significant respects, the Police and Crime Commissioner put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the financial statements of the Police and Crime Commissioner for Humberside in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

John Graham Prentice FCCA MBA

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

28 September 2017

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers (the Chief Finance Officer) has the responsibility for the administration of those affairs.
- To manage its affairs to ensure economic, efficient and effective use of resources and to safeguard its assets.
- To approve the Statement of Accounts.

I approve this Statement of Accounts.

Date: 28 September 2017

**Keith Hunter
Police and Crime Commissioner for Humberside**

Chief Finance Officer's Responsibilities

The Chief Finance Officer of the PCC is responsible for the preparation of the PCC's statement of accounts which, in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (the 'Code of Practice'), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to present fairly the financial position of the PCC and the PCC Group at the accounting date, and its income and expenditure for the year ended 31 March 2017.

In preparing this statement of accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the attached Statement of Accounts present a true and fair view of the position of the PCC and the PCC Group as at 31 March 2017 and its income and expenditure for the year.

Date: 28 September 2017

**John Bates
Chief Finance Officer**



EXPENDITURE AND FUNDING ANALYSIS FOR THE PCC GROUP

The statements below show how annual expenditure is used and funded from resources (government grants and council tax) by the PCC Group in comparison with those resources consumed or earned by the PCC Group in accordance with generally accepted accounting practices. They also show how this expenditure is allocated for decision making purposes between the PCC Group's operating functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year ended 31 March 2017

	Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between Funding and Accounting Basis (Note 1) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Communities Command	56,375	5,020	61,395
Enabling Services	32,725	976	33,701
Command Hub	17,367	1,592	18,959
Specialist Command	13,862	1,318	15,180
Joint Special Operations Uniformed	12,373	858	13,231
Protecting Vulnerable People	11,449	919	12,368
Criminal Justice	8,116	786	8,902
Regional Collaboration	6,328	69	6,397
Force Command	1,517	101	1,618
Non- Command Functions	3,441	78	3,519
Police & Crime Commissioner	4,200	96	4,296
Net cost of services	167,753	11,813	179,566
Other income and expenditure	(168,661)	19,640	(149,021)
(Surplus) or deficit	(908)	31,453	30,545
General Fund Balance at 31 March 2016	33,418		
Add Surplus on General Fund Balance in Year	908		
General Fund Balance at 31 March 2017	34,326		

Year ended 31 March 2016

	Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between Funding and Accounting Basis (Note 1) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Communities Command	56,156	8,516	64,672
Enabling Services	31,746	2,027	33,773
Command Hub	17,913	3,362	21,275
Specialist Command	16,713	5,553	22,266
Joint Special Operations Uniformed	11,381	582	11,963
Protecting Vulnerable People	10,407	6,446	16,853
Criminal Justice	6,987	567	7,554
Regional Collaboration	6,129	136	6,265
Force Command	1,330	33	1,363
Non- Command Functions	3,332	456	3,788
Police & Crime Commissioner	4,670	285	4,955
Net cost of services	166,764	27,963	194,727
Other income and expenditure	(166,837)	20,750	(146,087)
(Surplus) or deficit	(73)	48,713	48,640
General Fund Balance at 31 March 2015	33,345		
Add Surplus on General Fund Balance in Year	73		
General Fund Balance at 31 March 2016	33,418		

EXPENDITURE AND FUNDING ANALYSIS STATEMENT FOR THE PCC

The statements below show how annual expenditure is used and funded from resources (government grants and council tax) by the PCC in comparison with those resources consumed or earned by the PCC in accordance with generally accepted accounting practices. They also show how this expenditure is allocated for decision making purposes between the PCC's operating functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year ended 31 March 2017

	Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between Funding and Accounting Basis (Note 1) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Communities Command	(1,151)	-	(1,151)
Enabling Services	(2,146)	-	(2,146)
Command Hub	(393)	-	(393)
Specialist Command	(3,003)	-	(3,003)
Joint Special Operations Uniformed	(688)	-	(688)
Protecting Vulnerable People	(42)	-	(42)
Criminal Justice	(4,621)	-	(4,621)
Regional Collaboration	(930)	-	(930)
Force Command	-	-	-
Non- Command Functions	(1,265)	-	(1,265)
Police & Crime Commissioner	4,200	96	4,296
Intra -group funding	215,125	3,870	218,995
Net cost of services	205,086	3,966	209,052
Other income and expenditure	(205,994)	(3,480)	(209,474)
Surplus or deficit	(908)	486	(422)
General Fund Balance at 31 March 2016	33,418		
Add Surplus on General Fund Balance in Year	908		
General Fund Balance at 31 March 2017	34,326		

Year ended 31 March 2016

	Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between Funding and Accounting Basis (Note 1) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Communities Command	(1,786)	-	(1,786)
Enabling Services	(1,475)	-	(1,475)
Command Hub	(55)	-	(55)
Specialist Command	(4,774)	-	(4,774)
Joint Special Operations Uniformed	(496)	-	(496)
Protecting Vulnerable People	(4,013)	-	(4,013)
Criminal Justice	(976)	-	(976)
Regional Collaboration	(910)	-	(910)
Force Command	(1)	-	(1)
Non- Command Functions	(1,236)	-	(1,236)
Police & Crime Commissioner	4,670	285	4,955
Intra -group funding	217,222	5,662	222,884
Net cost of services	206,170	5,947	212,117
Other income and expenditure	(206,243)	(4,443)	(210,686)
Surplus or deficit	(73)	1,504	1,431
General Fund Balance at 31 March 2015	33,345		
Add Surplus on General Fund Balance in Year	73		
General Fund Balance at 31 March 2016	33,418		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE PCC GROUP

This statement shows the accounting cost in the year for the PCC Group of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. PCCs raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2015-16 Restated £'000		Year ended 31 March 2017		
Net	Note	£'000 Expenditure	£'000 Income	£'000 Net
64,672	Communities Command	62,546	(1,151)	61,395
33,773	Enabling Services	35,847	(2,146)	33,701
21,275	Command Hub	19,352	(393)	18,959
22,266	Specialist Command	18,183	(3,003)	15,180
11,963	Joint Special Operations Uniformed	13,919	(688)	13,231
16,853	Protecting Vulnerable People	12,410	(42)	12,368
7,554	Criminal Justice	13,523	(4,621)	8,902
6,265	Regional Collaboration	7,327	(930)	6,397
1,363	Force Command	1,618	-	1,618
3,788	Non- Command Functions	4,784	(1,265)	3,519
4,955	Police & Crime Commissioner	5,416	(1,120)	4,296
194,727	Cost of Services - Continuing Operations	194,925	(15,359)	179,566
264	Other Operating Expenditure	255	-	255
65,464	Financing and Investment Income and Expenditure	61,528	(110)	61,418
(211,815)	Taxation and Non-Specific Grant Income		(210,694)	(210,694)
48,640	(Surplus) or Deficit on Provision of Services			30,545
425	(Surplus) or Deficit on Revaluation of Non Current Assets			(699)
(298,576)	Remeasurements of the net defined benefit liability			351,303
(298,151)	Other Comprehensive Income and Expenditure (Surplus)/Deficit			350,604
(249,511)	Total Comprehensive Income and Expenditure (Surplus)/Deficit			381,149

As required by the 2016/17 CIPFA Code, Cost of Services are now reported by operating function in line with how the PCC Group is managed rather than as specified under SeRCOP. Cost of Services figures for 2015/16 have been restated on a comparable basis. The total Cost of Services line is unaffected by this restatement.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE PCC

This statement shows the accounting cost in the year for the PCC of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. PCCs raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. Resources of the PCC consumed at the request of the Chief Constable during the year are shown for comparative purposes. The consolidated accounting cost and funding for the PCC Group for the year is shown on the preceding page.

2015-16

Restated	Year ended 31 March 2017	PCC	PCC		Chief Constable
			£'000	£'000	£'000
£'000		£'000	£'000	£'000	£'000
Net	Note	Expenditure	Income	Net	Expenditure
(1,786) Communities Command		-	(1,151)	(1,151)	62,546
(1,475) Enabling Services		-	(2,146)	(2,146)	35,847
(55) Command Hub		-	(393)	(393)	19,352
(4,774) Specialist Command		-	(3,003)	(3,003)	18,183
(496) Joint Special Operations Uniformed		-	(688)	(688)	13,919
(4,013) Protecting Vulnerable People		-	(42)	(42)	12,410
(976) Criminal Justice		-	(4,621)	(4,621)	13,523
(910) Regional Collaboration		-	(930)	(930)	7,327
(1) Force Command		-	-	-	1,618
(1,236) Non- Command Functions		-	(1,265)	(1,265)	4,784
4,955 Police & Crime Commissioner		5,416	(1,120)	4,296	-
(10,767) Cost of Services - Continuing Operations		5,416	(15,359)	(9,943)	189,509
222,884 Intra-group funding	3	218,995		218,995	(218,995)
212,117 Net Cost of Policing Services	3	224,411	(15,359)	209,052	(29,486)
264 Other Operating Expenditure	6	255	-	255	
865 Financing and Investment Income and Expenditure	7	1,075	(110)	965	
(211,815) Taxation and Non-Specific Grant Income	8	-	(210,694)	(210,694)	
1,431 (Surplus) or Deficit on Provision of Services				(422)	
425 (Surplus) or Deficit on Revaluation of Non Current Assets				(699)	
(944) Remeasurements of the net defined benefit liability	44			359	
(519) Other Comprehensive Income and Expenditure (Surplus)/Deficit				(340)	
912 Total Comprehensive Income and Expenditure (Surplus)/Deficit				(762)	

As required by the 2016/17 CIPFA Code, Cost of Services are now reported by operating function in line with how the PCC is managed rather than as specified under SeRCOP. Cost of Services figures for 2015/16 have been restated on a comparable basis. The total Net Cost of Policing Services line is unaffected by this restatement.

MOVEMENT IN RESERVES STATEMENT FOR THE PCC GROUP

This statement shows the movement in the year on the different reserves held by the PCC Group, analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the PCC Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase / Decrease in Year line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balance £'000	Capital Grants Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2016	33,418	-	33,418	(1,707,323)	(1,673,905)
Adjustments for IFRS £000s					
Total Comprehensive Income & Expenditure	(30,545)	-	(30,545)	(350,604)	(381,149)
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 1)	31,453	482	31,935	(31,935)	-
Increase / Decrease in Year	908	482	1,390	(382,539)	(381,149)
Balance at 31 March 2017	34,326	482	34,808	(2,089,862)	(2,055,054)
	General Fund Balance £'000	Capital Grants Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2015	33,345	-	33,345	(1,956,761)	(1,923,416)
Adjustments for IFRS £000s					
Total Comprehensive Income & Expenditure	(48,640)	-	(48,640)	298,151	249,511
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 1)	48,713	-	48,713	(48,713)	-
Increase / Decrease in Year	73	-	73	249,438	249,511
Balance at 31 March 2016	33,418	-	33,418	(1,707,323)	(1,673,905)

MOVEMENT IN RESERVES STATEMENT FOR THE PCC

This statement shows the movement in the year on the different reserves held by the PCC, analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the PCC's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase / Decrease in Year line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balance £'000	Capital Grants Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2016	33,418	-	33,418	13,223	46,641
Adjustments for IFRS £000s					
Total Comprehensive Income & Expenditure	422	-	422	340	762
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 1)	486	482	968	(968)	-
Increase / Decrease in Year	908	482	1,390	(628)	762
Balance at 31 March 2017	34,326	482	34,808	12,595	47,403

	General Fund Balance £'000	Capital Grants Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2015	33,345	-	33,345	14,208	47,553
Adjustments for IFRS £000s					
Total Comprehensive Income & Expenditure	(1,431)	-	(1,431)	519	(912)
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 1)	1,504	-	1,504	(1,504)	-
Increase / Decrease in Year	73	-	73	(985)	(912)
Balance at 31 March 2016	33,418	-	33,418	13,223	46,641

BALANCE SHEET FOR THE PCC GROUP

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCC Group. The net assets of the PCC Group (assets less liabilities) are matched by the reserves held by the PCC Group. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the PCC Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between Accounting Basis and Funding Basis under Regulations'.

31-Mar-16 £'000		Note	31-Mar-17 £'000
71,003	Property, Plant & Equipment	19	71,546
617	Intangible Assets	20	981
480	Long Term Debtors	23	420
72,100	Long Term Assets		72,947
1,200	Assets Held for Sale	19	200
203	Inventories	24	171
17	Short Term Investments		19
16,934	Short Term Debtors	25 & 26	18,375
9,466	Cash and Cash Equivalents	47	3,166
27,820	Current Assets		21,931
-	Bank Overdraft		226
23,813	Short Term Creditors	27 & 28	19,520
2,740	Short Term Borrowing	29	2,426
57	Provisions	30	222
26,610	Current Liabilities		22,394
29,207	Long Term Borrowing	31	26,781
1,718,008	Other Long Term Liabilities	39	2,100,757
1,747,215	Long Term Liabilities		2,127,538
<u>(1,673,905)</u>	Net Assets/ (Liabilities)		<u>(2,055,054)</u>
33,418	Usable Reserves	32	34,808
(1,707,323)	Unusable Reserves	33	(2,089,862)
<u>(1,673,905)</u>	Total Reserves		<u>(2,055,054)</u>

BALANCE SHEET FOR THE PCC

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCC. The net assets of the PCC (assets less liabilities) are matched by the reserves held by the PCC. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the PCC may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between Accounting Basis and Funding Basis under Regulations'.

31-Mar-16 £'000		Note	31-Mar-17 £'000
71,003	Property, Plant & Equipment	19	71,546
617	Intangible Assets	20	981
480	Long Term Debtors	23	420
72,100	Long Term Assets		72,947
1,200	Assets Held for Sale	19	200
203	Inventories	24	171
17	Short Term Investments		19
16,907	Short Term Debtors	25 & 26	18,364
9,466	Cash and Cash Equivalents	47	3,166
27,793	Current Assets		21,920
-	Bank Overdraft		226
19,885	Short Term Creditors	27 & 28	16,110
2,740	Short Term Borrowing	29	2,426
57	Provisions	30	222
22,682	Current Liabilities		18,984
29,207	Long Term Borrowing	31	26,781
1,363	Other Long Term Liabilities	39	1,699
30,570	Long Term Liabilities		28,480
46,641	Net Assets/ (Liabilities)		47,403
33,418	Usable Reserves	32	34,808
13,223	Unusable Reserves	33	12,595
46,641	Total Reserves		47,403

CASH FLOW STATEMENT FOR THE PCC AND THE PCC GROUP

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCC Group and the PCC during the reporting period. As there is no distinction between the PCC Group and the PCC movements, there is no separate statement for the PCC. The statement shows how the PCC Group and the PCC generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCC Group and the PCC are funded by way of taxation and grant income or from the recipients of services provided by the PCC Group/PCC. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCC Group and the PCC's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCC Group/PCC.

31-Mar-16		31-Mar-17
£'000	Note	£'000
48,640		30,545
(51,154)	46	(31,282)
263		511
(2,251)		(226)
(623)	49	3,786
3,333	50	2,740
459		6,300
9,925		9,466
9,466	47	3,166

STATEMENT OF ACCOUNTING POLICIES FOR THE PCC AND THE PCC GROUP

1. Accounting Policies

The Financial Statements must meet the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting which has been agreed with HM Treasury. Consequently, the financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2016/17. The accounting policies contained in the CIPFA Code of Practice follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to Local Authority accounts, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the CIPFA Code of Practice on Local Authority Accounts permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the PCC Group/PCC for the purpose of presenting fairly the position of the PCC Group/PCC has been selected. The particular policies adopted are described below. They have been applied consistently in dealing with items considered material in relation to the financial statements.

1.1 Group accounts

The Financial Statements included here represent the accounts for the PCC and the PCC Group. The term “PCC Group” is used to indicate individual transactions and policies of the PCC and the Chief Constable. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the Police Reform and Social Responsibility Act 2011. The Chief Constable is a subsidiary organisation of the PCC.

The transactions and balances of the PCC and the Chief Constable have been consolidated into the PCC Group financial statements using the line-by-line method.

1.2 Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. Where appropriate financial assets and liabilities have been impaired or discounted to bring them to current value.

1.3 Acquisitions and discontinued operations

Activities are considered to be ‘acquired’ only if they are transferred from outside the public sector. Activities are considered to be ‘discontinued’ only if they cease entirely. They are not considered to be ‘discontinued’ if they transfer from one public sector body to another.

1.4 Going Concern

After making enquires, the PCC has formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the PCC and PCC Group or its successors has access to adequate resources to continue in operational existence for the foreseeable future. For this reason,

it continues to adopt the going concern basis in preparing the financial statements. The liabilities for pensions are unrealised liabilities at the balance sheet date and will fall due as employees retire over their working lives.

1.5 Critical Judgements In Applying Accounting Policies

In the application of the PCC Group's accounting policies, management is required to make judgements about complex transactions involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a degree of uncertainty about future levels of central government funding and the impact of budget cuts to be achieved. However, the PCC Group has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the PCC Group might be impaired as a result of a need to close facilities or reduce levels of service provision.

1.5.1 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 PCC Group about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the PCC and PCC Group's Balance Sheet as at 31 March 2017 for which there is significant risks of material adjustment in the forthcoming financial year are as follows:

Short Term Employee Benefits (See paragraph 1.8 and note 33)

In calculating the accrual for the above, the uncertainty is that the number of days annual leave, or the rate used to cost the accrual are incorrect. A 10% movement in the number of days would see a £342k increase/decrease in the accrual.

Property, Plant and Equipment – (See paragraph 1.10 and note 19)

Depreciation

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. If in the current economic climate the PCC Group was unable to sustain its current spending on repairs and maintenance, the useful lives assigned to assets would be brought into doubt. If the useful life of assets is reduced depreciation increases and the carrying amount of assets falls.

Componentisation Thresholds (See paragraph 1.10 Accounting Policies)

If in applying the policy in paragraph 1.10, an incorrect judgement is made regarding the threshold, this would result in a possible misstatement of asset depreciation and asset assumed useful life.

Pensions Liability and Reserve – (See paragraph 1.8 and note 39)

Estimates for pensions liabilities are determined and sourced through pensions actuaries, who apply a number of assumptions on future inflation, mortality rates etc. If estimates/assumptions used are too conservative, the estimated pensions liability will be understated, and overstated if too high.

Allocation of Expenditure between the PCC and the Chief Constable– (See note 3)

A judgement has been made of the expenditure allocated between the PCC and the Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the PCC Group in accordance with the standard set of activities for each corporate body identified in CIPFA's SeRCOP.

1.6 Revenue

Revenue in respect of services provided is recognised when performance occurs, and is measured at the fair value of the consideration receivable.

Where income is received for a specific activity that is to be delivered in the following year that income is deferred.

Goods are sold on an incidental basis. Income is recognised at the point the sale transaction occurs.

1.7 Agency income

Council Tax / Precept income is collected on behalf of the PCC Group by the four unitary authorities within the Force Area (East Riding of Yorkshire Council, Kingston Upon Hull City Council, North East Lincolnshire Council and North Lincolnshire Council); this income is collected under an agency arrangement with the PCC Group including an appropriate share of taxpayer transactions within the financial statements.

1.8 Employee Benefits

Short-term employee benefits

Employee benefits are those due to be settled within 12 months of the year-end. These benefits are recognised as an expense in the year in which the employee renders service to the PCC Group. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the PCC Group to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These costs

are charged as an expense in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement when the PCC Group is demonstrably committed to the termination of the employment of an individual or group of employees or making an offer to encourage voluntary redundancy.

Retirement benefit costs

The PCC Group participates in three pension schemes for Police Officers and one for Police staff. All of the schemes provide members with defined benefits related to pay and service.

Police Officers

The 1987, 2006 and 2015 Police Pension Schemes are contributory occupational pension schemes. Officers pay contributions from their pensionable pay based on salary bandings. The contribution rates are set nationally by the Home Office. The PCC Group accounts for Police Pensions through the Police Pension Fund Accounts. The cost to the PCC Group is via an employers' contribution and a charge for Officers who retire on ill health. Any balance on the Pension Fund Accounts is received from or paid to Central Government.

Injury awards are not part of the Police Pension Fund and are paid out of the PCC Group's budget.

Police Staff

The PCC is an admitted body to the East Riding Pension Fund, which is administered by the East Riding of Yorkshire Council. Police staff are eligible to join the Local Government Pension Scheme which has varying contribution rates based on members' salaries. The PCC makes employers' contributions as required into the East Riding Pension Fund.

The PCC Group/ PCC have fully adopted IAS 19 Employee Benefits. The financial statements reflect the commitment to make up any shortfall in attributable net assets in the Pension Fund. The overall pension liability is included in the Balance Sheet of the PCC Group and service costs are reflected in the Comprehensive Income and Expenditure Statements.

1.9 Expenses

Expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Whilst all expenditure is paid for by the PCC, including the remuneration of police officers and staff, the actual recognition in the respective PCC and Chief Constable's financial statements is based on economic benefit.

1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administration purposes;

- it is probable that service potential will be provided to the PCC Group;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £10,000

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets if they have a cost of over 25% of the whole asset, and they are depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at current value.

Land and buildings used by the PCC Group are stated in the Balance Sheet at their revalued amounts, being their current value at the date of valuation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed so that all the PCC Group's premises are revalued on a five year rolling programme with all major police buildings, i.e. those with a value in excess of £1m, being revalued every year. Revaluations are also carried out when new buildings have been completed or when major building work has been undertaken. This is to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings with no market based evidence – depreciated replacement cost as an estimate of current value
- Vehicles, plant and equipment – historic cost less accumulated depreciation (as a proxy for current replacement cost)

Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees and borrowing costs directly attributable to the construction of qualifying assets. Assets are revalued and depreciation commences when they are brought into use. An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A decrease on revaluation is recognised as an impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset, and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the Comprehensive Income and Expenditure Statements.

Disposals

Capital receipts over £10,000 from the sale of non-current assets are held in the Capital Receipts Unapplied account until such time as they are used to finance other capital expenditure or to repay debt. Individual receipts of less than £10,000 are shown as income within the Comprehensive Income and

Expenditure Statements. Gains and losses on the disposal of non-current assets are recognised in the Comprehensive Income and Expenditure Statements.

1.11 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PCC Group's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits or service potential will be provided to the PCC Group; where the cost of the asset can be measured reliably, and where the cost is at least £10,000.

Intangible assets acquired separately are initially recognised at current value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible assets can be recognised, the expenditure is recognised in the period in which it is incurred. Following initial recognition, intangible assets are carried at current value by reference to an active market, or where no active market exists, at amortised replacement cost (modern equivalent assets basis). Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Freehold land, properties under construction and vehicles in the process of preparation for operational use are not depreciated. Otherwise, depreciation and amortisation are charged to Cost of Services in the Comprehensive Income and Expenditure Statements to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over

their estimated useful lives, on a straight line basis. Depreciation and amortisation are not taken on additions to the capital base for the year. The estimated useful life of an asset is the period over which the PCC Group expects to obtain economic benefits or service potential from the asset. This is specific to the PCC Group and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The approximate average useful lives (depreciation periods) are included below:

- Buildings 25 to 65 years
- Small/medium size vehicle 1 to 5 years
- Large vehicle 6 to 8 years
- Boat 10 years
- Equipment 5 years
- Intangibles 5 years

At each reporting period end, the PCC Group checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

The PCC Group is not required to raise Council Tax to cover depreciation, impairment or amortisation. However it is required to make an annual provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the minimum revenue provision (MRP). This is equal to 4% of the adjusted capital financial requirement at 31 March 2008. The PCC Group has adopted, from 1 April 2008 the Asset Life Method to provide for MRP, for any capital expenditure funded from borrowing. MRP is not provided for assets in the course of construction.

1.13 Government Grants

All grants and contributions will only be credited to the Comprehensive Income and Expenditure Statements, when all the grant conditions for the discharge of its specific use have been met. Grants where the conditions have not been satisfied are carried in the Balance Sheet as Grants Receipts in Advance. When the conditions have been satisfied, the grant or contribution will be credited to the Comprehensive Income and Expenditure Statements, either to cost of services or taxation and non-specific grant income. Assets purchased from Government grants are valued, depreciated and impaired as described for purchased assets.

1.14 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses. The profit or loss arising on the disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Comprehensive Income and Expenditure Statements. On disposal, the balance for the asset on the Revaluation Reserve is transferred to the Capital Adjustment Account.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.15 Leases

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The PCC Group as a lessee

Operating lease payments are recognised as an expense on straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

The PCC Group has no assets held under finance leases.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value using the average cost method. This is considered to be a reasonable approximation to current value.

1.17 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the PCC Group and the PCC's cash management.

1.18 Provisions

Provisions are recognised when the PCC Group has a present legal or constructive obligation as a result of a past event, it is probable that the PCC Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In establishing a provision a charge is made as an expense to the Comprehensive Income and Expenditure Statements in the year that the PCC Group/PCC becomes aware of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. The provision stays on the Balance Sheet, and when payments are made, the charge is made against the provision. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

1.19 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCC Group, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of payment is remote.

A contingent asset is a possible asset that arises from past events and existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCC Group. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.20 Reserves

The PCC Group and the PCC set aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Comprehensive Income and Expenditure Statements in that year to score against the Surplus or Deficit on the account. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC Group. Details of these reserves are provided in the relevant note to the financial statements.

1.21 Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'Financial Instrument' covers both Financial Assets and Financial Liabilities and includes both the most straightforward Financial Assets and Liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

1.21 (i) Financial assets

Financial assets are classified into two types:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, or failing that by reference to similar arm's length transactions between knowledgeable and willing parties.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the initial fair value of the financial asset.

At the end of the reporting period the PCC Group assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment, as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset reduced directly.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for Sale Assets

The PCC Group does not have or plan to have this category of financial assets.

1.21 (ii) Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the PCC Group 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 de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

The fair value of financial liabilities is disclosed in the notes to the financial statements.

1.22 Jointly Controlled Operations

The PCC Group engages in jointly controlled operations by collaborative working with other parties to deliver a number of specific services on a regional basis.

The PCC Group accounts in its financial statements for the assets it controls, the liabilities it incurs, the expenses that it incurs and the income it earns in relation to these arrangements.

1.23 Accounting standards that have been issued but have not yet been adopted

The following amendments to standards will not be incorporated into the Code until 2017/2018:

- Amendment to the reporting of pension fund scheme transaction costs
- Amendment to the reporting of pension fund investment concentration.

None of the above amendments are expected to have any material impact on future financial statements of the PCC Group.

1.24 Accounting standards issued that have been adopted early

There are no accounting standards issued that have been adopted early.

1.25 Exceptional items

Exceptional items shall be included in the costs of the service to which they relate and noted accordingly.

1.26 Prior period adjustments

Unless otherwise sanctioned by the CIPFA Code of Practice on Local Authority Accounting, material prior period adjustments shall result in restatement of prior year figures and disclosure of the effect.

1.27 Events after the balance sheet date

Material events after the balance sheet date, both favourable and unfavourable, that occur between the end of the reporting period and the date when Statement of Accounts is authorised for issue shall be

disclosed as a note to the financial statements and the financial statements amended as required. Other events after the balance sheet date will be disclosed in a note with an estimate of the likely effect.

Two types of event can be identified as:

Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

1.28 Group accounts

Each reporting period the PCC Group will review its interests and influence on all types of entities including, but not limited to, other PCCs and similar statutory bodies, common good trust funds, charities, companies, joint committees and other joint arrangements. If appropriate, such other entities will be included in the group accounts prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

1.29 Value Added Tax (VAT)

Most of the activities of the PCC Group are outside the scope of VAT and, in general, output tax does not apply. Input tax on purchases is largely recoverable from Her Majesty's Revenue and Customs. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of property, plant and equipment. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

NOTES TO THE CORE FINANCIAL STATEMENTS

1. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS

PCC Group

Year ended 31 March 2017

Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note i) £'000	Net Change for the Pensions Adjustments (Note ii) £'000	Other Differences (Note iii) £'000	Total Adjustments £'000
Communities Command	1,760	3,486	(226)	5,020
Enabling Services	357	642	(23)	976
Command Hub	606	1,048	(62)	1,592
Specialist Command	426	950	(58)	1,318
Joint Special Operations Uniformed	216	680	(38)	858
Protecting Vulnerable People	289	681	(51)	919
Criminal Justice	327	490	(31)	786
Regional Collaboration	15	58	(4)	69
Force Command	9	98	(6)	101
Non- Command Functions	-	78	-	78
Police and Crime Commissioner	30	69	(3)	96
Net Cost of Services	<u>4,035</u>	<u>8,280</u>	<u>(502)</u>	<u>11,813</u>
Other income and expenditure from the Funding Analysis	(3,815)	23,166	289	19,640
Difference between General Fund Surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	<u>220</u>	<u>31,446</u>	<u>(213)</u>	<u>31,453</u>

PCC

Year ended 31 March 2017

Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note i) £'000	Net Change for the Pensions Adjustments (Note ii) £'000	Other Differences (Note iii) £'000	Total Adjustments £'000
Police and Crime Commissioner	30	69	(3)	96
Intra -group funding	4,005	(138)	3	3,870
Net Cost of Services	4,035	(69)	-	3,966
Other income and expenditure from the Funding Analysis	(3,815)	46	289	(3,480)
Difference between General Fund Surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	220	(23)	289	486

PCC Group

Year ended 31 March 2016

Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments
	£'000	£'000	£'000	£'000
Communities Command	2,376	6,015	125	8,516
Enabling Services	492	1,516	19	2,027
Command Hub	819	2,516	27	3,362
Specialist Command	723	4,793	37	5,553
Joint Special Operations Uniformed	382	175	25	582
Protecting Vulnerable People	389	6,030	27	6,446
Criminal Justice	450	100	17	567
Regional Collaboration	97	34	5	136
Force Command	12	21	-	33
Non- Command Functions	-	456	-	456
Police and Crime Commissioner	47	236	2	285
	<hr/>	<hr/>	<hr/>	<hr/>
Net Cost of Services	5,787	21,892	284	27,963
Other income and expenditure from the Funding Analysis	(4,036)	25,266	(480)	20,750
	<hr/>	<hr/>	<hr/>	<hr/>
Difference between General Fund Surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	<u>1,751</u>	<u>47,158</u>	<u>(196)</u>	<u>48,713</u>

PCC

Year ended 31 March 2016

Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note i) £'000	Net Change for the Pensions Adjustments (Note ii) £'000	Other Differences (Note iii) £'000	Total Adjustments £'000
Police and Crime Commissioner	47	236	2	285
Intra -group funding	5,740	(63)	(15)	5,662
Net Cost of Services	5,787	173	(13)	5,947
Other income and expenditure from the Funding Analysis	(4,036)	73	(480)	(4,443)
Difference between General Fund Surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	1,751	246	(493)	1,504

Note i – Adjustments for Capital Purposes

This adds in depreciation and impairments in the service line and for:

- Other Operating Expenditure – adjusts for losses on sale of assets.
- Financing and Investment Income and Expenditure - the statutory charges for capital financing (i.e. Minimum Revenue Provision and other revenue contributions) are deducted from income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and Non-Specific Grant Income – Capital grants are adjusted for income not chargeable under generally accepted accounting practices.

Note ii – Net change for the Pensions Adjustments

This is the net change for the removal of pension contributions and the inclusion of Police Pension Top Up Grant and IAS19 Employee Benefits related expenditure and income:

- For service lines, this represents the removal of employer pension contributions as allowed by statute and the replacement with current service costs and past service costs.
- Financing and Investment Income and Expenditure – the net interest on the defined benefit liabilities is charged to the Comprehensive Income and Expenditure Statement.
- Taxation and Non-Specific Grant Income – The Police Pension Top Up Grant is credited to the Comprehensive Income and Expenditure Statement.

Note iii – Other Differences

These represent other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For service lines, this represents the movement in the timing difference on employee benefits for accumulated absences.
- Taxation and Non-Specific Grant Income – adjustment is made for the movement in the timing difference on the Council Tax Collection Fund.

2. PCC FUNDING FOR FINANCIAL RESOURCES CONSUMED BY THE CHIEF CONSTABLE

As the Chief Constable has no resources with which to fulfil devolved responsibilities to provide a policing service, the expenditure is funded by the PCC.

These transactions are reflected in the intra-group accounts of both entities.

The tables below show the movement through the intra-group accounts within the respective Balance Sheets during 2016-17 and 2015-16 and show that there are no outstanding intra-group balances at the year end date, other than resulting from year end accounting adjustments in respect of payroll balances, as the PCC paid for all the financial resources consumed at the request of the Chief Constable and an intra-group adjustment was made to offset the Chief Constable's consumption of resources.

Accounting entries reflected in the respective Balance Sheets in year and at the year end:

	PCC £'000	Chief Constable £'000	PCC Group £'000
Intra - Group movements 2016- 2017:			
Opening balance as at 1 April 2016	(3,724)	3,724	-
PCC resources consumed at the request of the Chief Constable	189,510	(189,510)	-
PCC intra - group adjustment (resource funding)	(189,510)	189,510	-
	<u>(3,724)</u>	<u>3,724</u>	-
Year end adjustments:			
Accumulated absences movement	502	(502)	-
Pensions actuarial adjustments	28,984	(28,984)	-
PCC intra - group adjustment	(29,486)	29,486	-
Payroll creditors and debtors movement	(272)	272	-
Closing balance as at 31 March 2017	<u>(3,996)</u>	<u>3,996</u>	-
Intra - Group movements 2015- 2016:			
Opening balance as at 1 April 2015	(3,593)	3,593	-
PCC resources consumed at the request of the Chief Constable	205,494	(205,494)	-
PCC intra - group adjustment (resource funding)	(205,494)	205,494	-
	<u>(3,593)</u>	<u>3,593</u>	-
Year end adjustments:			
Accumulated absences movement	(297)	297	-
Pensions actuarial adjustments	17,687	(17,687)	-
PCC intra - group adjustment	(17,390)	17,390	-
Payroll creditors and debtors movement	(131)	131	-
Closing balance as at 31 March 2016	<u>(3,724)</u>	<u>3,724</u>	-

The funding covers the day to day expenses on an accruals basis as well as charges for operational assets consumed in the year. The funding does not cover IAS19 pension charges and charges for compensated absences as these charges (in the Chief Constable's Comprehensive Income and Expenditure Statement) are reversed in the Chief Constable's Movement in Reserves Statement and charged to the Chief Constable's unusable Pensions Reserve and Accumulated Absences Adjustment Account.

The Comprehensive Income and Expenditure Statements for the PCC and the PCC Group are also similar at "summary level". This is because the Net Cost of Policing sub-total within the PCC CIES includes not only the cost of administering the PCC itself, but also payment for PCC resources consumed at the request of the Chief Constable. The decision to account for this expenditure within the PCC Net Cost of Policing Services is in accordance with the SeRCOP definition of total cost of services. In contrast, in the Chief Constable's CIES the Net Cost of Policing is nil, apart from the year end adjustments for pensions actuarial adjustments and accumulated absences, as the Resources consumed at the request of the Chief Constable are completely offset by the intra-group adjustment.

3. SUMMARY SPENDING DETAILS

The statements below show the cost of providing services for the PCC Group for 2016-2017 and 2015-2016. The costs have been split between the Chief Constable and the PCC to separately identify the resources consumed at the request of the Chief Constable from those costs exclusively incurred by the PCC. Costs exclusively incurred by the PCC include the day to day costs of administering the Office of the PCC and supporting the PCC, as well as working directly with local communities and the public. All grants and income are paid directly to the PCC.

The operating income and expenditure for the PCC and PCC Group is presented in a subjective analysis format. It differs from the objective analysis format of income and expenditure on the face of the Comprehensive Income and Expenditure Statements. Both formats are used by management to aid decisions about resource allocation in internal management reports.

	PCC 2016-17 £'000	Chief Constable 2016-17 £'000	PCC Group 2016-17 £'000
Expenditure			
<u>Employees</u>			
Pay and Other Employment Costs	1,201	127,033	128,234
Police Pensions Current Service Cost	-	22,620	22,620
	<u>1,201</u>	<u>149,653</u>	<u>150,854</u>
<u>Running Expenses</u>			
Premises	-	6,795	6,795
Transport	23	4,327	4,350
Supplies and Services	4,192	24,207	28,399
Agency Services	-	380	380
Special Constables	-	35	35
Capital Charges & Impairment of Assets	-	4,035	4,035
Non Distributable Cost	-	77	77
	<u>4,215</u>	<u>39,856</u>	<u>44,071</u>
Total Expenditure	<u>5,416</u>	<u>189,509</u>	<u>194,925</u>
Income	<u>(15,359)</u>	<u>-</u>	<u>(15,359)</u>
	<u>(9,943)</u>	<u>189,509</u>	<u>179,566</u>
Intra - Group adjustments *	218,995	(218,995)	-
Net Cost of Policing Services	<u>209,052</u>	<u>(29,486)</u>	<u>179,566</u>

* PCC payment for PCC financial resources consumed at the request of the Chief Constable and year end adjustments as shown in note 2.

	PCC 2015-16 £'000	Chief Constable 2015-16 £'000	PCC Group 2015-16 £'000
Expenditure			
<u>Employees</u>			
Pay and Other Employment Costs	1,425	135,320	136,745
Police Pensions Current Service Cost	-	29,950	29,950
	<u>1,425</u>	<u>165,270</u>	<u>166,695</u>
<u>Running Expenses</u>			
Premises	-	6,688	6,688
Transport	21	4,784	4,805
Supplies and Services	4,468	23,104	27,572
Agency Services	-	40	40
Special Constables	-	54	54
Capital Charges & Impairment of Assets	-	5,788	5,788
Non Distributable Cost	(7)	(234)	(241)
	<u>4,482</u>	<u>40,224</u>	<u>44,706</u>
Total Expenditure	<u>5,907</u>	<u>205,494</u>	<u>211,401</u>
Income	<u>(16,674)</u>	<u>-</u>	<u>(16,674)</u>
	<u>(10,767)</u>	<u>205,494</u>	<u>194,727</u>
Intra - Group adjustments *	222,884	(222,884)	-
Net Cost of Policing Services	<u>212,117</u>	<u>(17,390)</u>	<u>194,727</u>

* PCC payment for PCC financial resources consumed at the request of the Chief Constable and year end adjustments as shown in note 2.

4. PENSIONS INCOME & EXPENDITURE ACCOUNT

The cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Statements with the inclusion of the amount reflecting the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge that is required to be made against Council Tax is based on the cash payable in the year. The real cost of retirement benefits is deducted in the Statement of Movement in the General Fund Balance, and replaced with actual pensions paid/contributions.

The following transactions have been made in the Comprehensive Income and Expenditure Statements and Statements of Movement in the General Fund Balance during the year:

PCC Group	Local Government Pension Scheme		Police Pension Schemes	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement				
Net Cost of Service				
Current Service Cost (Gross)	7,405	9,525	22,620	29,950
Non Distributed Costs	77	(381)	-	140
	<u>7,482</u>	<u>9,144</u>	<u>22,620</u>	<u>30,090</u>
Net Operating Expenditure				
Interest Cost	8,745	8,792	58,680	61,990
Interest Income	(6,926)	(6,110)	-	-
	<u>1,819</u>	<u>2,682</u>	<u>58,680</u>	<u>61,990</u>
Net Charge to the Comprehensive Income and Expenditure Statement	<u>9,301</u>	<u>11,826</u>	<u>81,300</u>	<u>92,080</u>
Statement of Movement in the General Fund Balance				
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS 19	<u>(9,301)</u>	<u>(11,826)</u>	<u>(81,300)</u>	<u>(92,080)</u>
Actual amount charged against the General Fund Balance for Pensions in the Year:				
Employer's Contributions Payable to Scheme	<u>6,849</u>	<u>7,383</u>	<u>12,295</u>	<u>12,530</u>
Retirement Benefits Payable to Pensioners (Gross)	<u>-</u>	<u>-</u>	<u>755</u>	<u>850</u>

PCC**Local Government
Pension Scheme**

31 March 2017 £'000	31 March 2016 £'000
---------------------------	---------------------------

**Comprehensive Income and Expenditure
Statement**

Net Cost of Service

Current Service Cost (Gross)

188 258

Non Distributed Costs

- (7)

188 251

Net Operating Expenditure

Interest Cost

222 238

Interest Income

(176) (166)

46 72

Net Charge to the Comprehensive Income and
Expenditure Statement234 323**Statement of Movement in the General Fund
Balance**Reversal of Net Charges made for Retirement
Benefits in Accordance with IAS 19(234) (323)**Actual amount charged against the General Fund
Balance for Pensions in the Year:**

Employer's Contributions Payable to Scheme

174 200**5. OPERATING LEASES**

The PCC Group has a number of operating leases of buildings (see the glossary of accounting terms for definitions of lease types).

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

2015 - 16 £' 000		2016 - 17 £' 000
446	Not later than one year	366
933	Later than one year and not later than five years	480
<u>1,379</u>		<u>846</u>

The expenditure charged to the Comprehensive Income and Expenditure Statements during the year in relation to these leases was:

2015 - 16 £' 000	Minimum lease payments - Buildings	2016 - 17 £' 000	Term left on lease
72	Lairgate, Beverley	72	1 year
35	Winn House, Beverley	35	4 years
32	Vehicle Shop, George Street, Hull	30	-
75	Humberside Airport, Kirmington	55	-
50	Layerthorpe Road, Hull	50	1 Year
23	Freedom Centre, Preston Road, Hull	23	2 years
51	Regional Property, Castleford	-	-
167	Bridgeview Units, Hessle	168	2 years
31	Other	27	
<u>536</u>		<u>460</u>	

6. OTHER OPERATING EXPENDITURE

(Gain) / Loss on the Sale of Non-Current Assets:

2015-16 £'000		Net Book Value	2016-17 £'000 Receipt	Total
(134)	Land and Buildings	1,000	(1,381)	(381)
(134)	Gain from the Sale of Non Current Assets	1,000	(1,381)	(381)
391	Vehicles Plant and Equipment	671	(54)	617
7	Intangible Assets	19	-	19
398	Loss on the Sale of Non Current Assets Sold	690	(54)	636
<u>264</u>	(Gain) / Loss on the Sale of Non Current Assets	<u>1,690</u>	<u>(1,435)</u>	<u>255</u>

The Comprehensive Income and Expenditure Statements include an amount of £135k revenue income in respect of vehicles sold during 2016-17 (£72k during 2015-16). Income from the sale of non current assets with a value of less than the de minimis limit of £10k is not classed as a capital receipt, and is excluded from the calculation of gains and losses on the Disposal of Non Current Assets.

7. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

PCC Group

2015-16 £'000		2016-17 £'000
1,123	Interest payable and similar charges	1,029
64,672	Pensions interest cost net of interest on pension assets	60,499
(154)	Interest receivable	(104)
(177)	Impairment of financial assets	(6)
<u>65,464</u>		<u>61,418</u>

PCC

2015-16		2016-17
£'000		£'000
1,123	Interest payable and similar charges	1,029
73	Pensions interest cost net of interest on pension assets	46
(154)	Interest receivable	(104)
(177)	Impairment of financial assets	(6)
<u>865</u>		<u>965</u>

8. TAXATION AND NON SPECIFIC GRANT INCOME

2015-16		2016-17
£'000		£'000
46,206	Council Tax Income	48,175
124,508	General Government Grants	123,855
39,406	Police Pensions Top Up Grant receivable	37,333
1,695	Capital Grants	1,331
<u>211,815</u>		<u>210,694</u>

The Police Pensions Top Up Grant has been accounted for in accordance with the CIPFA Code of Practice Guidance Notes (i.e. CIPFA's interpretation of its Code of Practice on Local Authority Accounting).

9. OFFICE OF THE POLICE AND CRIME COMMISSIONER

The expenditure of the Office of the Police and Crime Commissioner is shown below.

2015-16		2016-17
£'000		£'000
7	Members Allowances	6
1,418	Support Staff	1,195
21	Transport	23
260	Supplies and Services	297
19	NPCC	19
(9)	ACPO	-
3,820	Third Party Payments	3,714
(22)	Fees & Charges and Other Income	(28)
<u>(1,029)</u>	Specific Grants	<u>(1,092)</u>
<u>4,485</u>		<u>4,134</u>

Third Party Payments comprise contributions made by the Commissioner in respect of community safety initiatives.

10. OFFICERS' EMOLUMENTS

The number of employees whose remuneration, excluding employer's pension contributions was £50,000 or more in bands of £5,000 was:

2015-16		2016-17		
No.s	Remuneration band £	Police Officers No.s	Support Staff No.s	Total No.s
118	50,000 - 54,999	125	3	128
84	55,000 - 59,999	86	1	87
9	60,000 - 64,999	20	2	22
12	65,000 - 69,999	7	3	10
8	70,000 - 74,999	7	1	8
3	75,000 - 79,999	8	-	8
6	80,000 - 84,999	3	-	3
4	85,000 - 89,999	6	1	7
2	90,000 - 94,999	-	-	-
-	95,000 - 99,999	2	-	2
-	100,000 - 104,999	-	-	-
-	105,000 - 109,999	-	-	-
-	110,000 - 114,999	-	-	-
1	115,000 - 119,999	1	-	1
1	120,000 - 124,999	-	-	-
1	125,000 - 129,999	-	1	1
-	130,000 - 134,999	1	-	1
-	135,000 - 139,999	-	1	1
-	140,000 - 144,999	-	-	-
-	145,000 - 149,999	-	-	-
1	150,000 - 154,999	-	-	-
-	155,000 - 159,999	-	-	-
-	160,000 - 164,999	1	-	1
<u>250</u>		<u>267</u>	<u>13</u>	<u>280</u>

The Officers disclosed separately in Note 11 are included in the bands above.

A number of employees work in shared services with other regional forces. Disclosure of such employees is made in the accounts of the force that holds the employment contract of those individuals.

The numbers of employee compulsory and voluntary exit packages agreed with total cost per band and total cost of the redundancies are set out below:

2016-17				
Exit package cost band £	No.of compulsory redundancies	No.of other agreed departures	Total No.of exit packages by cost band	Total cost of exit packages in each band £'000
0 -20,000	<u>3</u>	<u>-</u>	<u>3</u>	<u>11</u>
	<u>3</u>	<u>-</u>	<u>3</u>	<u>11</u>

2015-16

Exit package cost band £	No.of compulsory redundancies	No.of other agreed departures	Total No.of exit packages by cost band	Total cost of exit packages in each band £'000
0 -20,000	5	7	12	112
20,001 - 40,000	1	5	6	166
40,001 - 60,000	1	1	2	90
	<u>7</u>	<u>13</u>	<u>20</u>	<u>368</u>

11. SENIOR OFFICERS & RELEVANT POLICE OFFICERS EMOLUMENTS

Senior Officers and Relevant Police Officers whose salary is less than £150,000 but equal to or more than £50,000 per year:

Post Holder	Note	2016-2017						
		Salary (Including Fees & Allowances)	Benefits in Kind	Other Emoluments	Compensatory Grant	Total Remuneration excluding Pension Contributions	Pension Contributions	Total Remuneration including Pension Contributions
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Chief Constable</u>								
Chief Constable	1	147	13	-	2	162	35	197
Deputy Chief Constable		119	10	3	-	132	29	161
Assistant Chief Constable Operations	2	25	-	-	-	25	4	29
Assistant Chief Constable Operations	3	88	11	-	-	99	21	120
Assistant Chief Constable Communities		108	9	-	-	117	25	142
Assistant Chief Officer Human Resources	4	120	2	14	-	136	26	162
Assistant Chief Officer Support		110	4	15	-	129	24	153
		<u>717</u>	<u>49</u>	<u>32</u>	<u>2</u>	<u>800</u>	<u>164</u>	<u>964</u>
<u>PCC</u>								
Police and Crime Commissioner	5	8	-	-	-	8	2	10
Police and Crime Commissioner	6	67	-	-	-	67	14	81
Deputy Police and Crime Commissioner	7	5	-	-	-	5	1	6
Chief Executive	8	51	-	5	-	56	11	67
Chief Executive	9	31	-	-	-	31	7	38
Deputy Chief Executive & Treasurer		66	-	-	-	66	-	66
		<u>228</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>233</u>	<u>35</u>	<u>268</u>
<u>PCC Group</u>		<u>945</u>	<u>49</u>	<u>37</u>	<u>2</u>	<u>1,033</u>	<u>199</u>	<u>1,232</u>

Note:

- 1 Chief Constable left the Force on 12 May 2017
- 2 Assistant Chief Constable Operations to 1 June 2016
- 3 Assistant Chief Constable Operations from 16 May 2016
- 4 Assistant Chief Officer Human Resources left the Force on 12 June 2017
- 5 Police and Crime Commissioner to 11 May 2016
- 6 Police and Crime Commissioner from 12 May 2016
- 7 Deputy Police and Crime Commissioner to 11 May 2016
- 8 Chief Executive to 15 November 2016
- 9 Chief Executive from 7 November 2016

Post Holder	Note	2015- 2016						Total	Total
		Salary	Benefits in	Other	Compensatory	Total	Pension	Remuneration	
		(Including Fees & Allowances)	Kind	Emoluments	Grant	Remuneration excluding Pension Contributions	Contributions	including Pension Contributions	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Chief Constable									
Chief Constable		146	4	-	2	152	34	186	
Deputy Chief Constable	1	36	-	-	-	36	9	45	
Deputy Chief Constable	2	98	6	13	-	117	24	141	
Assistant Chief Constable Operations	3	34	1	-	-	35	-	35	
Assistant Chief Constable Operations	4	84	6	-	-	90	19	109	
Assistant Chief Constable Communities	5	92	2	-	-	94	21	115	
Temporary Assistant Chief Constable Operations	6	14	-	-	-	14	2	16	
Assistant Chief Officer Human Resources		119	8	-	-	127	26	153	
Assistant Chief Officer Support		109	13	-	-	122	23	145	
		732	40	13	2	787	158	945	
PCC									
Police and Crime Commissioner		75	-	-	-	75	16	91	
Deputy Police and Crime Commissioner		46	-	-	-	46	10	56	
Chief Executive		82	-	10	-	92	18	110	
Deputy Chief Executive & Treasurer		81	-	-	-	81	18	99	
		284	-	10	-	294	62	356	
PCC Group		1,016	40	23	2	1,081	220	1,301	

Note:

- 1 Deputy Chief Constable to 21 July 2015
- 2 Deputy Chief Constable from 1 June 2015
- 3 Assistant Chief Constable Operations to 19 July 2015
- 4 Assistant Chief Constable Operations from 1 June 2015
- 5 Assistant Chief Constable Communities from 5 May 2015
- 6 Temporary Assistant Chief Constable Operations to 10 May 2015

Other Emoluments paid to the two Assistant Chief Officers relate to their fleet vehicles being withdrawn. The remainder are in respect of removal expenses.

A shared service agreement exists with the OPCC for South Yorkshire (OPCCSY) in respect of the emoluments (and travel and subsistence expenses) of the Assistant Chief Officer (Human Resources), subject to periodic reviews. 50% of all these costs are recoverable from OPCCSY. The emoluments which are recoverable from OPCCSY for 2016-17 amount to £90.4k (2015-16 £80.6k), including Employer's National Insurance of £8.6k (2015-16 £7.1k).

No bonuses or compensation for loss of office were paid to Senior Officers during 2016/17 or 2015/16.

12. RELATED PARTY TRANSACTIONS

In accordance with the reporting requirements of IAS 24, the Group is required to disclose details of material transactions with related parties, that is bodies or individuals that have the potential to influence the Group or to be controlled or influenced by the Group.

There are direct relationships between the PCC and a number of central and local government organisations, the main ones being the Home Office (Police Grant), the Ministry of Justice (Grant) and the four Unitary Authorities (Council Tax/ Precepts). These are disclosed elsewhere in the financial statements.

The PCC has direct control over the Group's finances and is responsible for setting priorities through the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the PCC, to deliver the Force aims and objectives set out in the Police and Crime Plan. Section 28 of the Police Reform and Social Responsibility Act 2011 requires that local authorities covered by the police area must establish a Police and Crime Panel (PCP) for that area. The PCP scrutinises the decisions of the PCC, reviews the Police and Crime Plan and has a right of veto over the precept.

There are also direct relationships between the PCC and other PCCs within the Yorkshire and Humberside region in respect of Regional Collaboration arrangements. Details are disclosed in note 17 to the financial statements.

Two Senior Officers of Humberside Police are also Directors of Emergency Services Fleet Management (Humberside) Ltd – Chief Superintendent Lauren Poultney and Assistant Chief Officer Support Philip Goatley. Emergency Services Fleet Management (Humberside) Ltd is a joint operation that provides vehicle maintenance services to Humberside Police and Humberside Fire Authority. The company supplied services to Humberside Police with a value of £1,976,731 during 2016/17 (£1,899,925 during 2015-16). The PCC Group leases part of its Melton workshop facility to the company. The rent charged for 2016-17 was £198,799 (2015-16 £198,779). Details of Humberside Police's share of income, expenditure, assets and liabilities of this joint operation are disclosed in note 17 to the financial statements.

A survey of the Police and Crime Commissioner for Humberside, Senior Staff within the OPCC, the Chief Constable/Senior Officers of Humberside Police and parties related to them was undertaken in preparing these financial statements. Except as disclosed above, no material related party transactions were identified.

13. ADDITIONAL GRANTS

Additional grants were received from numerous bodies, and are included as part of total income. Details of those that are £10k and above are shown below:

	2016-17
	£
DSP Port Security (Home Office)	1,425,295
Victim Services and Restorative Justice (Ministry of Justice)	1,091,981
DSP Port Security Armed Response (Home Office)	794,103
Prison Intelligence Officer (Home Office)	147,512
Communications Capabilities Development Project (Home Office)	59,996
Operation Northman (Home Office)	54,281
Operation Dragonroot (Home Office)	38,021
Windfarm Funding (Driffield Farmwatch)	13,200
	<u><u>3,624,389</u></u>

	2015-16
	£
DSP Port Security (Home Office)	2,048,672
Victim Services and Restorative Justice (Ministry of Justice)	1,028,379
Prison Intelligence Officer (Home Office)	147,748
Counter Terrorism Security Advisor (Home Office)	117,523
Communications Capabilities Development Project (Home Office)	56,189
Drug Driving Intervention Grant (Department for Transport)	50,000
Crime Reduction Team/Anti Social Behaviour Project - CitySafe (Hull City Council)	19,960
	<u><u>3,468,471</u></u>

The above exclude the Pension Fund Grant.

14. PRECEPT/COUNCIL TAX

2016-17

Band	A	B	C	D	E	F	G	H
Rate £	122.45	142.85	163.26	183.67	224.49	265.30	306.12	367.34

2015-16

Band	A	B	C	D	E	F	G	H
Rate £	120.05	140.06	160.07	180.08	220.10	260.12	300.13	360.16

The Council Tax collected for each of the Local Authorities for the financial year is:

2015-16		2016-17
£'000		£'000
20,171	East Riding of Yorkshire Council	20,848
10,362	Kingston Upon Hull City Council	10,904
7,359	North East Lincolnshire Council	7,740
8,314	North Lincolnshire Council	8,683
<hr/> 46,206 <hr/>		<hr/> 48,175 <hr/>

15. EXTERNAL AUDIT FEES

The external audit fees payable to KPMG LLP for 2016-17 is £48.8k (2015-16 £49.9k) for the PCC Group, of which £33.8k (2015-16 £34.9k) is in respect of the PCC.

16. GENERAL GOVERNMENT GRANTS

Analysis of General Government Grants	2015-16	2016-17
	£'000	£'000
Police Revenue Grant (Home Office)	114,467	113,814
Council Tax Support Grants (Home Office)	8,341	8,341
Council Tax Freeze Grants (Home Office)	1,700	1,700
Total General Government Grants	<hr/> 124,508 <hr/>	<hr/> 123,855 <hr/>

17. REGIONAL COLLABORATION

Regional Collaboration Board (RCB)

The Regional Collaboration Programme was developed to bring opportunities to participating Forces across many policing activities whilst retaining local Police Forces, local identity and local accountability.

A Regional Collaboration Board (RCB) has governance of the arrangements. This Board comprises the four PCCs within the Yorkshire and Humberside Region together with their respective Chief Constables and Chief Executives. The arrangements are subject to agreement under Section 22A of the Police Act 1996 (as amended).

Regional Collaboration is funded from contributions made by the four participating PCCs and the level of contribution from each PCC is dependent upon an assessment of the benefit to be derived from each specific project or initiative.

Lead Force collaboration arrangements

A Lead Force model has been adopted for each functional area of regional collaboration, with the RCB having governance over all the arrangements.

The PCC for Humberside has Lead Force responsibility within the regional programme for property matters and marine services. Premises leased for the regional programme are detailed in Note 5 to the financial statements.

Memorandum accounts for marine services for the year ended 31 March 2017 are as follows:

2015-16 £'000		2016-17 £'000	£'000
	<u>Expenditure</u>		
574	Staff Costs	600	
43	Property Related Expenses	43	
31	Supplies and Services	18	
75	Transport Related Expenses	58	
-	Capital charges	15	
<u>723</u>			734
	<u>Income</u>		
16	Fees & Charges *	-	
707	Contributions (see below)	722	
-	Other income	5	
<u>723</u>			<u>727</u>
<u>-</u>	Deficit in year		<u>7</u>
	<u>Contributions</u>		
194	West Yorkshire		213
119	South Yorkshire		130
82	North Yorkshire		36
<u>312</u>	Humberside		<u>343</u>
<u>707</u>			<u>722</u>
	* Made up of charges not included in Contributions to:		
14	State of Jersey Police		-
2	Other		-
<u>16</u>			<u>-</u>

The PCC for Humberside has made contributions during the year ended 31 March 2017 to other Lead Forces as follows:

Lead Force	Functional area	Contributions made	
		2015-16 £'000	2016-17 £'000
OPCC for South Yorkshire	Procurement and Stores	398	374
	Firearms	25	25
OPCC for West Yorkshire	Serious and Organised Crime	580	764
	Scientific Support	4,162	4,300
	Confidential Unit	108	281
	Prison Liaison	105	261

Other Regional Collaboration arrangements

The PCC for Humberside collaborates in a two force partnership with the OPCC for South Yorkshire (OPCCSY) on the provision of Human Resources and Training, Information Services and Joint Special Operations Uniformed (JSOU). The JSOU commenced with effect from 1st April 2016. The costs of each of these collaborations are shared based on the total size of the respective force budgets assessed using a measure of net revenue expenditure. The summary position for each of these joint operations is outlined below:

2016-17	JSOU £'000	Human Resources & Training £'000	Information Services £'000
<u>Expenditure</u>			
Staff Costs	21,765	10,446	5,307
Property Related Expenses	264	4	5
Supplies and Services	519	447	4,092
Transport Related Expenses	570	378	201
Third Party Costs	(2)	4	-
	23,116	11,279	9,605
<u>Income</u>			
Contributions (see below)	22,551	11,220	9,604
Other Income	565	59	1
	23,116	11,279	9,605
Deficit/(Surplus) in year	-	-	-
<u>Contributions</u>			
Humberside Police	9,275	4,615	4,137
South Yorkshire	13,276	6,605	5,467
	22,551	11,220	9,604

2015-16	Human Resources & Training £'000	Information Services £'000
<u>Expenditure</u>		
Staff Costs	9,602	4,447
Property Related Expenses	2	5
Supplies and Services	471	2,411
Transport Related Expenses	365	174
	10,440	7,037
 <u>Income</u>		
Contributions (see below)	10,340	6,703
Grant income	-	333
Other Income	100	1
	10,440	7,037
	-	-
 <u>Contributions</u>		
Humberside Police	4,253	2,973
South Yorkshire	6,087	3,730
	10,340	6,703

Humberside Police and Humberside Fire Authority collaborate on a joint operation in respect of their emergency vehicle maintenance requirements, which are delivered by Emergency Services Fleet Management (Humberside) Ltd, a company limited by guarantee which was established for that purpose. Humberside Police retain joint control of this company with Humberside Fire Authority. The amounts included in the PCC Group financial statements in respect of this joint operation are as follows:

2015-16		2016-17
50% share		50% share
£'000		£'000
Comprehensive Income and Expenditure Statement		
(13)	Income	(10)
690	Pay and employment costs	682
100	Premises	100
671	Transport	598
68	Supplies and Services	70
20	Capital charges	27
<u>1,536</u>	Net Cost	<u>1,467</u>
Balance Sheet		
194	Property, Plant & Equipment	183
57	Inventories	53
14	Short Term Debtors	52
223	Cash and Cash Equivalents	162
(111)	Short Term Creditors	(95)
<u>377</u>	Net Assets	<u>355</u>

18. PUBLICITY

In accordance with section 5(1) of the Local Government Act 1986, the PCC has to disclose certain categories of publicity/advertising expenditure.

2015-16		2016-17
£'000		£'000
3	Recruitment Advertising	11
<u>15</u>	Publicity	<u>9</u>
<u>18</u>		<u>20</u>

19. PROPERTY, PLANT & EQUIPMENT

	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets for Disposal	TOTAL
	£'000	£'000	£'000	£'000
Gross Book Value				
As at 1st April 2016	57,139	32,866	1,200	91,205
Additions & Enhancements	1,226	3,140	-	4,366
Disposals	-	(7,864)	(1,000)	(8,864)
Revaluations	(603)	94	-	(509)
As at 31st March 2017	57,762	28,236	200	86,198
Depreciation				
To 31st March 2016	323	18,679	-	19,002
In Year	1,253	2,893	-	4,146
On Assets Revalued	(1,097)	(406)	-	(1,503)
On Assets Sold	-	(7,193)	-	(7,193)
As at 31st March 2017	479	13,973	-	14,452
Net Book Value				
As at 31st March 2017	57,283	14,263	200	71,746
Net Book Value				
As at 31st March 2016	56,816	14,187	1,200	72,203

The amount of borrowing costs included in the gross book value of Land & Buildings as at 31 March 2017 is £400k (31 March 2016 £400k). No borrowing costs have been capitalised in 2016-17 or 2015 -16.

	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets for Disposal	TOTAL
	£'000	£'000	£'000	£'000
Gross Book Value				
As at 1st April 2015	60,244	32,534	672	93,450
Transfers	(1,200)	-	1,200	-
Additions & Enhancements	1,233	3,029	2	4,264
Disposals	(431)	(2,350)	(674)	(3,455)
Revaluations	(2,707)	(347)	-	(3,054)
As at 31st March 2016	57,139	32,866	1,200	91,205
Depreciation				
To 31st March 2015	298	17,637	-	17,935
In Year	1,221	3,121	-	4,342
On Assets Revalued	(1,179)	(141)	-	(1,320)
On Assets Sold	(17)	(1,938)	-	(1,955)
As at 31st March 2016	323	18,679	-	19,002
Net Book Value				
As at 31st March 2016	56,816	14,187	1,200	72,203
Net Book Value				
As at 31st March 2015	59,946	14,897	672	75,515

Statement of Physical Assets

<u>31 March</u> <u>2016</u>		<u>31 March</u> <u>2017</u>
52	Police Stations	51
603	Vehicles	596
1	Helicopter	-

20. INTANGIBLE ASSETS

	£'000		£'000
Gross Book Value		Gross Book Value	
As at 1st April 2016	1,204	As at 1st April 2015	1,309
Additions & Enhancements	567	Additions & Enhancements	363
Disposals	(284)	Disposals	(468)
As at 31st March 2017	<u>1,487</u>	As at 31st March 2016	<u>1,204</u>
Amortisation		Amortisation	
To 31st March 2016	587	To 31st March 2015	912
In Year	184	In Year	136
On Disposals	(265)	On Disposals	(461)
As at 31st March 2017	<u>506</u>	As at 31st March 2016	<u>587</u>
Net Book Value		Net Book Value	
As at 31st March 2017	<u>981</u>	As at 31st March 2016	<u>617</u>
Net Book Value		Net Book Value	
As at 31st March 2016	<u>617</u>	As at 31st March 2015	<u>397</u>

The Intangible Assets relate to computer software capitalised.

21. PROPERTY VALUATIONS

The PCC Group carries out a five year rolling programme of valuations of its Land and Buildings. The basis for valuation is set out in the Statement of Accounting Policies. Valuations were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. All valuations have been carried out by external valuers.

Summary by effective date of latest valuation

	Land and Buildings £'000	Surplus Assets for Disposal £'000
Carried at historical cost	76	-
Valued at current value as at:		
31 March 2014	4,865	-
31 March 2015	2,280	-
31 March 2016	3,895	-
31 March 2017	46,646	200
Total Gross Book Value	<u>57,762</u>	<u>200</u>

Plant and Equipment of £3,469k (31 March 2016 £3,444k) is carried at current value in the gross book value of Vehicles, Plant and Equipment.

Fair Value disclosures for surplus assets for disposal

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Fair value of surplus land and buildings as at 31 March 2017	-	200	-

There were no transfers between Levels 1, 2 or 3 during the year.

Valuation techniques used to determine fair values for surplus assets:

Quoted prices in active markets for identical assets (Level 1)

There are no surplus assets categorised at Level 1 in the fair value hierarchy.

Other significant observable inputs (Level 2)

The fair value shown above is based on quoted prices for similar land and buildings in active markets. Market conditions are such that similar assets are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant unobservable inputs (Level 3)

There are no surplus assets categorised at Level 3 in the fair value hierarchy.

Valuation process for surplus assets:

The fair value of surplus assets is measured annually as at 31 March by external valuers. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. There have been no changes in valuation techniques used during the year.

22. SUMMARY OF CAPITAL EXPENDITURE AND SOURCES OF FINANCE

The note below shows the movement in the Capital Financing Requirement due to capital expenditure for 2016-17, and the source of finance used.

The Capital Financing Requirement is an indicator that authorities have to include within the suite of Prudential Indicators relating to capital finance in Local Authorities.

It is a measure of the PCC Group's underlying need to borrow for capital purpose. The PCC Group has decided to part fund capital by using prudential borrowing, this is reflected in the Capital Financing Requirement balance at the end of the financial year.

2015-16		2016-17
£'000		£'000
60,849	Opening Capital Financing Requirement	59,933
	<u>Capital Investment</u>	
4,264	Property, Plant and Equipment	4,366
363	Intangible Assets	567
	<u>Sources of finance</u>	
-	Revenue funding of Capital	(52)
(2,605)	Revenue Provision	(2,688)
(1,695)	Capital Grant	(1,331)
(1,243)	Capital Receipts	(1,435)
<u>59,933</u>	Closing Capital Financing Requirement	<u>59,360</u>
	<u>Explanation of Movements in Year</u>	
(916)	Increase/(Decrease) in underlying need to borrow	(573)
<u>(916)</u>	Increase/ (Decrease) in Capital Financing Requirement	<u>(573)</u>

23. LONG TERM DEBTORS

2015-16		2016-17
£'000		£'000
480	Other Local Authorities	420
<u>480</u>		<u>420</u>

24. INVENTORIES

2015-16		2016-17
£'000		£'000
146	Fuel	118
57	Vehicle maintenance	53
<u>203</u>		<u>171</u>

25. PREPAYMENTS AND DEBTORS/ACCRUALS

PCC Group

2015-16 £'000		2016-17 £'000
10,010	Government Departments	12,336
5,877	Other Police and Local Authorities	4,707
1,047	Other	1,332
<u>16,934</u>		<u>18,375</u>

PCC

2015-16 £'000		2016-17 £'000
10,010	Government Departments	12,336
5,877	Other Police and Local Authorities	4,707
1,020	Other	1,321
<u>16,907</u>		<u>18,364</u>

26. SHORT TERM DEBTORS

PCC Group

2015-16 £'000		2016-17 £'000
16,861	Debtors & Accruals	17,605
40	Prepayments Other Police	273
33	Prepayments Other	497
<u>16,934</u>		<u>18,375</u>

PCC

2015-16 £'000		2016-17 £'000
16,834	Debtors & Accruals	17,594
40	Prepayments Other Police	273
33	Prepayments Other	497
<u>16,907</u>		<u>18,364</u>

27. INCOME IN ADVANCE AND CREDITORS/ACCRUALS

PCC Group

2015-16 £'000		2016-17 £'000
3,585	Government Departments	3,725
11,812	Other Police and Local Authorities	8,346
8,416	Other	7,449
<u>23,813</u>		<u>19,520</u>

PCC

2015-16 £'000		2016-17 £'000
565	Government Departments	454
15,536	Other Police and Local Authorities	12,342
3,784	Other	3,314
<u>19,885</u>		<u>16,110</u>

28. SHORT TERM CREDITORS

PCC Group

2015-16 £'000		2016-17 £'000
-	Income in Advance	326
23,813	Creditors & Accruals	19,194
<u>23,813</u>		<u>19,520</u>

PCC

2015-16 £'000		2016-17 £'000
-	Income in Advance	326
19,885	Creditors & Accruals	15,784
<u>19,885</u>		<u>16,110</u>

29. SHORT TERM BORROWING

This relates to borrowing due for maturing within 12 months.

	Balance at 1st April 2016	Movement 2016-17	Balance at 31st March 2017
	£'000	£'000	£'000
Public Works Loan Board	2,740	(314)	2,426

30. PROVISIONS

The PCC and the PCC Group has provided funds for the following:

	Balance at 1st April 2016	Contributions To/From the Provision	Expenditure Met from the Provision	Balance at 31st March 2017
	£'000	£'000	£'000	£'000
Compensatory Grant	57	22	(57)	22
Legal claims	-	200	-	200
	<u>57</u>	<u>222</u>	<u>(57)</u>	<u>222</u>

Compensatory Grant is a payment to police officers that reimburses them for the amount of income tax paid on rent allowance received in the previous financial year. It is paid early in the following financial year.

The legal claims are anticipated payments to be made in respect of the loss of Protected Pension Age.

31. LONG TERM BORROWING

This relates to borrowing that will need to be repaid after more than one year.

	Balance at 1st April 2016	Loans Repaid	Transferred to Short Term Borrowing	Balance at 31st March 2017
	£'000	£'000	£'000	£'000
Public Works Loan Board	29,207	(2,740)	314	26,781

Analysis of Loans by Maturity

Debt at 31st March 2016 £'000		Debt at 31st March 2017 £'000
2,426	1 - 2 years	3,404
10,193	2 - 5 years	10,114
13,803	5 - 10 years	10,731
762	10 - 15 years	532
2,023	> 15 yrs	2,000
<u>29,207</u>		<u>26,781</u>

32. USABLE RESERVES

The PCC and PCC Group has four revenue reserves and one capital reserve:

Performance Improvement Reserve

This Reserve has been provided specifically to support initiatives that are aimed at securing improvements and will “pump prime” and meet the initial cost of investment in services.

Partnership Reserve

This Reserve was created to allow the PCC/ PCC Group to continue schemes that were previously funded by partner agencies and to support partnership work.

Risk Management Reserve

This Reserve will allow the Chief Constable and the PCC to assist in meeting the cost of items highlighted through the Chief Constable’s and the PCC’s risk management processes.

General Reserve

This Reserve is currently being maintained at 3% of the net revenue budget and is designed to cushion the PCC/ PCC Group against unforeseen expenditure pressures.

Capital Grants Unapplied Reserve

This Reserve holds capital grants received where the conditions for recognising the income have been met but the related expenditure has not yet been incurred.

The movements on the usable reserves are:

2016-17	Opening Balance £'000	Transfers to/ (from) Reserves £'000	Closing Balance £'000
Revenue Reserves			
Performance Improvement Reserve	25,939	(1,133)	24,806
Partnership Reserve	483	2,017	2,500
Risk Management Reserve	1,800	-	1,800
General Reserve	5,196	24	5,220
General Fund Balance	33,418	908	34,326
Capital Reserve			
Capital Grants Unapplied Reserve	-	482	482
Total Usable Reserves	33,418	1,390	34,808

2015-16	Opening Balance £'000	Transfers to/ (from) Reserves £'000	Closing Balance £'000
Revenue Reserves			
Performance Improvement Reserve	25,873	66	25,939
Partnership Reserve	483	-	483
Risk Management Reserve	1,800	-	1,800
General Reserve	5,189	7	5,196
General Fund Balance	33,345	73	33,418
Capital Reserve			
Capital Grants Unapplied Reserve	-	-	-
Total Usable Reserves	33,345	73	33,418

33. UNUSABLE RESERVES

PCC Group

2015-16 £'000	2016-17 £'000
(1,718,008) Pensions Reserve	(2,100,757)
4,196 Capital Adjustment Account	3,387
8,692 Revaluation Reserve	9,498
1,721 Collection Fund Adjustment Account	1,432
(3,924) Accumulated Absences Adjustment Account	(3,422)
(1,707,323)	(2,089,862)

PCC

2015-16 £'000	2016-17 £'000
(1,363) Pensions Reserve	(1,699)
4,196 Capital Adjustment Account	3,387
8,692 Revaluation Reserve	9,498
1,721 Collection Fund Adjustment Account	1,432
(23) Accumulated Absences Adjustment Account	(23)
13,223	12,595

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 PCC/ PCC Group 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 PCC/ PCC Group makes employer's contributions to pension funds or eventually pay any pensions for which they are 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 PCC/ PCC Group 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.

PCC Group Pensions Reserve

2015-16		2016-17
£'000		£'000
(1,969,426)	Opening Balance	(1,718,008)
298,576	Actuarial Gains or (losses) on the pensions assets and liabilities	(351,303)
	Reversal of items relating to retirement benefits debited /credited to the Surplus or Deficit on the Provision of Services in the CIES	
(103,906)		(90,601)
56,748	Employers pensions contributions and direct payments to pensioners	59,155
(1,718,008)	Closing Balance	(2,100,757)

PCC Pensions Reserve

2015-16		2016-17
£'000		£'000
(2,061)	Opening Balance	(1,363)
944	Actuarial Gains or (losses) on the pensions assets and liabilities	(359)
	Reversal of items relating to retirement benefits debited /credited to the Surplus	
(323)	or Deficit on the Provision of Services in the CIES	(234)
77	Employers pensions contributions and direct payments to pensioners	257
(1,363)	Closing Balance	(1,699)

Capital Adjustment Account

The Capital Adjustment Account is credited with amounts set aside by the PCC/ PCC Group to finance expenditure on non-current assets and absorbs the timing differences that might arise as a result of setting aside of resources being out of line with accounting charges for depreciation and impairment losses.

The Capital Adjustment 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.

2015-16		2016-17
£'000		£'000
5,382	Opening Balance	4,196
-	Direct revenue financing	52
2,605	Minimum revenue provision	2,688
(1,309)	Revaluation reserve write down	295
1,243	Receipts on disposal of non current assets	1,428
(1,030)	Carrying value of disposed assets	(1,872)
(4,478)	Annual depreciation and impairment	(4,330)
88	Historical cost depreciation adjustment	82
1,695	Application of Government grants to finance capital expenditure	848
4,196	Closing Balance	3,387

Revaluation Reserve

The Revaluation Reserve contains the gains made by the PCC/ PCC Group arising from increases in the value of its Property, Plant and Equipment. A transfer can be made from the Revaluation Reserve to the Capital Adjustment Account to reflect the amount of additional depreciation that has been charged due to increases in value. The balance is also reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost, or when assets with accumulated gains are disposed of and the gains are realised.

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2007, the date the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2015-16		2016-17
£'000		£'000
9,682	Opening Balance	8,692
(425)	Revaluation of non current assets	699
(477)	Amounts written out relating to sold assets	189
(88)	Historical cost depreciation adjustment	(82)
8,692	Closing Balance	9,498

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 Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2015-16		2016-17
£'000		£'000
1,241	Opening Balance	1,721
	Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with	
480	statutory requirements	(289)
1,721	Closing Balance	1,432

Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment 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, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Funding Balance is neutralised by transfers to or from the Account.

PCC Group Accumulated Absences Adjustment Account

2015-16 £'000		2016-17 £'000
<u>(3,640)</u>	Opening Balance	<u>(3,924)</u>
	Settlement or cancellation of accrual made at the end of the	
3,640	preceding year	3,924
<u>(3,924)</u>	Amounts accrued at the end of the current year	<u>(3,422)</u>
	Amount by which officer remuneration charged to the CIES on an	
	accruals basis is different from remuneration chargeable in the year	
(284)	in accordance with statutory requirements	502
<u>(3,924)</u>	Closing Balance	<u>(3,422)</u>

PCC Accumulated Absences Adjustment Account

2015-16 £'000		2016-17 £'000
<u>(36)</u>	Opening Balance	<u>(23)</u>
	Settlement or cancellation of accrual made at the end of the	
36	preceding year	23
<u>(23)</u>	Amounts accrued at the end of the current year	<u>(23)</u>
	Amount by which officer remuneration charged to the CIES on an	
	accruals basis is different from remuneration chargeable in the year	
13	in accordance with statutory requirements	-
<u>(23)</u>	Closing Balance	<u>(23)</u>

34. POLICE PROPERTY ACT FUND

2015-16 £'000		2016-17 £'000
26	Opening Balance	37
<u>39</u>	Income (in Year)	<u>79</u>
65		116
<u>28</u>	Less Expenditure	<u>30</u>
<u>37</u>		<u>86</u>

35. CONTINGENT LIABILITIES

A number of potential civil and other claims could be brought against the PCC Group. The total estimated liability is £690k (2015-16 £838k). The timing of these claims is very unpredictable and is likely to be over a number of years.

The Chief Constable of Humberside, along with other Chief Constables and the Home Office, currently has claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the

Transitional Provisions in the Police Regulations 2015. Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations. In the case of the Judiciary claims the claimants were successful and in the Firefighters case the respondents were successful. Both of these judgements are subject to appeal, the outcome of which may determine the outcome of the Police claims. The Tribunal has yet to set a date for a preliminary or substantive Police hearing. Legal advice suggests that there is a strong defence against the Police claims. The quantum and who will bear the cost is also uncertain, if the claims are partially or fully successful. For these reasons, no provision has been made in the 2016-17 financial statements.

Regional Working – Employment of Staff

The Regional Collaboration Board has agreed to the adoption of a lead force model to provide managers and staff/officers engaged in Regional Working with consistent Human Resources policy and practices. Under these arrangements police staff will be employed by the lead force on a permanent, substantive basis and Police officers will be seconded.

The PCC for Humberside has agreed to indemnify other PCCs for its share of any costs in the event of any employment tribunal or civil court claims related to regional employment. This indemnity is unlimited. At this time, it is not possible to predict the value or timing of any obligations falling due as a result of this indemnity and so no provision has been made.

Emergency Services Fleet Management (Humberside) Ltd - Pension liability

Emergency Services Fleet Management (Humberside) Ltd is a joint operation of Humberside Police and Humberside Fire Authority to provide vehicle maintenance services to both organisations. Should this arrangement cease (and the company be dissolved) any accrued pension liabilities will be payable equally by Humberside Police and Humberside Fire Authority. There are no current indications or plans to cease this joint operation.

36. PROCEEDS OF CRIME ACT 2002

The PCC holds funds relating to the above Act which have been seized from 3rd parties, as suspected proceeds of crime. At 31 March 2017 the balance of funds seized is £566k (2015-16 £737k). These funds are excluded from the PCC's and PCC Group's Balance Sheet in line with the standard treatment of trust funds. Following the receipt of monies, the Home Office makes the necessary arrangements for the distribution of the agreed shares of the final proceeds to be paid to forces and partners.

37. SIGNIFICANT COMMITMENTS UNDER CAPITAL CONTRACTS

The value of significant capital commitments at 31 March 2017 totalled £2,028k, being £795k for buildings, £649k for computers and communications equipment and £584k for vehicles.

38. SPONSORSHIP

Lifestyle

Lifestyle is an initiative, established as part of the crime reduction strategy of Humberside Police. The initiative, which has been in operation since 1989, has been adopted by South Yorkshire and West Mercia Police, and police departments in America and South Africa have also showed significant interest. The aims of Lifestyle are:

- To encourage active citizenship, social responsibility and community spirit.
- To encourage team spirit.
- To reduce criminality by young persons and the fear of crime associated with antisocial behaviour.
- To encourage positive contact between Humberside Police, young people and other bodies and agencies.

The process involves teams of young people running projects that not only benefit the local community but benefit the young people themselves, giving them a focus and challenge during the summer holidays.

Humberside Police supports the administration of Lifestyle. Sponsorship from the public and private sectors pays for the marketing for Lifestyle and covers the cost of prizes for the winning teams. The income and expenditure relating to the initiative is accounted for by the PCC.

Lifestyle Income and Expenditure Statement

2015-16 £'000		2016-17	
		£'000	£'000
	<u>Income</u>		
65	Sponsorship	53	
<u>65</u>	Total Sponsorship monies received		53
	<u>Expenditure</u>		
37	Holidays and prizes	57	
32	Advertising & Promotions	14	
2	Award/Launch Ceremonies	19	
<u>71</u>	Total Expenditure for the year		90
<u>(6)</u>	Balance of Income over Expenditure		<u>(37)</u>

Lifestyle Rock Challenge

Lifestyle Rock Challenge is a performing arts competition aimed at secondary schools, encouraging students to lead a healthy lifestyle and be their best without the need for tobacco, alcohol or other drugs to achieve a natural high through performance. Lifestyle Rock Challenge is classed as a sister project to Lifestyle.

Humberside Police annually raise sponsorship to bring the event to the Humberside region as part of our commitment to educating young people. Income and Expenditure relating to the competition is accounted for by the PCC.

Lifestyle Rock Challenge Income and Expenditure Statement

2015-16		2016-17	
£'000		£'000	£'000
<u>Income</u>			
28	Sponsorship	12	
28	Total Sponsorship monies received		12
<u>Expenditure</u>			
15	Events Organisation	72	
15	Total Expenditure for the year		72
13	Balance of Income over Expenditure		(60)

39. ASSETS AND LIABILITIES IN RELATION TO RETIREMENT BENEFITS

The underlying assets and liabilities for retirement benefits of the PCC and PCC Group at 31 March 2017 and 31 March 2016 are as follows:

	Local Government Pension Scheme		Police Pension Schemes		Totals	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Estimated Liabilities in the Scheme	(281,045)	(240,411)	(2,033,932)	(1,667,758)	(2,314,977)	(1,908,169)
Estimated Assets in the Scheme	214,220	190,161	-	-	214,220	190,161
Net Asset/(Liability)	(66,825)	(50,250)	(2,033,932)	(1,667,758)	(2,100,757)	(1,718,008)

	31 March 2017	31 March 2016
	£'000	£'000
Allocation of Net Asset/(Liability)		
PCC	(1,699)	(1,363)
Chief Constable	(2,099,058)	(1,716,645)
	(2,100,757)	(1,718,008)

The liabilities show the PCC's and PCC Group's long term commitments to pay retirement benefits. The total liability of £2,101m has a substantial impact on the net worth of the PCC and PCC Group as recorded in the balance sheet, resulting in a negative overall balance of £2,055m. It must be noted however that the deficit on the Local Government Pension Scheme will be made good by increased contributions assessed by the scheme actuary every three years. Finance is only required to be raised to cover Police Pensions when pensions are actually paid.

The last actuarial review was carried out on the Local Government Pension Scheme as at 31 March 2016. The next actuarial review takes place as at 31 March 2019.

40. RECONCILIATION OF PRESENT VALUE OF SCHEME LIABILITIES

	Unfunded Liabilities: Police Pension Schemes		Funded Liabilities: Local Government Pension Scheme	
	2016-17	2015-16	2016-17	2015-16
	£'000	£'000	£'000	£'000
1st April	(1,667,758)	(1,888,813)	(240,411)	(265,685)
Current service cost	(22,620)	(29,950)	(7,405)	(9,525)
Past service costs (including curtailments)	-	(140)	(77)	(145)
Effect of settlements	-	-	-	3,374
Interest cost	(58,680)	(61,990)	(8,745)	(8,792)
Contributions by scheme participants	(8,140)	(7,880)	(2,033)	(2,118)
Benefits paid	60,446	57,245	4,118	3,699
Remeasurements:				
Gains and losses from changes in assumptions	(344,000)	189,180	(48,515)	36,721
Experience gains and losses	6,820	74,590	22,023	2,060
31st March	<u>(2,033,932)</u>	<u>(1,667,758)</u>	<u>(281,045)</u>	<u>(240,411)</u>

The expected contributions to the ERYC Fund for 2017/18 are £5.805m (2016/17 was £7.067m). The expected contributions to the Police Pension Fund for 2017/18 are £12.694m (2016/17 was £12.148m).

41. RECONCILIATION OF PRESENT VALUE OF SCHEME ASSETS

	Local Government Pension Scheme	
	2016-17	2015-16
	£'000	£'000
1st April	190,161	185,072
Interest income on Plan assets	6,926	6,110
Employer contributions	6,849	7,383
Contributions by scheme participants	2,033	2,118
Benefits paid	(4,118)	(3,699)
Effect of settlements	-	(2,848)
Remeasurements:		
Return on assets excluding net interest	12,369	(3,975)
31st March	<u>214,220</u>	<u>190,161</u>

42. 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 Schemes have been assessed by GAD (The Government Actuaries Department) and the Local Authority Scheme, which is administered by the East Riding of Yorkshire Council, has been assessed by Hymans Robertson, actuaries.

The main assumptions used in their calculations have been:

	Local Government Pension Scheme		Police Pension Schemes	
	2016-17	2015-16	2016-17	2015-16
	%	%	%	%
Rate of Inflation	2.40	2.20	2.35	2.20
Rate of Increases in Salaries				
Long term	2.60	3.70	4.35	4.20
Short term	N/A	N/A	1.00	1.00
Rate of Increase for Pensions	2.40	2.20	2.35	2.20
Rate for Discounting Scheme Liabilities	2.60	3.60	2.65	3.55
Take up option to convert annual pension into retirement grant:				
Pre April 2008 service	60	30		
Post April 2008 service	80	65		

The sensitivity of scheme liabilities to changes in the main assumptions are:

Percentage increase in scheme liabilities and monetary values:

2016-17	Local Government Pension Scheme		Police Pension Schemes	
	%	£'000	%	£'000
Change in assumption:				
0.5% increase in salaries increase rate	2.0	6,865	1.1	21,900
0.5% increase in pensions increase rate	10.0	26,785	9.1	184,300
0.5% decrease in discounting of liabilities rate	12.0	34,241	9.5	194,000
1 year increase in member life expectancy rate	3.0	8,560	2.6	53,800

2015-16	Local Government Pension Scheme		Police Pension Schemes	
	%	£'000	%	£'000
Change in assumption:				
0.5% increase in salaries increase rate	5.0	12,060	1.0	15,800
0.5% increase in pensions increase rate	8.0	19,538	8.6	141,500
0.5% decrease in discounting of liabilities rate	13.0	32,210	10.8	176,800
1 year increase in member life expectancy rate	3.0	7,212	2.4	39,000

Opposite changes in assumptions would produce equal and opposite changes in scheme liabilities. Doubling the changes in assumptions would produce approximately double the change in scheme liabilities.

The weighted average duration of the scheme liabilities are:

	Local Government Pension Scheme	Police Pension Schemes
	Years	Years
2016-17	21.6	21.0
2015-16	23.6	21.0

The Police Pension Schemes have no assets to cover the liabilities incurred.

Assets in the East Riding of Yorkshire Council Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the assets held by the fund:

	2016-17		2015-16	
Asset quoted prices:	%	£'000	%	£'000
Equity securities	36.8	78,842	43.7	83,129
Debt securities	10.5	22,562	10.0	18,950
Private equity	4.7	10,013	5.0	9,590
Real estate	11.7	25,061	11.8	22,425
Investment funds	33.4	71,483	26.7	50,731
Cash and cash equivalents	2.9	6,259	2.8	5,336
Total		214,220		190,161
In active markets	79.0	169,335	80.8	153,726
Not in active markets	21.0	44,885	19.2	36,435
Total		214,220		190,161

43. ASSUMED MORTALITY RATES

Mortality rates are projected using published tables. Future mortality improvements are in line with the 2014-based UK principal population projections.

Police Pension Fund

2016-17

Current Pensioners			Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners		Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females		Males	Females
65	23.2	25.2	65	25.2	27.3

2015-16

Current Pensioners			Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners		Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females		Males	Females
65	23.1	25.1	65	25.1	27.2

East Riding of Yorkshire Pension Fund

2016-17

Current Pensioners			Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners		Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females		Males	Females
65	21.7	24.2	65	23.7	26.4

2015-16

Current Pensioners			Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners		Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females		Males	Females
65	21.9	24.1	65	24.2	26.7

44. REMEASUREMENTS OF THE NET DEFINED BENEFIT LIABILITY

The IAS19 remeasurement movements on the Pensions Reserve can be analysed into the following remeasurement categories, measured as absolute amounts and as percentages of assets or liabilities at 31 March:

Local Government Pension Scheme

	2012-13		2013-14		2014-15		2015-16		2016-17	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Return on assets, excluding net interest	11,053	7.94	6,491	4.07	11,300	6.11	(3,975)	(2.09)	12,369	5.77
Difference between actuarial assumptions about liabilities and actual experience	86	0.04	(6,019)	(2.86)	1,301	0.49	2,060	0.86	22,023	7.84
Changes in the demographic and financial assumptions used to estimate liabilities	<u>(25,579)</u>	(13.26)	<u>6,057</u>	2.87	<u>(38,803)</u>	(14.60)	<u>36,721</u>	15.27	<u>(48,515)</u>	(17.26)
Total IAS19 remeasurements	<u>(14,440)</u>	(7.49)	<u>6,529</u>	3.10	<u>(26,202)</u>	(9.86)	<u>34,806</u>	14.48	<u>(14,123)</u>	(3.65)

Police Pension Schemes

	2012-13		2013-14		2014-15		2015-16		2016-17	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	46,380	2.86	35,940	2.24	33,780	1.81	74,590	4.54	6,820	0.34
Changes in the demographic and financial assumptions used to estimate liabilities	<u>(238,300)</u>	(14.71)	<u>49,790</u>	3.10	<u>(213,500)</u>	(11.47)	<u>189,180</u>	11.49	<u>(344,000)</u>	(16.91)
Total IAS19 remeasurements	<u>(191,920)</u>	(11.85)	<u>85,730</u>	5.34	<u>(179,720)</u>	(9.66)	<u>263,770</u>	16.03	<u>(337,180)</u>	(16.57)

	2012-13	2013-14	2014-15	2015-16	2016-17
	£'000	£'000	£'000	£'000	£'000
Total IAS19 remeasurements	<u>(206,360)</u>	<u>92,259</u>	<u>(205,922)</u>	<u>298,576</u>	<u>(351,303)</u>

Allocation of IAS19 remeasurements:

	2015-16	2016-17
	£'000	£'000
PCC	944	(359)
Chief Constable	<u>297,632</u>	<u>(350,944)</u>
Total IAS19 remeasurements	<u>298,576</u>	<u>(351,303)</u>

45. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue on 28 September 2017. The PCC Group has reviewed events occurring between 31 March and 28 September 2017, and has not identified any events that are adjusting events in respect of conditions existing at the Balance Sheet date.

46. CASH FLOW STATEMENT – ADJUSTMENTS FOR NON CASH MOVEMENTS

2015-16		2016-17
£'000		£'000
	Notional Pension Costs (in excess of) / less than	
(47,158)	actual pensions paid	(31,446)
(5,788)	Depreciation and Impairments	(4,035)
<u>1,792</u>	Other non cash movements	<u>4,199</u>
<u>(51,154)</u>		<u>(31,282)</u>

47. CASH FLOW STATEMENT – CASH AND CASH EQUIVALENTS

2015-16		2016-17
£'000		£'000
100	Bank imprest and current accounts	118
<u>9,366</u>	Short term deposits with banks and building societies	<u>3,048</u>
<u>9,466</u>		<u>3,166</u>

48. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows from operating activities include the following items:

2015-16		2016-17
£'000		£'000
(145)	Interest received	(109)
1,125	Interest paid	1,033

49. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2015-16		2016-17
£'000		£'000
2,149	Purchase of Property,Plant and Equipment	5,990
363	Purchase of Intangible Assets	567
(1,695)	Capital Grants received	(1,331)
(1,243)	Proceeds from sale of Property,Plant and Equipment	(1,435)
<u>(197)</u>	Proceeds from Investments	<u>(5)</u>
<u>(623)</u>	Net cash flows from investing activities	<u>3,786</u>

50. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2015-16		2016-17
£'000		£'000
3,039	Repayment of PWLB loans	2,740
<u>294</u>	Repayment of Finance Lease liabilities	<u>-</u>
<u>3,333</u>	Net cash flows from financing activities	<u>2,740</u>

51. FINANCIAL INSTRUMENTS

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'Financial Instrument' covers both Financial Assets and Financial Liabilities and includes both the most straight forward Financial Assets and Liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Examples of the categories of Financial Instruments, Assets and Liabilities are identified below:

Assets

Bank deposits
Trade receivables
Loans receivables
Other receivables and advances
Investments

Liabilities

Trade payables and other payables
Borrowings (PWLB)

Trade creditors and debtors included as financial instruments are less than the creditors and debtors included in the Balance Sheet as those that are not contractual or are not due to be settled in cash or by another financial instrument are excluded.

The carrying and fair value amounts of financial liabilities and assets held by the PCC Group on the Balance Sheet are:

Financial Liabilities

	31-Mar-16		31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Trade Creditors	15,363	15,363	11,453	11,453
Cash Overdrawn	-	-	226	226
PWLB Loans	31,948	36,198	29,207	33,508
Total	47,311	51,561	40,886	45,187

The fair value is greater than the carrying amount because the PCC Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the markets at the balance sheet date. The fair value measurement for loans payable has been provided by the PWLB based on their premature repayment rates.

Financial Assets

	31-Mar-16		31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Trade Debtors	12,661	12,704	14,787	14,821
Deposits with Banks and Financial Institutions	9,483	9,483	3,185	3,185
Total	22,144	22,187	17,972	18,006

Financial Liabilities

These relate to loans from the PWLB, which are included in the Balance Sheet as outstanding principal (carrying value) and accrued interest, shown separately within current liabilities. Trade creditors and other payables are shown at the invoiced amounts.

Financial Assets

Temporary investments that have fixed or determinable payments, but are not quoted in an active market, and trade debtors and receivables based on the invoiced/billed amounts.

The nature and the type of Financial Instruments held by the PCC/PCC Group are not significant in relation to the overall financial position of the PCC/PCC Group.

Reclassification / De-recognition

The PCC/PCC Group has not reclassified any Financial Instruments during the year as to how they are measured, i.e. at amortised cost rather than fair value and no financial assets have been transferred during the year, in such a way that part or all do not qualify for recognition. No early repayment has been undertaken.

Collateral

The PCC/PCC Group has not pledged any financial assets as collateral for liabilities during the year and holds no collateral as security.

Impairment, Income and Expenses

Impairments, income and expenses recognised in the Comprehensive Income and Expenditure Statement, in relation to financial instruments are made up as follows:

Effect of Financial Instruments on the Comprehensive Income and Expenditure Statement

Charges and income to the Comprehensive Income and Expenditure Statement in relation to Financial Instruments are made up as follows:

	Financial Liabilities	Financial Assets	
	PWLB Loans £'000	Deposits with Banks and Financial Institutions £'000	Total £'000
Interest Expense	1,029		1,029
Impairment		(6)	(6)
Interest Income		(104)	(104)
Net Affect for the Year	1,029	(110)	919

The PCC's and PCC Group's activities expose it to a variety of financial risks:

- Credit Risk
The possibility that other parties might fail to pay amounts due to the PCC Group
- Liquidity Risk
The possibility that the PCC Group might not have funds available to meet its commitments to make payments
- Market Risk
The possibility that financial loss might arise for the PCC Group as a result of changes in such measures as interest rates and stock market movements

The PCC Group's overall Risk Management Policy in relation to financial instruments is embedded within the Treasury Management Strategy Statement. The Policy has been prepared to include the requirements of the CIPFA Code of Practice in Treasury Management. In relation to specific risk categories set out above, the PCC Group's position is as follows:

- **Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC Group's customers.

The PCC Group regards the prime objective of its Treasury Management activities to be the security of the principal sums it invests.

Deposits are made in accordance with the treasury management practices and associated schedules approved as part of the treasury management policy statement.

Customers of the PCC Group are assessed, taking into account their latest financial standing and credit for customers is not generally allowed.

The Debtors at 31 March 2017, includes £17.0m that relates to Central and Local Government organisations, and as such is not classed as a credit risk. The profile of the remaining debtors which are monitored on a regular basis is set out below:

	2016-17
	£'000
Up to Three Months	382
More than Three Months	33
	<u>415</u>

- **Liquidity Risk**

As at 31 March 2017 the PCC Group had balances on revenue reserves of £34.8m and deposits with banks and financial institutions of £3.2m. The PCC Group also has access to borrowing from the Public Works Loan Board (PWLB). There is therefore no significant risk that the PCC Group would be unable to meet its financial commitments.

As part of the Treasury Management Strategy Statement the PCC Group considers the maturity analysis of borrowings at the beginning of the financial year in order to manage the profile of debt repayable. The position at 31 March 2017 is as follows:

	2015-16	2016-17
	Actual at	Actual at
	31-Mar-16	31-Mar-17
	£'000	£'000
One Year	2,740	2,426
Between One and Two Years	2,426	3,404
Between Two and Five Years	10,193	10,114
Between Five and Ten Years	13,803	10,731
Between Ten and Fifteen Years	762	532
More than Fifteen Years	2,023	2,000
	<u>31,947</u>	<u>29,207</u>

- **Market Risk**

The PCC Group is not exposed to specific risk in terms of interest movements as both borrowings and investments are at fixed rates. The PCC Group manages its exposure to

fluctuations in interest rates with a view to containing its costs within approved budgets within the arrangements set out in its Treasury Management Strategy Statement.

Fluctuations in market interest rates are a factor that is considered when formulating the PCC Group's Medium Term Resource Strategy (MTRS) which provides a framework for investment and borrowing decisions.

- Price Risk

The PCC Group does not invest in equity shares and so has no exposure to risk arising from movements in the prices of shares.

- Foreign Exchange Risk

The PCC Group has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

- Unrecognised Gains or losses relating to Financial Instruments

The PCC Group has no financial assets with unrecognised gains or losses at the balance sheet date.

POLICE PENSION FUND ACCOUNTS

The Code of Practice on Local Authority Accounting sets out the accounting treatment for the Police Pension Fund Accounts in the financial year 2016-17.

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. All payments and receipts are made to and from the Police and Crime Commissioner for Humberside's ("PCC") Police Fund. These Police Pension Fund Accounts do not form part of the Chief Constable's or PCC Group Financial Statements.

TRANSACTIONS RELATING TO RETIREMENT BENEFITS

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

The PCC Group participates in the following pension schemes:

- The Police Pension Schemes for police officers – three schemes are provided for police officers, the 1987 Scheme with officers' contributions for 2016-17 in a range of 14.25 to 15.05% (2015-16 14.25 to 15.05%), the 2006 scheme has officers' contributions in a range 11.00 to 12.75% (2015-16 11.00 to 12.75%) and the 2015 scheme which has officers' contributions in a range of 12.44 to 13.78% (2015-16 12.44 to 13.78%). All schemes are unfunded schemes, i.e. no investment assets are built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.
- The Local Government Pension Scheme for police staff, administered by the East Riding of Yorkshire Council – this is a funded scheme, i.e. the PCC and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The accounting and funding arrangements for Police Pensions are detailed below:

POLICE PENSION FUND ACCOUNTS

<u>2015-16</u> <u>£'000</u>		<u>2016-17</u> <u>£'000</u>
	CONTRIBUTIONS RECEIVABLE	
	Police & Crime Commissioner ("PCC"):	
(12,530)	- contributions at 21.3% (2015-16 21.3%) of pensionable pay	(12,297)
(564)	- early retirements - Ill Health	(388)
(8,131)	Officers' contributions	(7,941)
(21,225)		(20,626)
	TRANSFERS IN	
(381)	Transfers in from other Pension Schemes	(303)
	BENEFITS PAYABLE	
43,976	- pensions	45,566
17,840	- commutations and lump sum retirement benefits	14,164
183	- lump sum death benefits	100
		59,830
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS	
1	- refunds of contributions	4
643	- transfers out to other Pension Schemes	-
75	- transfers out to other Police Forces: 1974 arrangements	102
		106
41,112	NET AMOUNT PAYABLE FOR THE YEAR BEFORE TRANSFER FROM THE PCC	39,007
(39,406)	ADDITIONAL FUNDING PAYABLE BY THE PCC TO MEET THE DEFICIT (FUNDED BY THE HOME OFFICE)	(37,333)
(1,706)	ADDITIONAL FUNDING PAYABLE BY THE PCC TO MEET THE DEFICIT (NOT FUNDED BY THE HOME OFFICE)	(1,674)
-	NET AMOUNT PAYABLE/RECEIVABLE FOR THE YEAR	-

NET ASSETS STATEMENT

<u>2015-16</u> <u>£'000</u>		<u>2016-17</u> <u>£'000</u>
	Current Assets	
156	Police Fund Debtor	168
	Current Liabilities	
(156)	Unpaid Pensions Due	(168)
-		-

NOTES TO THE POLICE PENSION FUND ACCOUNTS

The Police Pension Fund Account was established during 2006-07 with legal status being given by the Police Pension Fund Regulations 2007 (SI 2007 no. 1932).

The Police Officer Pension Schemes make up the account:

- 1987 Police Pension Scheme, contribution rates 14.25 to 15.05%
- 2006 Police Pension Scheme, contribution rates 11.00 to 12.75%
- 2015 Police Pension Scheme, contribution rates 12.44 to 13.78%

PCCs are obliged to include the Pension Fund Account in their Statement of Accounts in accordance with regulation 7(1)(d) of the Accounts and Audit Regulations 2003. The Fund is administered and managed by the Humberside Police Finance Section.

The fund is charged with all pensions expenditure in accordance with Home Office guidance, with income being employee contributions, employer contributions, which for 2016-17 was 21.3% of pensionable pay (2015-16 21.3%).

Other income items within the fund are transfer payments from other pension schemes and a capital charge that is twice the average pensionable pay of officers that retire on ill health.

Subsequent to the case of Milne v GAD, additional lump sum commutation payments have been made to certain pensioners who retired between 2001 and 2006 in accordance with Home Office guidelines. These payments amounted to £17k in 2016-17 (2015-16 £5,480k) and are included in commutations and lump sum retirement benefits in the Police Pension Fund accounts.

The Home Office provide a pension "top up" grant to fund differences on the fund account, 80% is received up front for the relevant financial year, with the balance provided on submission of the PCC's financial statements.

There has been an adjustment of 2.9% to the cash flow to the Police Pension Fund due to the reduction in the employer contribution rate from 24.2% to 21.3% being reflected in a reduction in HM Treasury pensions top up funding of £1,674k (2015-16 £1,706k).

There are no investment assets, the fund is balanced to nil at the yearend by either a contribution from the Police Fund, or if a surplus balance on the fund, a transfer to the Police Fund.

The fund does not account for benefits payable in the future (IAS 19 Employee Benefits), which is a divergence from the accounting policy for the Police Fund Account as stated in the statement of accounting policies. Details of the long term pension obligations and the cost of pensions can be found in the PCC Group's financial statements.

Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department.

The responsibility for future pension benefits still lies with the PCC Group, through the Police Fund Account. The responsibility for amounts due to/from the Fund Account and the Home Office is shown within the Police Fund, not the Pensions Fund.

As previously stated the Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. All payments and receipts

are made to and from the PCCs Police Fund. As such, the Chief Constable and the PCC are the only related parties to the Fund and all the transactions shown in the Police Pension Fund Accounts have been processed through the PCC.

GLOSSARY OF ACCOUNTING TERMS

The PCC and PCC Group has adopted the International Financial Reporting Standards (“IFRS”) based Code of Practice on Local Authority Accounting as its standard basis of accounting.

Definitions of accounting terms used are given below:

Term	Definition
Accounting period	The period of time covered by the financial statements, normally a period of twelve months.
Accruals basis	Under the accruals concept, expenses are recognised when incurred, not when the cash is actually paid out, and revenue is recognised when it is earned, not when the cash is actually received.
Agency cost	Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.
Amortisation	The term used for depreciation of intangible assets such as the annual charge in respect of computer licenses the PCC/ PCC Group has purchased.
Asset	An item owned or leased by the PCC/ PCC Group, which has a value, for example, land and buildings, vehicles, equipment, cash.
Assets held for sale	Assets are held for sale if their value will be recovered through a sale transaction rather than through continuing use.
Balance Sheet	This represents a summary of all the assets and liabilities of the PCC/ PCC Group.
Capital expenditure	Expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance value.
Capital Financing Account	This account represents amounts set aside from revenue or capital receipts to finance expenditure on property, plant and equipment or for the repayment of external loans and certain other capital financing transactions.
Capital Financing Requirement (CFR)	The Capital Financing Requirement is a measure of the extent to which the PCC/ PCC Group needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.
Capital receipts	Proceeds from the sale of property, plant and equipment.
Carry overs	These are underspends at the end of the financial year, which are carried forward into the next financial year to support that year’s expenditure plans.
Cash and cash equivalents	Cash includes cash held in bank accounts and cash in hand. Cash equivalents are assets that can be readily converted into cash such as deposits and certain short term investments.

CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the main professional accountancy body relating to the public sector.
Collection Fund	Precept Income is collected on behalf of the PCC by the four billing Authorities (East Riding of Yorkshire Council; Kingston upon Hull City Council; North East Lincolnshire Council and North Lincolnshire Council). The precept income is then paid to the PCC as Precept Income.
Contingent asset or liability	An asset or liability that is not recognised in the financial statements due to the level of uncertainty surrounding it but is disclosed as it is possible that it may result in a future inflow or outflow of resources.
Creditors	Amounts owed by the PCC/ PCC Group for goods received or services rendered but not yet paid for at the end of the financial year.
Current asset or liability	An asset or liability that the PCC/ PCC Group expect to hold or discharge for a period of less than one year from the Balance Sheet date.
Debtors	Sums of money due to the PCC/ PCC Group for work done or services supplied but not received at the end of the financial year.
Deferred liabilities	Liabilities which by arrangement are payable beyond the next year at some points in the future or paid off by an annual sum over a period of time.
Depreciation	The accounting charge representing the use of property, plant and equipment assets which spreads the cost or value of the asset over its useful life.
Employee benefits	All forms of consideration given to employees for services rendered. These are salaries and wages, social security costs (national insurance), superannuation contributions, paid sick leave, paid annual and long service leave and termination payments.
Financial instruments	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
Financial Regulations	A written code of procedures approved by the PCC to provide a framework for the proper financial management of the PCC/ PCC Group.
Going concern basis	The underlying assumption used in producing the financial statements that the PCC/ PCC Group will continue to operate for at least 12 months from the Balance Sheet date.
Impairment	The fall in the value of an asset.
Income Received in Advance	Income received that should be classed as a benefit in the next financial year.
Intangible assets	Capital expenditure which does not create a tangible asset.
Inventories	Stocks held by the PCC/ PCC Group such as uniforms, fuel etc.

Leases	A method of financing expenditure over a period of time. There are two types of lease: <ul style="list-style-type: none"> ▪ Finance lease, where the risks of ownership are transferred to the lessee and where the assets are recorded in the PCC's/ PCC Group's Balance Sheet at a current valuation. ▪ Operating lease, where the risks of ownership stay with the leasing company and the annual rental charges are made via the Comprehensive Income and Expenditure Statement.
Liability	An amount owing to a third party such as a loan or unpaid invoice from a supplier.
Local Authority Accounting Panel (LAAP) bulletin	Latest update from CIPFA detailing amendments and guidance to changes in Local Authority Accounting Practice.
Minimum Revenue Provision (MRP)	The Minimum Revenue Provision is the amount required by statute that the PCC/ PCC Group must fund to cover the redemption of external debt, including any supported or unsupported borrowing used to fund capital; the MRP amount being equal to the capital expenditure funded by the borrowing over the expected life of the assets.
Medium Term Resource Strategy (MTRS)	The MTRS covers a 5 year period and describes the financial direction of the Chief Constable and the PCC capturing known and estimated funding, financial pressures, staffing resources and development needs as well as seeking to identify financial risks. It is an indication of the likely direction of financial planning over the next year.
Net assets	Total assets less total liabilities.
Noncurrent asset or liability	An asset or liability that the PCC/ PCC Group expects to hold or discharge for a period of more than one year from the Balance Sheet date.
Non Distributed Cost	This is where overheads are not charged or apportioned to activities within the SeRCOP service expenditure analysis.
Police Property Act Fund	This relates to amounts of cash and belongings taken in by the PCC where no obvious owner has been ascertained in line with the Police Property Act 1897.
Precept	A levy which the PCC makes through the Council Tax to pay for services.
Prepayment	Where an amount of expenditure is paid in the current financial year, but the goods or services are a benefit in the next/following year.
Proceeds Of Crime Act 2002	This relates to cash seized which is believed to be the result of criminal activities.
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 are uncertain.

Prudential Borrowing	This is the borrowing as part of funding of capital expenditure, where no actual loan is taken out to match the element of expenditure incurred. The affect is shown through the Capital Financing Requirement and is the amount to be funded when all other funding types i.e. capital grant, revenue, capital receipts etc. have been used.
Remeasurements of the Net Defined Benefit Liability	For a defined benefit pension scheme, the changes that arise because : <ul style="list-style-type: none"> ▪ events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or ▪ The actuarial assumptions have changed.
Reserves	General reserves are accumulated balances available to support revenue or capital spending and meet unforeseen events. Earmarked reserves are amounts set aside for an agreed purpose in one financial year and carried forward to meet expenditure in future years.
Revenue expenditure	Spending on day to day items, including salaries, premises costs and supplies and services.
SeRCOP	The Service Reporting Code of Practice for Local Authorities (SeRCOP) establishes proper practices with regard to consistent financial reporting for services. All local authorities are expected to comply with its requirements.
The Code	The Code of Practice published by CIPFA, relating to Local Authority Accounting in the United Kingdom and is issued each year.
Unrealised gains and losses	Unrealised gains and losses are those which have been recognised by the PCC/ PCC Group in its financial statements but are only potential gains as they have yet to be realised, such as rises and falls in the value of land and buildings due to changes in the property market. The gain or loss only becomes realised when the property is sold.

Acronyms and Abbreviations

ACPO	Association of Chief Police Officers
APACE	Association of Police and Crime Chief Executives
ASB	Anti-Social Behaviour
CCRF	Commissioners Crime Reduction Fund
CFR	Capital Financing Requirement
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
CJS	Criminal Justice System
CPS	Crown Prosecution Service
CSE	Child Sexual Exploitation
CSFG	Community Safety Fund Grant
CSP	Community Safety Partnership
CSR	Comprehensive Spending Review
DCLG	Department of Communities and Local Government
GAD	Government Actuaries Department
GOYH	Government Office for Yorkshire and the Humber
HMIC	Her Majesty's Inspector of Constabulary
HPA / HP	Humberside Police Authority / Humberside Police
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IPCC	Independent Police Complaints Commission
JAC	Joint Independent Audit Committee
JSOU	Joint Special Operations Uniformed
LAAP	Local Authority Accounting Panel
LCJB	Local Criminal Justice Board
LGYH	Local Government Yorkshire and the Humber
MRP	Minimum Revenue Provision
MTRS	Medium Term Resource Strategy
NPCC	National Police Chiefs Council
NPT	Neighbourhood Policing Teams
ONS	Office for National Statistics
OPCC	Office of the Police and Crime Commissioner
OPCCNY	OPCC for North Yorkshire/ North Yorkshire Police
OPCCSY	OPCC for South Yorkshire/ South Yorkshire Police
OPCCWY	OPCC for West Yorkshire/ West Yorkshire Police
OPP	Operational Policing Programme Board
PaCCTS	Police and Crime Commissioners Treasurers' Society
PCC	Police and Crime Commissioner
PCP	Police and Crime Panel
PDR	Performance Development Review
PNB	Police Negotiating Board
PRSRA	Police Reform and Social Responsibility Act
PSC	Police Staff Council
PWLB	Public Works Loans Board
RCB	Regional Collaboration Board
SeRCOP	Service Reporting Code of Practice for Local Authorities
SOLACE	Society of Local Authority Chief Executives
UITF	Urgent Issues Task Force of Accounting Standards Board