



HUMBERSIDE
POLICE & CRIME
COMMISSIONER



Serving our communities to
make them safer and stronger

THE POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE

FINANCIAL STATEMENTS

2022/23
FINAL

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NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS

INTRODUCTION TO THE HUMBERSIDE POLICE FORCE AREA

The Statement of Accounts summarises the financial performance of the Police and Crime Commissioner (PCC) Group for the year ended 31 March 2023. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The purpose of the narrative report is to offer interested parties a fair, balanced and easily understandable guide to the most significant matters reported in the accounts. The inevitable use of technical language has been kept to a minimum. A 'Glossary of Terms' (to help explain some of the technical terms) can be found in the appendices.

ABOUT THE PCC FOR HUMBERSIDE

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

It has a total area of c1,300 square miles around the Humber Estuary and has a population of over 900,000. Nearly 90% of the area is rural. Its main settlement and commercial capital is Kingston upon Hull. Major settlements include the port of Grimsby, Cleethorpes, Bridlington, Scunthorpe, Beverley and Goole, the UK's most inland port.

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

Jonathan Evison is the PCC (elected in May 2021) and Lee Freeman is the Chief Constable. The PCC's Police and Crime Plan covers the period 2021-25.

The Chief Constable has developed a 'Plan on a page', refreshed in August 2020, which is included on the next page.

CULTURE, VALUES AND BEHAVIOURS

Our values are that we always act with **Fairness, Integrity** and **Respect** and deliver policing with **Professionalism, Compassion** and a strong **Victim Focus**.

To deliver our mission, we will:



- Ensure Humberside Police is a place where our people feel engaged, can be themselves and are proud to work for an organisation that our communities trust.
- Help our staff and communities to feel they have a voice which is listened to and that can make a difference.
- Encourage innovation so that it is seen as a big part of who we are.

We recognise that the public come first, but how we involve, value and treat our staff is fundamental to us ensuring that we can serve our communities to make them safer and stronger. Every single person in Humberside Police has a role to play in bringing these values to life.

PEOPLE

Our staff are the key to our success, we will:



Prioritise the health and wellbeing of our staff

- To support their physical and mental wellbeing.
- Create an environment where people are developed and stretched, encouraging them to be accountable, take personal responsibility, recognising problems and responding quickly with solutions.



Retain and develop the best people

- Through a culture of continuous improvement and organisational learning, provide our staff with the skills they require to respond to the increasingly complex demands that we face.
- Develop diverse leaders who lead by example, are positive role models and who gain trust and respect by actively listening to the needs of their staff and the communities we serve.



Be an employer of choice

- Build on our reputation as a great place to work.
- Attract, recruit and retain talented and passionate people who reflect our diverse communities and our values.

RESOURCES

To enable us to continuously improve, we will:



Optimise the use of our resources to deliver victim focussed outcomes

- Effectively align our resources to meet both current and future demand.
- Develop the most effective and efficient working practices to deliver value for money.



Be innovative and transformational

- Support our staff to proactively put forward new ideas about how to work better and improve performance.
- Continue our commitment to support change initiatives and new ideas.
- Continue with our investment in digital innovation to transform our services.
 - Intelligently use data to inform evidence based decision-making.



Apply organisational learning

- Continue to learn and develop from what has gone well and what has not gone so well.
- Create a safe and transparent learning environment that allow us to clarify and verify the outcomes of our actions.

PARTNERSHIPS

To deliver the right services, we will:



Be accessible to, and engage with, our partners

- Work together with our communities, partners, third sector organisations and volunteers to deliver services that improve people's lives.
- Work with partners to ensure that we can identify, assess and effectively manage the most vulnerable in our communities and jointly provide long-term solutions.



Understand and prioritise the needs and demands in our communities

- Recognise the diverse challenges of our communities, responding to those who require our help and that of our partners, ensuring we work together to protect those who are most vulnerable.



Work effectively with partners

- Work together to develop effective preventative strategies which focus on multi-agency delivery.
- Through early intervention, work to ensure those in need of additional support will receive the right care by the right organisation.

SERVING OUR
COMMUNITIES TO
MAKE THEM SAFER
AND STRONGER

COMMUNITIES

To serve our communities to make them safer and stronger, we will:



Deliver a visible and accessible police service

- Continue to deliver a place based policing service that places victims at the heart of how we deal with them.
- Our Neighbourhood Policing Team's will be focussed on the delivery of Problem Orientated Policing which will incorporate both early intervention and crime prevention.



Prevent, reduce and investigate crime and anti-social behaviour (ASB)

- Provide a victim focussed response to offences which have taken place.
- Deliver proactive and preventative activities to reduce crime and ASB, including the proactive management of offenders.
- Continue to proactively target and disrupt organised crime groups.



Build trust and confidence

- We will communicate openly and honestly with the public, ensuring that our actions and intentions align.
- Give a voice to our communities by actively seeking and listening to their feedback to improve our response in line with their needs.
- Ensure that we treat everyone with fairness, respect and compassion.

FORCE PERFORMANCE

KEY PERFORMANCE INDICATORS: 2022/2023

April 2022 to March 2023 vs
April 2019 to March 2020



POLICE AND CRIME COMMISSIONER PERFORMANCE

Our journey over the last year as the Office of the Police and Crime Commissioner

We are making things better for you. Our work is far wider than oversight of the police. We're a small but constantly evolving team, instrumental in doing loads of things to keep you safe and shape the whole community landscape. We are an 'Employer of Choice' and in 2022-23 we re-visited our values and updated them to reflect the change in emphasis required. We have a new acronym for our values of ACE IT!

Ambition, Compassion, Enabling, Integrity & Trust

The Police and Crime Plan runs from October 2021 – March 2025 and includes three aims / outcomes:

1. Engaged, Resilient and Inclusive Communities – our aim is to provide pathways for everyone to contribute to the safety of our communities
2. Safer Communities – our aim is to focus activities on interventions that significantly impact on local crime levels
3. Effective Organisations – our aim is to make the system work better for local communities

Each of the aims has a series of outcomes, objectives and commitments that demonstrate what we will do to achieve the aims. The plan exists to provide strategic direction to the Force and all partners operating around community safety.

The OPCC engage with partners to promote the aims of the Police and Crime Plan, notably the statutory partners of the Community Safety Partnerships and members of the Criminal Justice Board as well as other stakeholders of interest.

The Police and Crime Plan can be found on the Office of the Police and Crime Commissioner website. www.humberside-pcc.gov.uk/Our-Work/Police-and-Crime-Plan.aspx

The structure of the Office of the Police and Crime Commissioner will continue to flex and change to meet the needs of the Police and Crime Plan and any additional responsibilities provided to the Police and Crime Commissioner through legislative change.

The office was subject to full structural review in 2021 following the change in Commissioner and continues to adapt to the changing needs that emerge from the likes of the national Police and Crime Commissioner Review. Over the course of the 2022-23 financial year we received funding to create a Violence Reduction Unit and the OPCC now host several posts funded via that budget.



CHIEF FINANCE OFFICER'S STATEMENT

This is the Statements of Accounts for the PCC for Humberside for 2022/23.

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

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 2022/23 have been published separately and are available on the PCC and Force websites.

Explanation of Accounting Statements

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

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 Forces for England and Wales and Fire and Rescue Authorities created under Section 4A of the Fire and Rescue Services Act 2004 (July 2018).

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 PCC 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 Statement of Responsibilities details the responsibilities of the PCC/Chief and the Chief Finance Officer/S.151 Officer for the Accounts. This statement is signed and dated by Chief Finance Officer/S.151 Officer under a statement that the accounts give a true and fair view of the financial position of the PCC Group at the accounting date and its income and expenditure for the year ended 31 March.

The Movement in Reserves Statements shows the movement in the year on the different reserves held by the PCC Group. This statement is split into usable and unusable reserves; the usable reserves are those that can be used by the PCC to fund expenditure; and the unusable reserves are those reserves that are required to mitigate the effect of some transactions on council tax and those reserves that are created to mitigate unrealised gains and losses.

The Comprehensive Income and Expenditure Statements shows the accounting cost of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The PCC raises taxation in accordance with regulations which are different from the accounting cost. The taxation position is shown in the Movement in Reserves Statements (the movement on usable reserves).

The Balance Sheets which shows the value of the assets and liabilities recognised by the PCC Group and the PCC at the Balance Sheet date.

The Cash Flow Statement which shows the changes in cash and cash equivalents during the year. This statement shows how the PCC generates and uses its cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The Pension Fund Account which shows the movements relating to the police pension fund

The notes to the accounting records provide more detail about the accounting policies and individual transactions.

2022/23 Financial Year

The PCC approved an original budget in February 2022 of £219.997m which following a mid-year financial review was revised to £217.192m after consultation with Branch Commanders / Heads of Department in conjunction with the Force Finance Team. The budget was realigned in November to reflect these changes and monitoring against this revised budget was undertaken during the second half of the year.

Actual expenditure for the year was £216.206m, an underspend of £0.986m. There were underspends/over-recovery of income or savings in the following areas:

- £0.760m due to the overshoot of the Police Officer uplift programme;

Reserves at the start of 2022/23 totalled £25.4m. The total level of reserves at 31 March 2023 stands at £30.8m.

The original savings target within the Medium-Term Resource Strategy (MTRS) for 2022/23 was £1.5m, the Force managed to achieve savings of £1.671m. The main areas of savings were achieved through:

- Savings achieved through Organisational Reviews (£0.205m);
- Non Pay Savings (£0.846m);
- Overtime savings (£0.200m);
- PCSO Savings (£0.360m).

A summary of capital performance compared to budget is shown in the table below:-

CAPITAL PROGRAMME	2022/23 BUDGET £m	2022/23 ACTUAL £m	VARIANCE £m
Estates Programme	2.714	2.467	(0.247)
ICT Programme	7.624	6.107	(1.517)
Vehicles & Equipment	2.769	2.773	0.004
Grand Total	13.107	11.347	(1.760)

The main areas of expenditure during 2022/23 were IT expenditure.

Financing of Capital Expenditure

The PCC has a rolling capital programme that is reviewed throughout the year. The programme is financed by external borrowing, capital receipts and revenue contributions.

Humberside PCC Reserves

Balances at 1 April 2022 stood at £25.4m. £5.3m was transferred to Earmarked Reserves during 2022/23. £0.2m was transferred to the General Reserve, balances at 31 March 2023 now stand at £30.8m.

Future Spending Plans

The PCC has published a MTRS for 2023/24 to 2027/28 which sets out the overall shape of the PCCs budget. It establishes how available resources will best deliver the Police and Crime Plan and mitigate corporate risks identified. The current level of PWLB borrowing is £101.997m. The operational boundary is £150.000m and the authorised limit is £180.000m (these are part of the PCC's prudential indicators that have been previously agreed in the PCC's Treasury Management report; Published March 2023).

International Accounting Standard 19 (IAS 19)

IAS 19 requires employers to report the full cost of pension benefits as they are earned, regardless of whether they have been paid for. The total long term pension asset is £40m (2021/22 Nil) which relates to a pension surplus on the Local Government Pension Scheme. The total long term pension liability is £1,726m (2021/22 was £2,444m) which relates to the Police Pension Scheme (the 2021/22 pension liability included £94m relating to the Local Government Pension Scheme and £2,350m relating to the Police Pension Scheme). It should be noted that IAS 19 does not impact upon the level of balances held by the PCC. (Under IAS 19 injury awards are now recognised in the PCC Group accounts).

Humberside Police Pension Fund Account

The Financial Statements include a separate section for the Humberside Police Pension Fund Account. Under the pension funding arrangements each PCC in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the fund are specified by regulation.

Change in Statutory Function

There have been no changes to the PCC's statutory functions during 2022/23.

Significant Changes in Accounting Policies

There have been no significant changes to the accounting policies used by the PCC.

Material Events after 31 March

There have been no material events after the 31 March balance sheet date.

Going Concern

The MTRS ensures a balanced budget over the medium term. The PCC for Humberside and Humberside Police will remain a Going Concern.

Further Information

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

Acknowledgement

I would like to express my appreciation to Sabine Braddy, who completed the majority of the work on these accounts, and to colleagues within the Force Finance Team for their assistance in compiling the financial statements. I would also like to thank the Assistant Chief Officer (Resources), the Head of Finance and other operational managers within the Force for their support.

Kevin Wilson BSc Econ (Hons), FCPFA

Chief Finance Officer to the Police and Crime Commissioner for Humberside – May 2023

Independent auditor's report to the Office of the Police and Crime Commissioner for Humberside and the Group

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Office of the Police and Crime Commissioner for Humberside and Group (PCC and Group) for the year ended 31 March 2023, which comprise the PCC and Group Comprehensive Income and Expenditure Statement, the PCC and Group Movement in Reserves Statement, the PCC and Group Balance Sheet, the PCC and Group Cash Flow Statement, the PCC and Group Police Pensions Fund Account and Net Assets Statement and notes to the financial statements, including a summary of significant accounting policies. 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 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets ("the Code Update"), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the PCC and Group as at 31st March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the PCC and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer / S151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PCC and Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer / S151 Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer / S151 Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Chief Finance Officer / S151 Officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Chief Financial 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 2022/23 as amended by the Code Update, and for being satisfied that they give a true and fair view. The Chief Finance Officer / S151 Officer is also responsible for such internal control as the Chief Finance Officer / S151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer / S151 Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update and prepare the financial statements on a going concern basis on the assumption that the functions of the PCC and Group will continue in operational existence for the foreseeable future. The Chief Finance Officer / S151 Officer is responsible for assessing each year whether or not it is appropriate for the PCC and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the PCC and Group, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Police and Crime Commissioner, as to whether the PCC and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the PCC and Group which were contrary to applicable laws and regulations, including fraud.

We evaluated the Chief Finance Officer / S151 Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Police and Crime Commissioner on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Police and Crime Commissioner. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Chief Finance Officer / S151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in February 2023.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the PCC's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the PCC has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2023.

We have not completed our work on the PCC's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2023.

We will report the outcome of our work on the PCC's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Office of the Police and Crime Commissioner for Humberside

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

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the PCC has made proper arrangements for securing economy, efficiency, and effectiveness in the use of resources. We are not required to consider, nor have we considered, whether all aspects of the PCC's arrangements for securing economy, efficiency, and effectiveness in the use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the Office of the Police and Crime Commissioner for Humberside as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Office of the Police and Crime Commissioner for Humberside 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 Office of the Police and Crime Commissioner for Humberside, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the PCC and Group's Whole of Government Accounts consolidation pack;
- the work necessary to satisfy ourselves that the PCC has made proper arrangements for securing economy, efficiency, and effectiveness in the use of resources.



Gavin Barker
Key Audit Partner
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF
Date: 25 March 2024

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 financial affairs and to ensure that one of the 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 20/03/24

**Jonathan Evison
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 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 2023.

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 2023 and the income and expenditure for the year.



Date 20/03/24

**Martyn Ransom
Chief Finance Officer**

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 note and the Movement in Reserves Statement.

Year Ended 31 March 2022			Year Ended 31 March 2023				
£'000	£'000	£'000		£'000	£'000	£'000	
Expenditure	Income	Net		Expenditure	Income	Net	
44,158	(122)	44,036	Northbank Division	48,120	(112)	48,008	
30,714	(450)	30,264	Southbank Division	33,194	(478)	32,716	
20,150	(98)	20,052	Force Control Room	20,719	(189)	20,530	
12,254	-	12,254	Protecting Vulnerable People	13,770	(1)	13,769	
9,644	(908)	8,736	Regional Collaboration	12,493	(2,950)	9,543	
14,746	(1,166)	13,580	Special Operations Unit	15,154	(1,183)	13,971	
17,336	(2,956)	14,380	Specialist Crime	16,194	(1,938)	14,256	
13,812	(604)	13,208	People Services	15,308	(307)	15,001	
10,778	(3,009)	7,769	Estates Services	13,874	(3,542)	10,332	
13,475	(312)	13,163	Information Services	10,819	(293)	10,526	
12,721	(829)	11,892	Corporate Development	7,683	(792)	6,891	
-	-	-	Criminal Justice (previously part of Corporate Development)	5,717	(97)	5,620	
34,414	(2,701)	31,713	Centrally Managed Services	27,102	(3,647)	23,455	
23,343	(7,435)	15,908	Other Services	24,010	(7,305)	16,705	
7,103	(2,568)	4,535	Police & Crime Commissioner	10,104	(5,407)	4,697	
264,648	(23,158)	241,490	Cost of Services - Continuing Operations	274,261	(28,241)	246,020	
74	-	74	Other Operating Expenditure	8	299	(17)	282
51,067	(27)	51,040	Financing and Investment Income and Expenditure	9	66,960	(481)	66,479
-	(243,032)	(243,032)	Taxation and Non-Specific Grant Income	10	-	(261,225)	(261,225)
		49,572	(Surplus) or Deficit on Provision of Services				51,556
		(9,416)	(Surplus) or Deficit on Revaluation of Non Current Assets				(47,675)
		(62,026)	Remeasurements of the net defined benefit liability	33			(812,577)
		(71,442)	Other Comprehensive Income and Expenditure (Surplus)/Deficit				(860,252)
		(21,870)	Total Comprehensive Income and Expenditure (Surplus)/Deficit				(808,696)

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.

Year Ended 31 March 2022				Year Ended 31 March 2023					
£'000	PCC £'000	£'000	Chief Constable £'000		Note	PCC £'000	PCC £'000	PCC £'000	Chief Constable £'000
Expenditure	Income	Net	Expenditure		Expenditure	Income	Net	Expenditure	Expenditure
-	(122)	(122)	44,158	Northbank Division		-	(112)	(112)	48,120
-	(450)	(450)	30,714	Southbank Division		-	(478)	(478)	33,194
-	(98)	(98)	20,150	Force Control Room		-	(189)	(189)	20,719
-	-	-	12,254	Protecting Vulnerable People		-	(1)	(1)	13,770
-	(908)	(908)	9,644	Regional Collaboration		-	(2,950)	(2,950)	12,493
-	(1,166)	(1,166)	14,746	Special Operations Unit		-	(1,183)	(1,183)	15,154
-	(2,956)	(2,956)	17,336	Specialist Crime		-	(1,938)	(1,938)	16,194
-	(604)	(604)	13,812	People Services		-	(307)	(307)	15,308
-	(3,009)	(3,009)	10,778	Estates Services		-	(3,542)	(3,542)	13,874
-	(312)	(312)	13,475	Information Services		-	(293)	(293)	10,819
-	(829)	(829)	12,721	Corporate Development		-	(792)	(792)	7,683
-	-	-	-	Criminal Justice (previously part of Corporate Development)		-	(97)	(97)	5,717
-	(2,701)	(2,701)	34,414	Centrally Managed Services		-	(3,647)	(3,647)	27,102
-	(7,435)	(7,435)	23,343	Other Services		-	(7,305)	(7,305)	24,010
7,103	(2,568)	4,535	-	Police & Crime Commissioner		10,104	(5,407)	4,697	-
7,103	(23,158)	(16,055)	257,545	Cost of Services - Continuing Operations		10,104	(28,241)	(18,137)	264,157
251,984	-	251,984	(251,984)	Intra-Group Funding	5	273,574	-	273,574	(273,574)
259,087	(23,158)	235,929	5,561	Net Cost of Policing Services		283,678	(28,241)	255,437	(9,417)
74	-	74		Other Operating Expenditure	8	299	(17)	282	
1,950	(27)	1,923		Financing and Investment Income and Expenditure	9	2,321	(481)	1,840	
-	(243,032)	(243,032)		Taxation and Non-Specific Grant Income	10	-	(261,225)	(261,225)	
		(5,106)		(Surplus) or Deficit on Provision of Services				(3,666)	
		(9,416)		(Surplus) or Deficit on Revaluation of Non Current Assets				(47,675)	
		(1,063)		Remeasurements of the net defined benefit liability	33			(2,372)	
		(10,479)		Other Comprehensive Income and Expenditure (Surplus)/Deficit				(50,047)	
		(15,585)		Total Comprehensive Income and Expenditure (Surplus)/Deficit				(53,713)	

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.

MOVEMENT IN RESERVES – PCC GROUP

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2022	25,365	-	25,365	(2,435,827)	(2,410,462)
Total Comprehensive Income & Expenditure	(51,556)	-	(51,556)	860,252	808,696
Adjustments between Accounting Basis & Funding Basis under Regulations	57,038	-	57,038	(57,038)	-
Increase / (Decrease) in Year	5,482	-	5,482	803,214	808,696
Balance at 31 March 2023	30,847	-	30,847	(1,632,613)	(1,601,766)

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2021	20,353	-	20,353	(2,452,685)	(2,432,332)
Total Comprehensive Income & Expenditure	(49,572)	-	(49,572)	71,442	21,870
Adjustments between Accounting Basis & Funding Basis under Regulations	54,584	-	54,584	(54,584)	-
Increase / (Decrease) in Year	5,012	-	5,012	16,858	21,870
Balance at 31 March 2022	25,365	-	25,365	(2,435,827)	(2,410,462)

A breakdown of the PCC Group Adjustments between Accounting and Funding Basis under Regulations can be found in Note 16 of the accounts.

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.

MOVEMENT IN RESERVES – PCC

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2022	25,365	-	25,365	9,011	34,376
Total Comprehensive Income & Expenditure	3,666	-	3,666	50,047	53,713
Adjustments between Accounting Basis & Funding Basis under Regulations	1,816	-	1,816	(1,816)	-
Increase / (Decrease) in Year	5,482	-	5,482	48,231	53,713
Balance at 31 March 2023	30,847		30,847	57,242	88,089

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2021	20,353	-	20,353	(1,562)	18,791
Total Comprehensive Income & Expenditure	5,106	-	5,106	10,479	15,585
Adjustments between Accounting Basis & Funding Basis under Regulations	(94)	-	(94)	94	-
Increase / (Decrease) in Year	5,012	-	5,012	10,573	15,585
Balance at 31 March 2022	25,365	-	25,365	9,011	34,376

A breakdown of the PCC Adjustments between Accounting and Funding Basis under Regulations can be found in Note 17 of the accounts.

BALANCE SHEET FOR THE PCC GROUP AND PCC

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCC Group and the PCC. The net assets (assets less liabilities) are matched by the reserves held by the PCC Group and the PCC.

31 March 2022				31 March 2023	
PCC Group	PCC		Note	PCC Group	PCC
£'000	£'000			£'000	£'000
122,196	122,196	Property, Plant & Equipment	18	170,275	170,275
729	729	Assets under Construction	18	366	366
3,337	3,337	Intangible Assets	20	4,393	4,393
-	-	Net Pension Asset	29	39,786	921
120	120	Other Long Term Debtors		107	107
126,382	126,382	Long Term Assets		214,927	176,062
310	310	Assets Held for Sale	18	310	310
157	157	Inventories		121	121
9,000	9,000	Short Term Investments	24	4,000	4,000
20,891	20,801	Short Term Debtors	23	32,228	32,132
5,613	5,613	Cash and Cash Equivalents	35	5,120	5,120
35,971	35,881	Current Assets		41,779	41,683
-	-	Cash and Cash Equivalents (liability)	35	-	-
23,177	20,902	Short Term Creditors	23	29,696	26,730
265	265	Capital Grants Received in Advance		258	258
302	302	Short Term Provisions		671	671
3,266	3,266	Short Term Borrowing	25	3,532	3,532
27,010	24,735	Current Liabilities		34,157	31,191
101,997	101,997	Long Term Borrowing	25	98,465	98,465
2,443,808	1,155	Other Long Term Liabilities	29	1,725,850	-
2,545,805	103,152	Long Term Liabilities		1,824,315	98,465
(2,410,462)	34,376	Net Assets/ (Liabilities)		(1,601,766)	88,089
25,365	25,365	Usable Reserves	26	30,847	30,847
(2,435,827)	9,011	Unusable Reserves	27	(1,632,613)	57,242
(2,410,462)	34,376	Total Reserves		(1,601,766)	88,089

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 March 2022 £'000		31 March 2023 £'000
49,572	Net (Surplus) or Deficit on the Provision of Services	51,556
(62,758)	Adjustments to Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(59,696)
630	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	527
(12,556)	Net Cash Flows from Operating Activities	(7,613)
19,207	Investing Activities	4,840
(7,675)	Financing Activities	3,266
(1,024)	Net (Increase) or Decrease in Cash and Cash Equivalents	493
4,589	Cash and Cash Equivalents at the Beginning of the Reporting Period	5,613
5,613	Cash and Cash Equivalents at the End of the Reporting Period	5,120

Note 35 in the accounts provides further details of the figures in the above Cash Flow statement.

STATEMENT OF ACCOUNTING POLICIES FOR THE PCC AND THE PCC GROUP

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. 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.

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.

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.

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.

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.

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 in regards to the 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.

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 for which there is significant risks of material adjustment in the forthcoming financial year are as follows:

- **Short Term Employee Benefits**

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.

- **Property, Plant and Equipment - 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.

- **Property, Plant and Equipment – Componentisation Thresholds**

If in applying the policy, 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**

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

- **Allocation of Expenditure between the PCC and the Chief Constable**

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.

Revenue

Revenue in respect of services provided is recognised when performance occurs, and is measured at the fair value of the consideration receivable. A de-minimis threshold of £10,000 is in place for year-end accruals.

Where income is received for a specific activity that is to be delivered in the following year that income is deferred. IFRS 15 Revenue Recognition has been adopted however the impact on the group is minimal. Goods are sold on an incidental basis. Income is recognised at the point the sale transaction occurs.

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, 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.

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 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 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.

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.

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. Due to a change in valuers, the whole of the force estate will be revalued for 2022/23. Following on from this the PCC Group will undertake a rolling programme of revaluations, with the top 20% of the highest valued properties being revalued every financial year. The remaining properties within the Force estate will be revalued on a four year rolling programme basis, based on the four local authority areas where the properties are located.

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)
- Surplus property – fair value

Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees and other 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.

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.

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). The PCC Group has adopted, from 1 April 2019 the Asset Life Method to provide for MRP calculated by using the annuity method, for any capital expenditure funded from borrowing. MRP is not provided for assets in the course of construction.

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.

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.

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 a 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.

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.

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.

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.

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.

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.

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. IFRS 9 Financial Instruments has been adopted however the impact is minimal.

Financial assets

The Police and Crime Commissioner only has one class of financial assets

Loans and receivables held at amortised cost

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.

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

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.

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.

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

The following standards and amendment to standards have been issued but not yet adopted:

- IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – Amendments to the definition of accounting estimates
- IAS 1 (Presentation of Financial Statements) and IFRS Practice Statement 2 (Making Materiality Judgements) – Amendment to disclosure of accounting policies
- IAS 12 (Income Taxes) – Amendments to deferred tax related to assets and liabilities arising from a single transaction.
- IFRS 3 (Business Combinations) – Updating a reference to the conceptual framework

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

The implementation of the IFRS 16: Leases standard, originally planned for 1 April 2020, has been deferred by the CIPFA/LASAAC (Local Authority Accounting Code) Board to 1 April 2024. The introduction of this standard will require all assets, apart from those meeting certain exemption criteria, leased in by the PCC Group to be accounted for on its Balance Sheet. Short-term leases and those of low value will be exempt from this requirement. The PCC Group currently has a number of leased in properties which may need to be added onto the PCC Group Balance Sheet. There are minimal changes to the accounting for assets leased out by the PCC Group.

Accounting standards issued that have been adopted early

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

Exceptional items

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

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.

Events after the Reporting Period

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.

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.

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.

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1. 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.

EXPENDITURE AND FUNDING ANALYSIS – PCC GROUP

Year Ended 31 March 2022			Year Ended 31 March 2023		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between Accounting and Funding Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments between Accounting and Funding Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
43,899	137	44,036	46,340	1,668	48,008
30,105	159	30,264	31,616	1,100	32,716
16,157	3,895	20,052	16,927	3,603	20,530
12,234	20	12,254	13,670	99	13,769
8,746	(10)	8,736	9,533	10	9,543
13,452	128	13,580	13,604	367	13,971
13,636	744	14,380	13,348	908	14,256
12,334	874	13,208	14,179	822	15,001
7,340	429	7,769	9,946	386	10,332
13,077	86	13,163	10,509	17	10,526
10,178	1,714	11,892	5,839	1,052	6,891
0	0	0	4,922	698	5,620
31,320	393	31,713	35,247	(11,792)	23,455
14,163	1,745	15,908	15,139	1,566	16,705
4,246	289	4,535	4,422	275	4,697
230,887	10,603	241,490	245,241	779	246,020
(235,899)	43,981	(191,918)	(250,723)	56,259	(194,464)
(5,012)	54,584	49,572	(5,482)	57,038	51,556
20,353			25,365		
5,012			5,482		
25,365			30,847		
		Northbank Division			
		Southbank Division			
		Force Control Room			
		Protecting Vulnerable People			
		Regional Collaboration			
		Special Operations Unit			
		Specialist Crime			
		People Services			
		Estates Services			
		Information Services			
		Corporate Development			
		Criminal Justice (previously part of Corporate Development)			
		Centrally Managed Services			
		Other Services			
		Police & Crime Commissioner			
		Net Cost of Services			
		Other Income and Expenditure			
		(Surplus) or Deficit			
		Opening General Fund Balance			
		Add: Surplus/(Deficit) on General Fund in year			
		Closing General Fund Balance			

2. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS – PCC GROUP

Year Ended 31 March 2022				Year Ended 31 March 2023				
Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments	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		£'000	£'000	£'000	£'000
1,357	(1,177)	(43)	137	Northbank Division	2,899	(1,404)	173	1,668
935	(746)	(30)	159	Southbank Division	1,951	(989)	138	1,100
502	3,424	(31)	3,895	Force Control Room	1,013	2,553	37	3,603
298	(268)	(10)	20	Protecting Vulnerable People	645	(588)	42	99
36	(45)	(1)	(10)	Regional Collaboration	139	(145)	16	10
397	(252)	(17)	128	Special Operations Unit	828	(521)	60	367
359	400	(15)	744	Specialist Crime	751	92	65	908
198	694	(18)	874	People Services	484	277	61	822
58	375	(4)	429	Estates Services	115	266	5	386
-	86	-	86	Information Services	-	17	-	17
308	1,424	(18)	1,714	Corporate Development	415	611	26	1,052
-	-	-	-	Criminal Justice (previously part of Corporate Development)	244	441	13	698
20	374	(1)	393	Centrally Managed Services	14	(11,810)	4	(11,792)
287	1,468	(10)	1,745	Other Services	423	1,098	45	1,566
20	270	(1)	289	Police & Crime Commissioner	41	233	1	275
4,775	6,027	(199)	10,603	Net Cost of Services	9,962	(9,869)	686	779
(4,692)	49,151	(478)	43,981	Other Income and Expenditure	(7,920)	64,702	(523)	56,259
83	55,178	(677)	54,584	(Surplus) or Deficit	2,042	54,833	163	57,038

4. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS – PCC

Year Ended 31 March 2022				Year Ended 31 March 2023				
Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments	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		£'000	£'000	£'000	£'000
1,357	-	-	1,357	Northbank Division	2,899	-	-	2,899
935	-	-	935	Southbank Division	1,951	-	-	1,951
502	-	-	502	Force Control Room	1,013	-	-	1,013
298	-	-	298	Protecting Vulnerable People	645	-	-	645
36	-	-	36	Regional Collaboration	139	-	-	139
397	-	-	397	Special Operations Unit	828	-	-	828
359	-	-	359	Specialist Crime	751	-	-	751
198	-	-	198	People Services	484	-	-	484
58	-	-	58	Estates Services	115	-	-	115
-	-	-	-	Information Services	-	-	-	-
308	-	-	308	Corporate Development	415	-	-	415
-	-	-	-	Criminal Justice (previously part of Corporate Dev)	244	-	-	244
20	-	-	20	Centrally Managed Services	14	-	-	14
287	-	-	287	Other Services	423	-	-	423
20	270	(1)	289	Police & Crime Commissioner	41	233	1	275
4,775	270	(1)	5,044	Net Cost of Services	9,962	233	1	10,196
(4,692)	32	(478)	(5,138)	Other Income and Expenditure	(7,920)	63	(523)	(8,380)
83	302	(479)	(94)	(Surplus) or Deficit	2,042	296	(522)	1,816

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 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.

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.

5. INTERCOMPANY FUNDING

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 2022/23 and 2021/22 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.

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 IAS 19 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 Statement (CIES) for the PCC and the PCC Group are 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 the same format that it is reported to management. 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.

Intra-Group Movements 2022-2023:	PCC	Chief Constable	PCC Group
	£'000	£'000	£'000
Opening Balance as at 1 April 2022	(2,841)	2,841	-
PCC resources consumed at the request of the Chief Constable	273,574	(273,574)	-
PCC intra-group adjustment (resource funding)	(273,574)	273,574	-
	(2,841)	2,841	-
Year end adjustments:			
Accumulated absences movement	(685)	685	-
Pensions actuarial adjustments	1,630,510	(1,630,510)	-
PCC intra-group adjustment	(1,629,825)	1,629,825	-
Payroll creditors and debtors movement	(2,310)	2,310	-
Closing Balance as at 31 March 2023	(5,151)	5,151	-

Intra-Group Movements 2021-2022:			
Opening Balance as at 1 April 2021	(3,139)	3,139	-
PCC resources consumed at the request of the Chief Constable	251,984	(251,984)	-
PCC intra-group adjustment (resource funding)	(251,984)	251,984	-
	(3,139)	3,139	-
Year end adjustments:			
Accumulated absences movement	198	(198)	-
Pensions actuarial adjustments	116,168	(116,168)	-
PCC intra-group adjustment	(116,366)	116,366	-
Payroll creditors and debtors movement	298	(298)	-
Closing Balance as at 31 March 2022	(2,841)	2,841	-

6. SUMMARY SPENDING DETAILS

The statements below show the cost of providing services for the PCC Group for 2022/23 and 2022/22. 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.

Year Ended 31 March 2022			Year Ended 31 March 2023			
PCC	Chief	PCC Group		PCC	Chief	PCC
£'000	Constable	£'000		£'000	Constable	Group
	£'000			£'000	£'000	£'000
			Expenditure			
1,575	204,743	206,318	Pay and Other Employment Costs	1,558	204,530	206,088
-	8,644	8,644	Premises	-	11,655	11,655
3	2,374	2,377	Transport	5	2,912	2,917
298	12,369	12,667	Supplies and Services	449	11,376	11,825
5,207	24,659	29,866	Third Party Payments	8,051	23,762	31,813
20	4,756	4,776	Capital Charges & Impairment of Assets	41	9,922	9,963
-	-	-	Non Distributable Cost	-	-	-
7,103	257,545	264,648	Total Expenditure	10,104	264,157	274,261
			Income			
(4,634)	-	(4,634)	Specific Government Grants	(9,205)	-	(9,205)
(2,379)	-	(2,379)	Other Grant Income	(3,004)	-	(3,004)
(4,575)	-	(4,575)	Sales, Fees & Charges	(5,029)	-	(5,029)
(11,376)	-	(11,376)	Reimbursements	(10,663)	-	(10,663)
(194)	-	(194)	Other Income	(340)	-	(340)
(23,158)	-	(23,158)	Total Income	(28,241)	-	(28,241)
251,984	(251,984)	-	Intra-Group Adjustments*	273,574	(273,574)	-
235,929	5,561	241,490	Net Cost of Policing Services	255,437	(9,417)	246,020

OPCC OPERATIONAL INCOME AND EXPENDITURE

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

2021/22		2022/23
£'000		£'000
1,306	Staff	1,324
3	Transport	5
299	Supplies and Services	449
5,207	Third Party Payments	8,051
(61)	Fees & Charges and Other Income	(29)
(2,508)	Specific Grants	(5,377)
4,246		4,423

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

7. PENSIONS INCOME & EXPENDITURE ACCOUNT

The cost of retirement benefits is recognised in the CIES 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 CIES and Statements of Movement in the General Fund Balance during the year:

PCC Group	Local Government Pension Scheme		Police Pension Schemes	
	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Comprehensive Income and Expenditure Statement				
Net Cost of Service				
Current Service Cost (Gross)	17,166	19,139	38,870	47,440
Non Distributed Costs	145	90	-	-
Reversal of IAS19 Contributions	(7,103)	(7,104)	(58,947)	(53,537)
	10,208	12,125	(20,077)	(6,097)
Net Operating Expenditure				
Interest Cost	11,072	8,500	61,990	46,300
Interest Income	(8,360)	(5,649)	-	-
	2,712	2,851	61,990	46,300
Net Charge to the Comprehensive Income and Expenditure Statement	12,920	14,976	41,913	40,203
Statement of Movement in the General Fund Balance				
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS19	(12,920)	(14,976)	(41,913)	(40,203)
Actual amount charged against the General Fund Balance for Pensions in the Year				
Employer's Contributions Payable to Scheme	7,185	6,908	21,453	20,473
Police Officer Injury and Ill Health Pension Costs	-	-	1,460	912

PCC	Local Government Pension Scheme	
	31 March 2023 £'000	31 March 2022 £'000
Comprehensive Income and Expenditure Statement		
Net Cost of Service		
Current Service Cost (Gross)	397	430
Non Distributed Costs	-	-
Reversal of IAS19 Contributions	(164)	(160)
	233	270
Net Operating Expenditure		
Interest Cost	256	105
Interest Income	(193)	(70)
	63	35
Net Charge to the Comprehensive Income and Expenditure Statement	296	305
Statement of Movement in the General Fund Balance		
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS19	(296)	(305)
Actual amount charged against the General Fund Balance for Pensions in the Year		
Employer's Contributions Payable to Scheme	166	139

8. OTHER OPERATING INCOME AND EXPENDITURE

Other Operating Income and Expenditure includes the gain or loss on the sale of non-current assets during the year as follows:

2021/22			2022/23		
Net Book Value £'000	Receipt £'000	Total £'000	Net Book Value £'000	Receipt £'000	Total £'000
-	-	-	-	-	-
-	-	-	-	-	-
74	-	74	299	(17)	282
-	-	-	-	-	-
74	-	74	299	(17)	282
74	-	74	299	(17)	282

Land and Buildings (Held for Sale)
Gain from the Sale of Non Current Assets

Vehicles, Plant and Equipment
Intangible Assets

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

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

Financing and Investment Income and Expenditure includes corporate items of income and expenditure which arise from the PCC Groups involvement in financial instruments and similar items.

In the case of the PCC Group this includes both interest payable and receivable during the year, along with the net pensions interest cost.

PCC Group	PCC		PCC Group	PCC
2021/22	2021/22		2022/23	2022/23
£'000	£'000		£'000	£'000
1,916	1,916	Interest payable and similar charges	2,258	2,258
49,151	34	Pensions interest cost net of interest on pension assets	64,702	63
(27)	(27)	Interest receivable	(481)	(481)
51,040	1,923		66,479	1,840

10. TAXATION AND NON SPECIFIC GRANT INCOME

Taxation and Non-Specific Grant Income contains all un-ringfenced grants and contributions, including council tax income, receivable during the year which cannot be identified to a particular service line within cost of services.

All capital grants and contributions are included within this line, even if they are service specific.

2021/22		2022/23
£'000		£'000
66,731	Council Tax Income	73,599
144,376	General Government Grants	151,644
31,295	Police Pensions Top Up Grant receivable	35,473
630	Capital Grants	509
243,032		261,225

The Council Tax Income includes the actual income received in year (see Note 11) plus an adjustment for the difference between estimated and actual surplus/deficits on the collection fund.

A breakdown of general government grants are included in Note 12 along with a breakdown of service specific revenue grants included within the cost of services in the CIES.

11. PRECEPTS AND COUNCIL TAX INCOME

The precepts raised for the year are as follows;

2022/23

BAND	A	B	C	D	E	F	G	H
Rate £	168.80	196.93	225.07	253.20	309.47	365.73	422.00	506.40

2021/22

BAND	A	B	C	D	E	F	G	H
Rate £	162.14	189.16	216.19	243.21	297.26	351.30	405.35	486.42

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

2021/22		2022/23
£000		£000
28,584	East Riding of Yorkshire Council	31,551
14,850	Kingston Upon Hull City Council	16,692
10,943	North East Lincolnshire Council	11,748
11,875	North Lincolnshire Council	13,084
66,252		73,075

12. GRANT INCOME

The PCC Group receive a number of non-ringfenced general grants from central government. These grants are included within Taxation and Non-Specific Grant Income and are as follows;

2021/22		2022/23
£000		£000
130,918	Police Revenue Grant	138,571
8,341	Council Tax Support Grants	8,341
1,904	Police Pension Grant	1,904
1,700	Council Tax Freeze Grants	1,700
-	Police Pay Award Grant	1,128
1,513	COVID-19 Grant Funding	-
144,376	Total General Government Grants	151,644

Additional service specific grants were received from numerous bodies, and are included as part of total income in cost of services. Details of those grants that are £0.500m and above are shown below:

2021/22		2022/23
£000		£000
1,890	Recruitment Uplift Programme Grant (Home Office Grant)	2,936
1,743	Victims Support Grant (Ministry of Justice Grant)	2,187
-	Violence Prevention Partnership Grant (Home Office Grant)	2,179
1,221	DSP Port Security (Home Office Grant)	1,141
906	DSP Port Security Armed Response (Home Office Grant)	1,086
-	Domestic Abuse Victims Support Grant (Home Office Grant)	753
5,760		10,282

13. EXTERNAL AUDIT FEES

2021/22				2022/23		
PCC GROUP	PCC	CC		PCC GROUP	PCC	CC
£'000	£'000	£'000		£'000	£'000	£'000
38	26	12	Base Audit Fees	46	32	14
7	5	2	Recurring Fee Variations	-	-	-
3	2	1	Additional Fee - IAS540	3	2	1
6	4	2	Additional Fee - VFM	9	6	3
5	3	2	Fees due relating to prior years	19	12	7
(7)	(5)	(2)	Rebate from PSAA	-	-	-
(20)	(14)	(6)	Redmond Review Audit Fees Grant	(20)	(14)	(6)
32	21	11		57	38	19

The table above presents the external audit fees payable to Mazars LLP for 2022/23.

The fees include recurring increases in the base audit fee arising from regulatory pressures within the audit sector. New requirements in the Code of Audit Practice 2020 for additional work around Value for Money (VFM) and ISA540 Auditing Accounting Estimates and Related Disclosures have resulted in new recurring additional fees laid out in the above table.

In 2022/23 the PCC Group received a Section 31 grant from the Department for Levelling Up, Housing and Communities. This was provided to support local bodies to meet the anticipated rise in audit fees as highlighted in the Redmond Review.

14. OFFICERS’ REMUNERATION AND EXIT PACKAGES**OFFICERS’ REMUNERATION - BANDINGS**

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

Police Officers No.s	2021/22		Remuneration Band £	2022/23		Total No.s
	Support Staff No.s	Total No.s		Police Officers No.s	Support Staff No.s	
136	8	144	50,000 - 54,999	172	13	185
93	4	97	55,000 - 59,999	117	5	122
45	-	45	60,000 - 64,999	60	4	64
10	2	12	65,000 - 69,999	9	4	13
4	-	4	70,000 - 74,999	6	1	7
2	3	5	75,000 - 79,999	2	1	3
5	1	6	80,000 - 84,999	4	2	6
6	1	7	85,000 - 89,999	6	1	7
2	1	3	90,000 - 94,999	1	-	1
1	-	1	95,000 - 99,999	2	1	3
-	-	-	100,000 - 104,999	-	1	1
-	1	1	105,000 - 109,999	1	1	2
-	-	-	110,000 - 114,999	-	-	-
1	-	1	115,000 - 119,999	-	-	-
-	-	-	120,000 - 124,999	1	-	1
-	1	1	125,000 - 129,999	-	-	-
-	-	-	130,000 - 134,999	-	-	-
-	-	-	135,000 - 139,999	-	-	-
1	-	1	140,000 - 144,999	1	-	1
-	-	-	145,000 - 149,999	-	-	-
-	-	-	150,000 - 154,999	-	-	-
-	-	-	155,000 - 159,999	-	-	-
1	-	1	160,000 - 164,999	-	-	-
-	-	-	165,000 - 169,999	-	-	-
-	-	-	170,000 - 174,999	1	-	1
307	22	329		383	34	417

The Officers disclosed separately in senior officers’ remuneration table below 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.

OFFICERS’ REMUNERATION – SENIOR OFFICERS

The remuneration paid to senior employees and senior police officers is as follows:

Post Holder 2022/23	Salary (Including Fees & Allowances) £000	Other Emoluments £000	Total Remuneration excluding Pension Contributions £000	Pension Contributions £000	Total Remuneration including Pension Contributions £000
Chief Constable					
Chief Constable - Lee Freeman	174	-	174	53	227
Deputy Chief Constable	137	7	144	-	144
Assistant Chief Constable - Operations	122	12	134	33	167
Assistant Chief Constable - Local Policing (until 5th July 2022)	34	-	34	9	43
Temporary Assistant Chief Constable - Local Policing (from 5th July 2022 to 6th March 23)	76	-	76	22	98
Assistant Chief Constable - Local Policing (from 6th March 2023)	9	1	10	2	12
Assistant Chief Officer Resources (from 1st July 2022)	86	-	86	15	101
Assistant Chief Officer Resources (until 24th June 2022)	30	-	30	5	35
	668	20	688	139	827
PCC					
Police and Crime Commissioner	78	-	78	14	92
Chief Executive	102	2	104	18	122
Chief Finance Officer (PCC Section 151)*	43	-	43	8	51
	223	2	225	40	265
PCC Group Total	891	22	913	179	1,092

*Chief Finance Officer (PCC Section 151) - part time seconded from Humberside Fire. Humberside Police and Crime Commissioner contribute towards 40% of salary, NI and Pension

Post Holder 2021/22	Salary (Including Fees & Allowances) £000	Other Emoluments £000	Total Remuneration excluding Pension Contributions £000	Pension Contributions £000	Total Remuneration including Pension Contributions £000
Chief Constable					
Chief Constable - Lee Freeman	161	-	161	49	210
Deputy Chief Constable	143	7	150	40	190
Assistant Chief Constable - Operations	88	-	88	26	114
Assistant Chief Constable - Operations	17	1	18	5	23
Assistant Chief Constable - Local Policing	116	-	116	33	149
Assistant Chief Officer (Resources)	125	-	125	22	147
	650	8	658	175	833
PCC					
Police and Crime Commissioner	7	-	7	2	9
Police and Crime Commissioner	68	-	68	12	80
Chief Executive	90	-	90	16	106
Chief Finance Officer (PCC Section 151)	43	-	43	8	51
	208	-	208	38	246
PCC Group Total	858	8	866	213	1,079

1. Assistant Chief Constable – Operations – ended in post December 2021
2. Assistant Chief Constable – Local Policing – began in post February 2022
3. Police and Crime Commissioner – ended in post May 2021
4. Police and Crime Commissioner – begin in post May 2021

*Chief Finance Officer (PCC Section 151) - part time seconded from Humberside Fire. Humberside Police and Crime Commissioner contribute towards 40% of salary, NI and Pension

OFFICERS’ REMUNERATION – EXIT PACKAGES

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:

2022/23					
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	3	2	5	21	
20,001 - 40,000	1	-	1	40	
40,001 - 60,000	1	-	1	45	
	5	2	7	106	

2021/22					
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	2	-	2	27	
20,001 - 40,000	-	1	1	21	
60,001 - 80,000	1	1	2	153	
	3	2	5	201	

15. 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.

The North East Collaboration Board (NECB) has been established between Humberside, the three Yorkshire forces and Cleveland, Durham and Northumbria.

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 Underwater Search services.

The Underwater Search Unit made a surplus of £0.006m in the financial year 2022/23 (Surplus £0.008m in 2021/22) with the PCC for Humberside contributing £0.425m (£0.392m in 2021/22).

The PCC for Humberside has made contributions during the year ended 31 March 2023 to other Lead Forces as follows:

Lead Force	Functional Area	Contributions Made	
		2022/23 £'000	2021/22 £'000
OPCC for South Yorkshire	Procurement and Stores	512	492
OPCC for West Yorkshire	Serious and Organised Crime	1,877	1,381
	Scientific Support	5,160	5,338
	Collision Investigation	608	526
	Prison Intelligence Unit	10	10

OTHER REGIONAL COLLABORATION ARRANGEMENTS

The PCC for Humberside collaborates in a two force partnership with the Office for the Police and Crime Commissioner (OPCC) for South Yorkshire on the provision of Information Services. The cost of the collaboration is shared based on the total size of the respective force budgets assessed using a measure of net revenue expenditure. The summary position for the joint operations is outlined below:

	Information Services	
	2022/23	2021/22
	£'000	£'000
<u>Expenditure</u>		
Staff Costs	5,698	6,287
Property related expenses	1	3
Supplies and services	6,189	7,051
Transport related expenses	64	118
Third party costs	-	-
	11,952	13,459
<u>Income</u>		
Contributions (see below)	11,952	13,459
Other income	-	-
	11,952	13,459
Deficit/(Surplus) in year	-	-
<u>Contributions:</u>		
Humberside Police	5,128	5,792
South Yorkshire Police	6,824	7,667
	11,952	13,459

In addition to the Information Services arrangement, the PCC has a collaboration agreement in place with South Yorkshire for the use of a number of Legal Services staff. Income received by the PCC for this arrangement in 2022/23 was £0.212m (2021/22 £0.179m)

LOCAL COLLABORATION ARRANGEMENTS

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 (ESFM), a company limited by guarantee which was established for that purpose. Humberside Police retain joint control of this company with Humberside Fire Authority.

The Net Cost of ESFM Ltd in relation to the Humberside Police in 2022/23 was £1.844m (2021/22 £1.886m), with a closing Net Assets figure of £0.421m (2021/22 £0.430m).

Humberside Police provide Estates Management Services to Humberside Fire Authority on a lead Authority basis. The Joint Estates Service (JES) provides premises repairs, regular maintenance, utility management and support for capital projects. Governance for the JES is provided by the JES board chaired by the Assistant Chief Officer (Resources). The Director of Support Services from Humberside Fire and Rescue Service also sits on the board. The overall operational cost of the JES is £9.746m (2021/22 £10.349m) with income of £2.692m received from Humberside Fire and Rescue Service (2021/22 £1.956m) and other income of £1.050m received from other organisations (2021/22 £1.251m).

In addition to the above, Humberside Fire Authority also provide the PCC with a Health and Safety service. In 2022/23 the PCC paid £0.141m for this service (2021/22 £0.137m).

16. ANALYSIS OF ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS – PCC GROUP

The table below provides a breakdown of the figure included in the Movement in Reserves Statement which adjusts the total Comprehensive Income and Expenditure recognised within the year to the resources available to the Group as specified by statutory provision.

Year Ended 31 March 2022					Year Ended 31 March 2023			
General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves		General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
6,209	6,209	(6,209)	-	Reversal of items debited or credited to the CIES:				
(1,524)	(1,524)	1,524	-	Depreciation of non-current assets	7,353	7,353	(7,353)	-
(630)	(630)	630	-	Revaluation Losses charged on Property, Plant and Equipment	2,581	2,581	(2,581)	-
74	74	(74)	-	Capital Grants applied	(509)	(509)	509	-
90	90	(90)	-	Non-current assets value written off on disposal	299	299	(299)	-
				Impairment	29	29	(29)	-
				Inclusion of items not debited or credited to the CIES:				
(3,768)	(3,768)	3,768	-	Statutory provision for the financing of capital investment	(4,844)	(4,844)	4,844	-
(369)	(369)	369	-	Capital Expenditure funded from Revenue	(2,850)	(2,850)	2,850	-
				Adjustments involving the Capital Unapplied Reserve:				
-	-	-	-	Reversal of cash sale proceeds credited to gain/loss on disposal in CIES	(17)	(17)	17	-
				Adjustments involving the Pension Reserve:				
(60,641)	(60,641)	60,641	-	Reversal of items relating to retirement benefits debited or credited to CIES	(66,050)	(66,050)	66,050	-
115,820	115,820	(115,820)	-	Employer's pension contributions and direct payments to pensioners payable in the year	120,883	120,883	(120,883)	-
				Adjustments involving the Accumulated Absences Reserve:				
(199)	(199)	199	-	Holiday pay accrual charged to the CIES	686	686	(686)	-
				Adjustments Relating to the Collection Fund:				
(478)	(478)	478	-	Collection Fund adjustment charged to the CIES	(523)	(523)	523	-
54,584	54,584	(54,584)	-	Total Adjustments	57,038	57,038	(57,038)	-

17. ANALYSIS OF ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS – PCC

Year Ended 31 March 2022				Year Ended 31 March 2023			
General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves	General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6,209	6,209	(6,209)	-	7,353	7,353	(7,353)	-
(1,524)	(1,524)	1,524	-	2,581	2,581	(2,581)	-
(630)	(630)	630	-	(509)	(509)	509	-
74	74	(74)	-	299	299	(299)	-
90	90	(90)	-	29	29	(29)	-
(3,768)	(3,768)	3,768	-	(4,844)	(4,844)	4,844	-
(369)	(369)	369	-	(2,850)	(2,850)	2,850	-
-	-	-	-	(17)	(17)	17	-
(162)	(162)	162	-	(164)	(164)	164	-
465	465	(465)	-	460	460	(460)	-
(1)	(1)	1	-	1	1	(1)	-
(478)	(478)	478	-	(523)	(523)	523	-
(94)	(94)	94	-	1,816	1,816	(1,816)	-

Reversal of items debited or credited to the CIES:

Depreciation of non-current assets

Revaluation Losses charged on Property, Plant and Equipment

Capital Grants applied

Non-current assets value written off on disposal

Impairment

Inclusion of items not debited or credited to the CIES:

Statutory provision for the financing of capital investment

Capital Expenditure funded from Revenue

Adjustments involving the Capital Unapplied Reserve:

Reversal of cash sale proceeds credited to gain/loss on disposal in CIES

Adjustments involving the Pension Reserve:

Reversal of items relating to retirement benefits debited or credited to CIES

Employer's pension contributions and direct payments to pensioners payable in the year

Adjustments involving the Accumulated Absences Reserve:

Holiday pay accrual charged to the CIES

Adjustments Relating to the Collection Fund:

Collection Fund adjustment charged to the CIES

Total Adjustments

18. PROPERTY, PLANT & EQUIPMENT

The property, plant and equipment held on the PCC Group balance sheet can be split into a number of different asset categories as follows;

	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Assets Held for Sale	Surplus Assets	TOTAL
	£000	£000	£000	£000	£000	£000
Gross Book Value						
As at 1st April 2022	109,240	26,923	729	310	140	137,342
Additions & Enhancements	1,727	7,083	552	-	-	9,362
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,926)	-	-	-	10	(3,916)
Disposals	-	(3,377)	-	-	-	(3,377)
Transfers	(620)	915	(915)	-	620	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	46,271	-	-	-	-	46,271
As at 31st March 2023	152,692	31,544	366	310	770	185,682
Depreciation						
As at 1st April 2022	366	13,741	-	-	-	14,107
In Year	2,371	4,038	-	-	2	6,411
On Assets Revalued	(2,737)	-	-	-	(2)	(2,739)
On Assets Sold	-	(2,987)	-	-	-	(2,987)
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	(61)	-	-	-	(61)
As at 31st March 2023	-	14,731	-	-	-	14,731
Net Book Value						
As at 31st March 2023	152,692	16,813	366	310	770	170,951
As at 31st March 2022	108,874	13,182	729	310	140	123,235

	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Assets Held for Sale	Surplus Assets	TOTAL
	£000	£000	£000	£000	£000	£000
Gross Book Value						
As at 1st April 2021	73,289	25,901	11,868	740	-	111,798
Additions & Enhancements	1,172	3,292	14,636	-	-	19,100
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	469	-	-	-	-	469
Disposals	-	(2,839)	-	-	-	(2,839)
Transfers	25,496	569	(25,775)	(430)	140	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	8,814	-	-	-	-	8,814
As at 31st March 2022	109,240	26,923	729	310	140	137,342
Depreciation						
As at 1st April 2021	296	12,601	-	-	-	12,897
In Year	1,727	3,813	-	-	-	5,540
On Assets Revalued	(1,657)	-	-	-	-	(1,657)
On Assets Sold	-	(2,764)	-	-	-	(2,764)
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	91	-	-	-	91
As at 31st March 2022	366	13,741	-	-	-	14,107
Net Book Value						
As at 31st March 2022	108,874	13,182	729	310	140	123,235
As at 31st March 2021	72,993	13,300	11,868	740	-	98,901

19. ASSET NUMBERS

31 March 2022		31 March 2023
17	Local Police Team Buildings	15
13	Police Stations	13
4	Other Buildings	4
5	Headquarters and Offices	4
4	Vulnerable Victims Units	4
1	Training Centre	1
1	Custody Suite	1
1	Surplus Assets	4
-	Assets Under Construction - Property	-
15	Assets Under Construction - Vehicles	13
548	Vehicles	539

Details on the valuations of property held by the PCC Group can be found in Note 21 in the accounts.

20. INTANGIBLE ASSETS

	2022/23		2021/22
	£000		£000
Gross Book Value		Gross Book Value	
As at 1st April 2022	5,211	As at 1st April 2021	5,370
Additions & Enhancements	1,998	Additions & Enhancements	1,633
Reversal of Previous Costs	-	Reversal of Previous Costs	(1,549)
Disposals	(559)	Disposals	(243)
As at 31st March 2023	6,650	As at 31st March 2022	5,211
Amortisation		Amortisation	
As at 1st April 2022	1,874	As at 1st April 2021	1,448
In Year	942	In Year	669
On Disposals	(559)	On Disposals	(243)
As at 31st March 2023	2,257	As at 31st March 2022	1,874
Net Book Value		Net Book Value	
As at 31st March 2023	4,393	As at 31st March 2022	3,337
As at 31st March 2022	3,337	As at 31st March 2021	3,922

The Intangible Assets all relate to computer software which has been capitalised.

21. PROPERTY VALUATIONS

	Land and Buildings £000	Assets Held for Sale £000	Surplus Assets £000
Valued at current value as at:			
31 March 2020	-	310	-
31 March 2021	-	-	-
31 March 2022	-	-	-
31 March 2023	152,692	-	770
Total Gross Book Value	152,692	310	770

The PCC property portfolio is valued on an annual basis by an external valuer with an effective date of 31 March 2023. In 2022/23 the PCC carried out a valuation of the whole property estate due to a change in valuers with the current valuation framework coming to an end. In subsequent years the PCC will carry out a rolling programme of valuations. This includes the highest valued 20% of assets on an annual basis, and the remaining property estate split by local authority area valued over a four year period.

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 2022/23, 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.

2021/22		2022/23
£000		£000
102,062	Opening Capital Financing Requirement	118,020
	<u>Capital Investment</u>	
19,092	Property, Plant and Equipment	9,350
1,633	Intangible Assets	1,998
	<u>Sources of Finance</u>	
(369)	Revenue funding of Capital	(2,850)
(3,768)	Revenue Provision	(4,844)
(630)	Capital Grant	(509)
-	Capital Receipts	(17)
118,020	Closing Capital Financing Requirement	121,148
	<u>Explanation of Movements in Year</u>	
15,958	Increase/(Decrease) in underlying need to borrow	3,128
15,958	Increase/(Decrease) in Capital Financing Requirement	3,128

23. SHORT TERM DEBTORS AND CREDITORS**SHORT TERM DEBTORS**

PCC Group	PCC		PCC Group	PCC
2021/22	2021/22		2022/23	2022/23
£'000	£'000		£'000	£'000
5,056	5,056	Short-Term Debtor by Source:		
9,973	9,973	Government Departments	14,339	14,339
-	-	Other Police and Local Authorities	11,356	11,356
5,862	5,772	NHS	199	199
		Other	6,334	6,238
20,891	20,801	Total Short Term Debtors	32,228	32,132
		Short-Term Debtor by Type:		
15,602	15,512	Debtors & Accruals	26,421	26,325
5,289	5,289	Prepayments	5,807	5,807
20,891	20,801	Total Short Term Debtors	32,228	32,132

SHORT TERM CREDITORS

PCC Group	PCC		PCC Group	PCC
2021/22	2021/22		2022/23	2022/23
£'000	£'000		£'000	£'000
2,824	590	Short-Term Creditor by Source:		
8,589	11,430	Government Departments	6,268	1,893
-	-	Other Police and Local Authorities	10,408	15,560
11,764	8,882	NHS	89	89
		Other	12,931	9,188
23,177	20,902	Total Short Term Creditors	29,696	26,730
		Short-Term Creditor by Type:		
22,540	20,265	Creditors & Accruals	29,152	26,186
637	637	Income in Advance	544	544
23,177	20,902	Total Short Term Creditors	29,696	26,730

The PCC 'Other Police and Local Authorities' figure of £15.560m includes the intercompany creditor of £5.151m with the Chief Constable.

24. SHORT TERM INVESTMENTS

Short term investments relate to those investments which are due to mature within the next 12 months. The movement in short term investments throughout the year is as follows;

	Balance at 1st April 2022 £000	New Investments £000	Investment Maturities £000	Balance at 31 March 2023 £000
Short Term Investments with Financial Institutions	9,000	346,525	(351,525)	4,000
	9,000	346,525	(351,525)	4,000

25. BORROWING**SHORT TERM BORROWING**

This relates to borrowing due for maturing within 12 months.

	Balance at 1st April 2022 £000	Loans Repaid £000	New Loans £000	Transferred from Long Term Borrowing £000	Balance at 31 March 2023 £000
Public Works Loan Board (PWLB)	3,266	(3,266)	-	3,532	3,532
Other Borrowing	-	-	-	-	-
	3,266	(3,266)	-	3,532	3,532

LONG TERM BORROWING

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

	Balance at 1st April 2022 £000	Loans Repaid £000	New Loans £000	Transferred to Short Term Borrowing £000	Balance at 31 March 2023 £000
Public Works Loan Board (PWLB)	101,997	-	-	(3,532)	98,465

Debt at 31st March 2022 £000		Debt at 31st March 2023 £000
3,532	1-2 years	3,234
9,933	2-5 years	9,881
17,032	5-10 years	16,850
19,000	10-15 years	20,000
52,500	> 15 years	48,500
101,997		98,465

26. USABLE RESERVES

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

Change Management Reserve (Was 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.

Prices and Pay Reserve – This Reserve has been provided to support increases in inflation that are in excess of the budgeted amount in the short-term. For permanent inflationary pressures the increase will be incorporated into the Police and Crime Commissioners Medium-Term Resource Strategy.

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 Unapplied Reserve - This Reserve reflects capital grants and receipts that have been received but have yet to be used to fund capital expenditure

The movements on the usable reserves in the year are:

2022/23	Opening Balance £000	Transfers to/(from) Reserves £000	Closing Balance £000
Revenue Reserves			
Performance Improvement Reserve (Now Change Management Reserve)	15,573	(15,573)	-
Change Management Reserve (Was Performance Improvement Reserve)	-	18,006	18,006
Partnership Reserve	1,763	478	2,241
Risk Management Reserve	1,629	371	2,000
Prices and Pay Reserve (New to 22-23)	-	2,000	2,000
General Reserve	6,400	200	6,600
General Fund Balance	25,365	5,482	30,847
Capital Reserves			
Capital Unapplied Reserve	-	-	-
Total Usable Reserves	25,365	5,482	30,847

2021/22	Opening Balance £000	Transfers to/(from) Reserves £000	Closing Balance £000
Revenue Reserves			
Performance Improvement Reserve	10,834	4,739	15,573
Partnership Reserve	1,274	489	1,763
Risk Management Reserve	2,125	(496)	1,629
General Reserve	6,120	280	6,400
General Fund Balance	20,353	5,012	25,365
Capital Reserves			
Capital Unapplied Reserve	-	-	-
Total Usable Reserves	20,353	5,012	25,365

27. UNUSABLE RESERVES

The breakdown of the unusable reserves held on the PCC Group/PCC balance sheet is as follows;

2021/22			2022/23	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(2,443,808)	(1,155)	Pensions Reserve	(1,686,064)	921
(15,408)	(15,408)	Capital Adjustment Account	(17,019)	(17,019)
24,881	24,881	Revaluation Reserve	72,126	72,126
709	709	Collection Fund Adjustment Account	1,231	1,231
(2,201)	(16)	Accumulated Absences Adjustment Account	(2,887)	(17)
(2,435,827)	9,011	Total Unusable Reserves	(1,632,613)	57,242

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.

2021/22			2022/23	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(2,450,655)	(1,914)	Opening Balance	(2,443,808)	(1,155)
62,026	1,063	Actuarial Gains or (losses) on the pensions assets and liabilities	812,577	2,372
60,641	161	Reversal of items relating to retirement benefits debited/credited to the Surplus or Deficit on the Provision of Services in the CIES	66,050	164
(115,820)	(465)	Employers Pension Contributions and direct payments to pensioners	(120,883)	(460)
(2,443,808)	(1,155)	Closing Balance	(1,686,064)	921

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.

2021/22		2022/23
£'000		£'000
(15,594)	Opening Balance	(15,408)
369	Direct Revenue Financing	2,850
3,768	Minimum Revenue Provision	4,844
-	Revaluation reserve write down re disposals	-
-	Receipts on disposal of non current assets	17
(74)	Carrying value of disposed assets	(299)
(4,775)	Annual depreciation, impairment and revaluations	(9,962)
268	Historical cost depreciation adjustment	430
630	Application of Government Grants to finance capital expenditure	509
(15,408)	Closing Balance	(17,019)

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.

2021/22		2022/23
£'000		£'000
15,733	Opening Balance	24,881
9,416	Revaluation of Non Current Assets	47,675
-	Amounts written out relating to sold asset	-
(268)	Historical cost depreciation adjustment	(430)
24,881	Closing Balance	72,126

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.

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/from the Account.

2021/22			2022/23	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(2,400)	(18)	Opening Balance	(2,201)	(16)
199	2	Adjustment based on calculation for untaken leave	(686)	(1)
(2,201)	(16)	Closing Balance	(2,887)	(17)

28. CONTINGENT LIABILITIES

CIVIL CLAIMS

A number of potential civil and other claims could be brought against the PCC Group. The total estimated liability is £4,247k (2021/22 £3,712k). The timing of these claims is very unpredictable and is likely to be over a number of years.

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.

29. 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 2023 and 31 March 2022 are as follows:

	Local Government Pension Scheme		Police Pension Schemes		TOTAL	
	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Estimated liabilities in the Scheme	(269,884)	(396,203)	(1,725,850)	(2,350,200)	(1,995,734)	(2,746,403)
Estimated assets in the Scheme	309,670	302,595	-	-	309,670	302,595
Net Asset/(Liability)	39,786	(93,608)	(1,725,850)	(2,350,200)	(1,686,064)	(2,443,808)

	31 March 2023 £'000	31 March 2022 £'000
Allocation of Net Asset/(Liability):		
PCC	921	(1,155)
Chief Constable	(1,686,985)	(2,442,653)
	(1,686,064)	(2,443,808)

PENSION COMMENTARY

The liabilities show the PCC's and PCC Group's long term commitments to pay retirement benefits. The total net liability of £1,686m 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 £1,602m in the PCC Group balance sheet.

As at 31 March 2023 the net discount rate (discount rate net of CPI inflation) has significantly increased compared to the previous year. This has led to a large gain on scheme values on the balance sheet with the Police Pension Scheme liability significantly reducing and the LGPS liability now being reflected as a surplus. The discount rate has increased due to the increasing performance of the bond market.

The last actuarial valuation on the Police Pension Scheme was carried out as at 31 March 2020. The next Police Pension valuation is due to be reported in 2023/24. The last actuarial review was carried out on the Local Government Pension Scheme as at 31 March 2022. The next actuarial review takes place as at 31 March 2025.

Covid 19 – The current population mortality projections make a short term allowance for the impact of the Covid-19 pandemic. Long term rates of future mortality improvement are not projected to change. It's expected that the long term impact of the pandemic on life expectancy will continue to evolve over time.

30. RECONCILIATION OF PRESENT VALUE OF SCHEME ASSETS AND LIABILITIES**RECONCILIATION OF SCHEME LIABILITIES**

	Unfunded Liabilities: Police Pension Schemes		Funded Liabilities: Local Government Pension Scheme	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
1st April	(2,350,200)	(2,317,532)	(396,203)	(406,955)
Correction to Opening Balances	-	(138)	-	-
Current service cost	(38,870)	(47,440)	(17,166)	(19,139)
Past service costs (including curtailments)	-	-	(145)	(90)
Interest cost	(61,990)	(46,300)	(11,072)	(8,500)
Contributions by scheme participants	(10,510)	(10,030)	(2,509)	(2,459)
Benefits paid	69,457	63,705	6,322	5,663
Remeasurements:				
Gains and losses from changes in assumptions	800,213	29,385	182,740	36,200
Experience gains and losses	(133,950)	(21,850)	(31,851)	(923)
31st March	(1,725,850)	(2,350,200)	(269,884)	(396,203)

The expected contributions to the LGPS for 2023/24 are £7.2m (2022/23 was £7.1m) and £27.1m for the Police Pension Fund (2022/23 was £23.6m).

RECONCILIATION OF SCHEME ASSETS

	Local Government Pension Scheme	
	2022/23	2021/22
	£'000	£'000
1st April	302,595	273,832
Interest income on Plan assets	8,360	5,649
Employer contributions	7,052	7,050
Contributions by scheme participants	2,509	2,459
Benefits paid	(6,271)	(5,609)
Remeasurements:		
Return on assets excluding net interest	(4,575)	19,214
31st March	309,670	302,595

31. 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 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	
	2022/23	2021/22	2022/23	2021/22
	%	%	%	%
Rate of Inflation	2.95	3.15	2.60	3.00
Rate of Increases in Salaries	2.95	4.05	3.85	4.75
Rate of increase in Pensions	2.95	3.15	2.60	3.00
Rate for Discounting Scheme Liabilities	4.75	2.75	4.65	2.65
CARE Revaluation			3.85	4.25
Take up option to convert annual pension into retirement grant:				
Pre April 2008 service	60	60		
Post April 2008 service	80	80		

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

2022/23	Local Government Pension Scheme		Police Pension Schemes	
	%	£000	%	£000
Change in assumption:				
0.5% increase in salaries increase rate	1.00	3,170	1.00	14,000
0.5% increase in pensions increase rate	9.00	25,605	7.50	127,000
0.5% decrease in discounting of liabilities rate	10.00	28,335	7.50	129,000
1 year increase in member life expectancy rate	4.00	10,795	2.50	44,000

2021/22	Local Government Pension Scheme		Police Pension Schemes	
	%	£000	%	£000
Change in assumption:				
0.5% increase in salaries increase rate	1.00	5,035	1.00	20,000
0.5% increase in pensions increase rate	10.00	41,110	8.50	202,000
0.5% decrease in discounting of liabilities rate	12.00	46,480	9.50	221,000
1 year increase in member life expectancy rate	4.00	15,848	3.50	80,000

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
2022/23	20.0	16.0
2021/22	24.0	20.0

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

Assets in the LGPS 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:

		2022/23		2021/22
Asset quoted prices:	%	£000	%	£000
Equity securities	10.1	31,207	12.0	36,295
Debt securities	8.8	27,356	8.8	26,615
Private equity	6.2	19,144	7.3	22,106
Real estate	9.1	28,038	11.4	34,485
Investment funds	64.0	198,146	59.2	179,206
Cash and cash equivalents	1.9	5,779	1.3	3,888
Total		309,670		302,595
In active markets	73.6	227,785	76.3	230,925
Not in active markets	26.4	81,885	23.7	71,670
		309,670		302,595

32. 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**2022/23**

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.9	23.5

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	23.5	25.0

2021/22

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	22.1	23.8

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	23.8	25.4

LOCAL GOVERNMENT PENSION SCHEME**2022/23**

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	20.8	23.7

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.50	25.2

2021/22

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	20.8	23.5

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	22.00	25.3

33. 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

	2018/19		2019/20		2020/21		2021/22		2022/23	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Return on assets, excluding net interest	9,430	3.83	(26,448)	(11.55)	35,071	12.81	19,214	6.35	(4,575)	(1.48)
Difference between actuarial assumptions about liabilities and actual experience	(15)	(0.01)	27,544	9.52	2,903	0.71	(923)	(0.23)	(31,851)	(11.80)
Changes in the demographic and financial assumptions used to estimate liabilities	(31,373)	(9.07)	49,446	17.09	(104,269)	(25.62)	36,200	9.14	182,740	67.71
Total IAS19 Remeasurements	(21,958)	(6.35)	50,542	17.47	(66,295)	(16.29)	54,491	13.75	146,314	54.21

POLICE PENSION SCHEMES

	2018/19		2019/20		2020/21		2021/22		2022/23	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	6,633	0.30	46,360	2.21	54,150	2.34	(21,850)	(0.93)	(133,950)	(7.76)
Changes in the demographic and financial assumptions used to estimate liabilities	(61,020)	(2.73)	133,830	6.39	(241,917)	(10.44)	29,385	1.25	800,213	46.37
Total IAS19 Remeasurements	(54,387)	(2.43)	180,190	8.60	(187,767)	(8.10)	7,535	0.32	666,263	38.61

Allocation of IAS19 Remeasurements:

	2021/22	2022/23
	£'000	£'000
PCC	(1,063)	(2,372)
Chief Constable	(60,963)	(810,205)
Total IAS19 Remeasurements	(62,026)	(812,577)

34. 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. IFRS 9 Financial Instruments has been adopted however the impact on the Financial Statements is minimal due to the use of only simple financial instruments.

FINANCIAL ASSETS AND LIABILITES

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	Balance at 31 March 2023		Balance at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Trade Creditors	19,825	19,825	16,216	16,216
Cash Overdrawn	-	-	-	-
PWLB Loans	101,997	77,402	105,263	99,514
Other Loans	-	-	-	-
Total	121,822	97,227	121,479	115,730

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.

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. Other Loans represents short term borrowing held at fair value.

The financial liabilities held by the force measured at fair value have been classified as Level 1; quoted prices in active markets for identical liabilities.

Financial Assets	Balance at 31 March 2023		Balance at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Trade Debtors	23,498	23,498	15,031	15,031
Cash and Cash Equivalents	5,120	5,120	5,613	5,613
Deposits with Banks and Financial Institutions	4,000	4,000	9,000	9,000
Total	32,618	32,618	29,644	29,644

Financial Assets include 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.

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:

	<u>Liabilities</u>	<u>Assets</u>	
	PWLB Loans	Deposits with Banks and Financial Institutions	Total
	£000	£000	£000
Interest Expense	2,258	-	2,258
Interest Income	-	(481)	(481)
Net Affect for the Year	2,258	(481)	1,777

FINANCIAL RISKS

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

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 is the possibility that other parties might fail to pay amounts due to the PCC Group.

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 2023, includes £25.7m 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:

	2022/23 £000	2021/22 £000
Up to Three Months	82	147
More than Three Months	95	44
Total	177	191

Liquidity Risk

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

As at 31 March 2023 the PCC Group had balances on revenue reserves of £30.847m, cash and cash equivalents of £5.1m and deposits with banks and financial institutions of £4m. 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 2023 can be found within Note 25 of these accounts.

Market Risk

Market risk is 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 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 MTRS which provides a framework for investment and borrowing decisions.

35. NOTES TO THE CASH FLOW STATEMENT**ADJUSTMENTS FOR NON-CASH MOVEMENTS**

2021/22		2022/23
£'000		£'000
(55,179)	Notional Pension Costs (in excess of) / less than actual pensions paid	(54,833)
(4,775)	Depreciation and Impairment	(9,962)
(1,549)	Reversal of prior year capital expenditure	-
(1,255)	Other non cash movements	5,099
(62,758)		(59,696)

ADJUSTMENTS FOR INVESTING AND FINANCING CASH MOVEMENTS

2021/22		2022/23
£'000		£'000
630	Capital Grants credited to surplus or deficit on the provision of services	510
-	Proceeds from the sale of Property, Plant and Equipment Assets	17
630		527

CASH AND CASH EQUIVALENTS

2021/22		2022/23
£'000		£'000
472	Bank Imprest and current accounts	665
10	Cash in Hand	10
-	Cash Clearing	-
5,131	Short term deposits with banks and building societies	4,445
5,613		5,120

INVESTING ACTIVITIES

2021/22		2022/23
£'000		£'000
21,487	Purchase of Property, Plant and Equipment	8,422
1,633	Purchase of Intangible Assets	1,998
(853)	Capital Grants received	(503)
-	Proceeds from sale of Property, Plant and Equipment	(17)
(3,000)	Purchase of Short Term Investments	(5,000)
(60)	Other Receipts from Investing Activities	(60)
19,207		4,840

FINANCING ACTIVITIES

2021/22		2022/23
£'000		£'000
(31,000)	Cash Receipts of Short and Long Term Borrowing	-
23,325	Repayment of Short and Long Term Borrowing	3,266
(7,675)		3,266

OPERATING ACTIVITIES – the below table discloses the cash flow of interest received and paid during the year

2021/22		2022/23
£'000		£'000
(27)	Interest received	(481)
1,916	Interest paid	2,258
1,889		1,777

36. 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 several 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 and PCCs in Cleveland, Durham and Northumbria in respect of Regional Collaboration arrangements. Details are disclosed in note 15 to the financial statements.

The Police and Crime Commissioner for Humberside is a council member for North Lincolnshire Council. The direct relationship between the PCC Group and the Council in relation to council tax precept income is disclosed in note 11 to the financial statements. The Police and Crime Commissioner and their spouse are also both councillors for Barton Town Council. During 2022/23 no transactions were made between the PCC and the town council (£nil in 2021/22).

The Chief Constable is represented on the National Police Chiefs Council which is an independent professional body of chief police officers and senior staff equivalents.

The Chief Constable is a member of the BlueLight Commercial Board. This board monitors and oversees the operations of BlueLight Commercial Ltd, a government funded procurement company designed to support emergency services procurement. In 2022/23 there were no transactions made between the PCC Group and the organisation (£515 in 2021/22)

The Deputy Chief Constable and the Assistant Chief Officer of the force are Directors of the Emergency Services Fleet Management (Humberside) Ltd. The Chief Finance Officer to the PCC was also a Director until July 2022. 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 with a value of £2,132,845 to Humberside Police during 2022/23 (£2,195,612 in 2021/22). The PCC Group leases part of its Melton workshop facility to the company for which a rent of £198,799 was charged in 2022/23 (£198,799 2021/22). Other income received totaled £35,675 in 2022/23 (£35,456 2021/22). Details of Humberside Police's share of income, expenditure, assets and liabilities of this joint operation are disclosed in Note 15 to the financial statements.

The Chief Executive of the OPCC is a non-executive director on the board of Ongo Partnership Limited, a social housing provider in North Lincolnshire. During 2022/23 no transactions were made between the PCC Group and Ongo Partnership Limited (£nil in 2021/22).

The spouse of the Detective Chief Superintendent of Humberside Police is the Chief Constable of South Yorkshire Police. The Regional Collaboration arrangements between the two forces are disclosed in Note 15 to the financial statements.

The spouse of the Head of Talent for Humberside Police is the director of TMC3 – an IT company specialising in cyber security. During 2022/23 a total of £25,920 in payments were made by the PCC Group to TMC3 (£nil in 2021/22).

The Chief Finance Officer and the Deputy Chief Finance Officer to the PCC are seconded from Humberside Fire and Rescue Services for 40% of their time. The Office of the Police and Crime Commissioner for Humberside contributes towards all relevant pay and employee costs for this proportion of their time. The Police and Crime Commissioner for Humberside is also a member of the Humberside Fire Authority. The joint operations ran by both the PCC Group and Humberside Fire are detailed in note 15 to the financial statements.

The previous Assistant Chief Officer (Resources) in post until June 2022 was treasurer for the British Association of Women in Policing (BAWP). Humberside Police held a separate bank account for BAWP, along with an account for the Senior Women in Policing (SwiP), which is a part of BAWP. The BAWP is a national charity which exists to raise awareness and understanding of issues affecting women within the Police Service. The responsibilities as treasurer moved to a different police force on the transfer of the previous post holder.

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.

37. EVENTS AFTER THE BALANCE SHEET DATE

The audited Statement of Accounts were issued on 22 March 2024. The PCC Group reviewed events occurring between 31 March 2023 and the issue date and did not identify any additional events that were adjusting events in respect of conditions existing at the Balance Sheet date.

38. CHANGES TO ACCOUNTING ESTIMATES

For the 2022/23 statement of accounts the estimation basis for the allocation of the IAS19 Pension transactions between commands has been amended.

The CIPFA Code states that for any material change in accounting estimate the force should disclose:

1. The nature of the change in accounting estimate
2. The amount of the change that effects the current period, or that is expected to have in future periods.

In previous financial years the allocation of the reversal of pension contributions and the current service cost has been purely based on the total pension contribution charged in each force command.

The new estimation takes into account the cost of the police pension fund which is charged to Centrally Managed Services, alongside the pension contribution charges used in the previous estimation basis. This results in a larger percentage of IAS19 reversal of contributions and current service costs being allocated to the centrally managed command than in previous years.

A review of the previous allocation basis has resulted in the conclusion that the new estimation would better reflect how the original costs of pensions are reflected in the CIES.

The table below summarises the change the new estimation basis has on the 22/23 financial year in both the CIES and the EFA.

	22-23 Gross Expenditure in CIES £000	22-23 Gross Expenditure in CIES (based on old allocation)		22-23 Pension Charges in EFA (based on old allocation)		
		£000	£000	Variance £000	22-23 Pension Charges in EFA £000	Variance £000
Northbank Division	48,120	44,119	4,001	(1,404)	(5,405)	4,001
Southbank Division	33,194	30,443	2,751	(989)	(3,740)	2,751
Force Control Room	20,719	20,475	244	2,553	2,309	244
Protecting Vulnerable People	13,770	12,526	1,244	(588)	(1,832)	1,244
Regional Collaboration	12,493	12,227	266	(145)	(411)	266
Special Operations Unit	15,154	13,955	1,199	(521)	(1,720)	1,199
Specialist Crime	16,194	15,180	1,014	92	(922)	1,014
People Services	15,308	14,507	801	277	(524)	801
Estates Services	13,874	13,874	-	266	266	-
Information Services	10,819	10,819	-	17	17	-
Corporate Development	7,683	7,456	227	611	384	227
Criminal Justice (previously pa	5,717	5,651	66	441	375	66
Centrally Managed Services	27,102	39,128	(12,026)	(11,810)	216	(12,026)
Other Services	24,010	23,797	213	1,098	885	213
Police & Crime Commissioner	10,104	10,104	-	233	233	-
	274,261	274,261	-	(9,869)	(9,869)	-

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 2022/23.

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 were provided for police officers, the 1987 Scheme, the 2006 scheme and the 2015 scheme. From 1 April 2022 all active scheme members have been transferred into the 2015 scheme due to the end of the police pension remedy period. The 1987 and 2006 schemes are now closed to future pension build up.

The 2015 pension scheme has officers' contributions in a range of 12.44 to 13.78% (2021/22 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 – 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 PENSIONS FUND ACCOUNT

2021/22		2022/23
£'000		£'000
	CONTRIBUTIONS RECEIVABLE	
	Police and Crime Commissioner ("PCC"):	
(20,473)	- contributions at 31%	(21,466)
(568)	- early retirements - Ill Health	(574)
(9,691)	Officers' Contributions	(10,117)
		(32,157)
	TRANSFERS IN	
(398)	Transfers in from other Pension Schemes	(412)
	BENEFITS PAYABLE	
54,225	- Pensions	56,811
9,984	- Commutations and lump sum retirement benefits	12,981
32	- Lump sum death benefits	-
		69,792
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS	
95	- Refunds of contributions	168
4	- Transfers out to other Pension Scheme	90
-	- Transfers out to other Police Forces: 1974 arrangements	-
		258
33,210	NET AMOUNT PAYABLE FOR THE YEAR BEFORE TRANSFER FROM THE PCC	37,481
(31,295)	Additional funding payable by the PCC to meet the deficit (funded by the Home Office)	(35,473)
(1,915)	Additional funding payables by the PCC to meet the deficit (NOT funded by the Home Office)	(2,008)
-	NET AMOUNT PAYABLE/RECEIVABLE FOR THE YEAR	-

NET ASSETS STATEMENT

2021/22		2022/23
£'000		£'000
	CURRENT ASSETS	
941	Police Fund Debtor	4,895
4,647	Pensions Paid in Advance	5,092
	CURRENT LIABILITIES	
665	Unpaid Pensions Due	-
4,923	Humberside Police and Crime Commissioner	9,987
-		-

NOTES TO THE POLICE PENSION FUND ACCOUNTS

The Police Officer Pension Schemes make up the account:

- 1987 Police Pension Scheme
- 2006 Police Pension Scheme
- 2015 Police Pension Scheme

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 2022/23 was 31% of pensionable pay (2021/22 31%).

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.

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 33.9% to 31% being reflected in a reduction in HM Treasury pensions top up funding of £2,008k (2021/22 £1,915k).

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.
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: 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.
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.
Non-current 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.
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.
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 : 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.
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

ACO	Assistant Chief Officer
CARE	Career Average Revalued Earnings
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
DSP	Data and System Planning
ERYC	East Riding of Yorkshire Council
ESFM	Emergency Services Fleet Management
GAD	Government Actuaries Department
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
JES	Joint Estates Services
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
MRP	Minimum Revenue Provision
MTRS	Medium Term Resource Strategy
NECB	North East Collaboration Board
NPCC	National Police Chiefs Council
OPCC	Office of the Police and Crime Commissioner
OPCCSY	OPCC for South Yorkshire/ South Yorkshire Police
PCC	Police and Crime Commissioner
PCP	Police and Crime Panel
PCSO	Police Community Support Officer
PRSRA	Police Reform and Social Responsibility Act
PWLB	Public Works Loans Board
RCB	Regional Collaboration Board
SeRCOP	Service Reporting Code of Practice for Local Authorities
VAT	Value-Added Tax