



Protecting Communities, Targeting Criminals

THE CHIEF CONSTABLE OF HUMBERSIDE

FINANCIAL STATEMENTS

2014-2015

CONTENTS

	Page
Foreword to the Statement of Accounts	i
Independent Auditor's Report to the Chief Constable of Humberside	x
Statement of Responsibilities for the Statement of Accounts	xiv
Movement in Reserves Statement	1
Comprehensive Income and Expenditure Statement	3
Balance Sheet	4
Cash Flow Statement	5
Statement of Accounting Policies	6
Notes to the Core Financial Statements	11
Police Pension Fund Accounts	32
Glossary of Accounting Terms	35

FOREWORD TO THE STATEMENT OF ACCOUNTS

INTRODUCTION

These accounts provide a record of the Force's financial position and performance for the year. Taken together with those of the Police and Crime Commissioner for Humberside (the PCC) they present a comprehensive set of statements about the income, expenditure, assets and liabilities associated with policing the communities across the force area.

In November 2012, the Chief Constable of Humberside ("the Force") was established as a separate corporation sole and made responsible for the Humberside Police Force. The primary function of this body, led by the Chief Constable, is the exercise of operational policing duties under the Police Act 1996. The Police and Crime Commissioner's function is to hold the Chief Constable to account for the exercise of these duties.

The aim of this foreword is to provide an overview of the accounting arrangements and a narrative context to the accounts by presenting a summary of the Force's financial position, its performance for the year and prospects for future years.

THE STATEMENT OF ACCOUNTS

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

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

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

The Corporate Governance Framework includes:

- A Statement of Corporate Governance providing a statutory framework and local policy.
- A Code of Corporate Governance that sets out how good governance core principles will be implemented.
- A Scheme of Corporate Governance which 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 financial statements for 2014/15 reflect the full implementation of the Stage 2 Staff Transfer from the PCC to the Chief Constable, which is a change from 2013/14.

The accounting arrangements between the PCC and the Chief Constable are that the PCC is responsible for the finances of the whole PCC Group and controls the assets, liabilities and reserves, except in substance where the control of assets is. The PCC receives all income and funding and makes all payments for the PCC Group from the PCC Police Fund.

The Chief Constable fulfils prescribed functions under the Act within an annual budget (set by the PCC in consultation with the Chief Constable). The Corporate Governance Framework described above sets out how the two Corporations Sole discharge their respective responsibilities, as well as local arrangements in respect of the use of PCC's assets and staff.

The Stage 2 Staff Transfer Scheme submitted to the Home Office by the PCC was approved by the Home Secretary before implementation from 1 April 2014. As a result of this approval, a small number of staff were retained in the employment of the PCC, including those under the Chief Finance Officer for the PCC who are responsible for production of these accounting statements. There are also a group of staff performing roles such as performance development and internal research which, whilst being retained by the PCC as their employer, form a shared service serving both the PCC and the Chief Constable. All other staff were transferred to the employment of the Chief Constable with effect from 1 April 2014. Following a review by the Chief Executive, in July 2015 a small number of staff involved in Assessment and Review and Risk Management were transferred to the employment of the Chief Constable under TUPE.

THE FINANCIAL STATEMENTS

The financial statements for the Chief Constable required under the 2014/15 Code consist of:

- A Statement of Responsibilities for the Statement of Accounts that sets out details of the responsibilities of the Chief Constable and those of the Chief Finance Officer in relation to the statement of accounts.
- Movement in Reserves Statements which summarises the movements to and from the reserves for the year. These reserves are analysed between those that can be used to support local expenditure or to reduce taxation and other reserves which cannot be used in this way.
- A Comprehensive Income and Expenditure Statement (CIES) summarising the income and expenditure for the year which has been prepared applying the accounting principles set out in the CIPFA Accounting Code of Practice. The headings used are from the CIPFA Service Reporting Code of Practice (SeRCOP). Financial resources consumed by the Chief Constable are shown in this statement.
- The Balance Sheet that sets out the assets, liabilities and reserves recognised by the Chief Constable. The net assets of the Chief Constable are matched by reserves. The Balance Sheet includes long term liabilities associated with defined benefit pension schemes for employees.

- The Cash Flow statement that shows the inflows and outflows of cash to the Chief Constable. As previously mentioned, the Chief Constable does not manage any of these transactions and accordingly the Statement does not show any actual movements of cash. Details of cash movements are included in the Accounts of the PCC.
- The Statement of Accounting Policies which sets out details of the accounting policies adopted in compiling the Statement of Accounts.

In addition to the financial statements, the annual accounts include the Accounts and information on the Police Officers Pension Fund (providing statements for pension fund income and expenditure, assets and liabilities) as the Chief Constable is responsible for the administration of police pensions.

An Annual Governance Statement for Humberside Police for 2014/15 has been published separately and is available on the Humberside Police website:

www.humberside.police.uk

BACKGROUND TO HUMBERSIDE POLICE

Humberside Police is one of 43 forces in England and Wales and one of 4 in the Yorkshire and The Humber Region (YatH). The organisation provides a full range of policing services from neighbourhood policing of communities across Humberside to dealing with major, serious and organised crime in partnership with both regional police forces and national agencies. These services are underpinned by comprehensive business support functions.

Operational performance

The Force has been working hard to meet the demands of the Operational Delivery Plan which feeds the Police and Crime Plan, ensuring that the public are protected, the quality of service to victims is improved and that people have confidence to report crime. The Force has adopted the THRIVE model (Threat, Harm, Risk, Investigation, Vulnerability and Engagement) and while overall crime, based on last year's figures, shows a slight increase of 0.7%, the main increases have been seen in violent crime, especially violence without injury. This mirrors the national picture.

The levels of absence from work due to sickness have increased for both police officers and police staff compared to last year and are currently at 4.68% (4.01% previously) and 4.14% (3.38% previously) respectively. In recent months satisfaction rates have fallen slightly, with the full year to the end of March 2015 showing 82.4% (previously 86.1%) of victims surveyed being happy with the service received. Other forces have seen a fall in overall user satisfaction and there is an indication that forces which have implemented THRIVE have seen reductions in their levels of user satisfaction, particularly in relation to vehicle crime.

The PCC Community Survey shows that 8 out of 10 people in Humberside remain confident in their police service 79.8% (previously 80.4%). As at March 2015 Humberside Police recorded 73.5% (previously 71.5%) of staff and officers as public facing.

Humberside Police answered 88.3% (previously 94%) of emergency 999 calls and 70.1% (previously 82.1%) of non-emergency (101) calls in a timely manner. As part of the recent changes to the Force structure, new call management arrangements have been introduced, looking at demand and prioritising the most important calls, so you get the right response first time. Non-police matters are now filtered out and callers directed to the organisation best able to solve their problems. There is a new appointment system for non-emergency calls, so you will be able to see an officer or PCSO at a more convenient time if required. This will improve performance as the new approach beds in.

As with last year the Force continues to seek innovative ways to provide value for money to the public and as a result rolled out mobile technology to all operational vehicles. This is alongside the development of the strategic partnership with South Yorkshire Police and continued work to seek partnership opportunities with other agencies.

Organisation Structure

In 2014/15 the Force was led by a Chief Constable supported directly by a team of 5 Chief Officers each having command and functional responsibilities that are force wide. During the year the most significant operational assets were vested in three Divisions which were coterminous with the boundaries of the four unitary local authorities in the former County of Humberside. These cover the City of Kingston upon Hull (D Division), the East Riding of Yorkshire (C Division), and the South Bank of the Humber, comprising the areas of North Lincolnshire and North East Lincolnshire Councils (South Bank Division). These were supported by functional Branches as follows:

Crime Management Branch: includes specialist functions for crime policy, the management of multi-agency arrangements for offenders, the Police National Computer, operational intelligence, major crime and major incident teams, ports security and counter terrorism services, covert policing and forensic service.

Operations Support Branch: includes public order, roads policing, collision investigation, firearms and armed response units, police dogs and mounted units, chemical, biological, radiological and nuclear protection, marine and air support units operations planning and business continuity services.

Corporate Development Branch: includes organisational performance and planning specialists, Legal Services, Media and Marketing, Force Diversity and Force Vetting and Compliance Units, together with information security specialists.

Support Services Branch: comprises Finance, Fleet and Supplies, Estates and Force Business Centres.

Human Resources Development Branch: includes functions covering organisational change, equalities, conduct, workforce and career planning, occupational health and wellbeing, health and safety and all Force training. This function is delivered through a shared service with South Yorkshire Police.

Information Services Branch: includes corporate communications technology and computer systems. This function is delivered through a shared service with South Yorkshire Police.

THE FORCE'S AIMS AND OBJECTIVES

For 2014/15 the Force's aim was to consistently deliver safer communities through high quality policing services. The Force aims to achieve this through working with partners and local communities to prevent crime, target offenders, protect the public and seek justice for victims.

To support the achievement of this aim, the Force has an ambition to work with partners to:

- Put victims first by reducing crime, anti-social behaviour and catching criminals;
- Make sure people are at the heart of what we do, respecting and promoting diversity;
- Deal with the present, confidently manage risk and actively shape the future;
- Be passionate about protecting, serving and making a difference for our communities; and
- Act with integrity and high standards, use professional judgement and say what we will do.

FINANCIAL PERFORMANCE 2014/15

The budget for the combined spend of the Force and for the Office of the Police and Crime Commissioner for 2014/15 was set at £179.998m. As a part of the system of internal controls, a mid-year budget review was carried out to identify any significant changes to planned expenditure. This review identified permanent savings that were incorporated into the Building the Future Savings Plan and temporary savings that were returned to reserves during the year.

In the last monitoring report in February 2015, an outturn spend for the year of £180.894m was projected, £0.896m more than the original budget. This took account of planned reductions in use of reserves as part of the mid-year budget review.

Following the closure of the accounts, the outturn expenditure for the year is £178.525m, a gross underspend of £1.473m.

The tables below sets out at a high level the Force budget and how it has been funded in 2014/15, followed by a more detailed analysis of the revenue spend for the year.

Summary revenue spending and sources of finance	Latest Approved Budget	Actual Outturn	Variance from Approved Budget	Variance from Approved Budget
	£	£	£	%
Summary spending:				
Protected Pay Budgets	129,918,530	129,155,244	763,286	0.59%
Protected Non Pay	23,328,640	24,496,103	(1,167,463)	(5.00%)
Devolved Budgets	10,877,620	10,652,273	225,347	2.07%
Collaboration Budgets	13,685,520	12,734,225	951,295	6.95%
Externally Funded Programmes	995,590	294,666	700,924	70.40%
Planned Funding from Reserves	1,192,100	1,192,100	0	0.00%
TOTAL REVENUE	179,998,000	178,524,611	1,473,389	0.82%
Sources of finance:				
Police Revenue Grant	(72,040,140)	(72,040,138)	(2)	0.00%
Revenue Support Grant	(48,591,240)	(48,591,238)	(2)	0.00%
Council Tax and Legacy Grants	(10,041,070)	(10,040,945)	(125)	0.00%
Funding from Council Tax Payers	(43,861,550)	(43,861,552)	2	0.00%
Reserves Funding to Support Base Budget	(5,464,000)	(5,464,000)	0	0.00%
TOTAL REVENUE FUNDING	(179,998,000)	(179,997,873)	(127)	0.00%
Net over or (underspend)	0	(1,473,262)	1,473,262	0.82%

2014/15 Revenue	Latest Approved Budget	Actual Outturn	Variance from Approved Budget	Variance from Approved Budget
	£	£	£	%
Protected Budgets				
Pay Budgets				
Police pay	67,860,340	67,112,772	747,568	1.10%
Police Pensions	16,946,890	16,502,183	444,707	2.62%
PCSO	9,436,760	9,162,302	274,458	2.91%
Other Staff	35,577,470	36,377,987	(800,517)	(2.25%)
Pay Budget Surplus	97,070		97,070	100.00%
	129,918,530	129,155,244	763,286	0.59%
Non Pay				
Crime Management Branch	2,216,680	2,127,306	89,374	4.03%
Operations Branch	1,426,950	809,969	616,981	43.24%
Corporate Development Branch	248,250	204,044	44,206	17.81%
Projects/Project Support	1,116,260	1,064,453	51,807	4.64%
Human Resources	1,300,330	1,447,596	(147,266)	(11.33%)
Interest, Capital Charges & Reserves	3,828,145	3,346,507	481,638	12.58%
Information Services Branch	6,440,690	6,333,397	107,293	1.67%

Support Services Branch	7,136,360	9,152,156	(2,015,796)	(28.25%)
Chief Officers	(28,710)	10,675	(39,385)	137.18%
Force Savings Programme	(356,315)		(356,315)	100.00%
	23,328,640	24,496,103	(1,167,463)	(5.00%)
Devolved Budgets				
South Bank	1,333,470	1,207,927	125,543	9.41%
C Division	1,188,050	1,364,700	(176,650)	(14.87%)
Chief Officers	51,890	52,540	(650)	(1.25%)
Corporate Development Branch	148,430	163,205	(14,775)	(9.95%)
Crime Management Branch	1,008,040	1,103,311	(95,271)	(9.45%)
D Division	1,390,790	1,179,412	211,378	15.20%
Business Centres	220,970	215,169	5,801	2.63%
Information Services Branch	0	932	(932)	(100.00%)
Operations Branch	879,610	897,470	(17,860)	(2.03%)
Human Resources	3,220	5,603	(2,383)	(74.01%)
Police & Crime Commissioner	4,436,320	4,342,991	93,329	2.10%
Professional Standards Unit	94,910	59,472	35,438	37.34%
Support Services Branch	121,920	59,100	62,820	51.53%
The Command Hub		243	(243)	(100.00%)
Specialist Command		198	(198)	(100.00%)
	10,877,620	10,652,273	225,347	2.07%
Collaboration Budgets				
Crime Management Branch	5,856,130	5,543,804	312,326	5.33%
Operations Branch	478,910	468,513	10,397	2.17%
Human resources	4,544,600	4,231,402	313,198	6.89%
Information Services Branch	2,407,120	2,201,512	205,608	8.54%
Procurement & Stores	295,000	288,994	6,006	2.04%
Regional Collaboration	103,760	0	103,760	100.00%
	13,685,520	12,734,225	951,295	6.95%
Externally Funded Programmes				
Externally Funded Programmes	995,590	294,666	700,924	70.40%
	995,590	294,666	700,924	70.40%
Planned Funding from Reserves				
Planned Funding from Reserves	1,192,100	1,192,100	0	0.00%
TOTAL REVENUE	179,998,000	178,524,611	1,473,389	0.82%

Protected Budgets

Pay Budgets

There were significant variances on each of the individual pay budget lines (police officers, pensions, PCSOs and police staff), however these offset and the bottom line variance on pay is only 0.59%. The underspend includes £406k as a result of overachievement of savings against the target.

Other Protected Budgets

The apparent overspend on Support Services Branch is the result of a planned in-year budget reduction that is reflected in the return of planned funding to reserves. Without this adjustment, other protected budgets would have outturn underspent by £848k.

The majority of this underspend was incurred in Operations Branch and this stemmed significantly from efforts to reduce spending in some of these areas. As a result of these efforts and the reported outturn, savings of £316k have been identified from protected budgets for the 2015/16 financial year.

Devolved Budgets

Overall devolved budgets underspent by £225k, the majority of which was incurred in D Division and the South Bank Division. This was largely due to reduced spend on police overtime, the budget for which has been reduced for 2015/16 in line with planned staffing reductions and amended working practices.

The significant overspend in C Division was forecast and resulted from the exceptional costs of policing environmental protests in the East Riding of Yorkshire.

Collaboration Budgets

Collaboration budgets cover functions that are delivered in conjunction with other public bodies (primarily other police forces / PCCs). As a result, spend on these headings is not entirely within the control of Humberside Police.

Significant underspends have been reported on many of these budgets, with savings due to be made in 2015/16 as a result.

The budget for Regional Collaboration was allocated for the development of a region-wide IT solution, the "5th Domain", a workstream that has now been discontinued. This budget has been removed in 2015/16 as a result.

Outlook

Since 2009/10, Humberside Police has been engaged in a wide-ranging programme of savings and cost reductions, which has seen the Force make budget savings totalling £34.26m to the end of 2014/15. This challenge still remains, with a further £36.06m of savings to be made between 2015/16 and 2019/20.

The target for savings in 2014/15 of £6.785m was supported by a planned use of reserves of £5.464m. At the end of the year, the Force had achieved a total of £6.835m.

Phil Goatley
Chief Finance Officer

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF HUMBERSIDE

We have audited the financial statements of the Chief Constable of Humberside for the year ended 31 March 2015 on pages 1 to 34. 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 2014/15.

This report is made solely to the Chief Constable, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Chief Constable, 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 Chief Constable for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Financial Officer and auditor

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, 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, and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2015 and of the Chief Constable's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Matters on which we are required to report by exception

The Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:

- the annual governance statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the explanatory foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters.

Conclusion on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources

Chief Constable's responsibilities

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

Auditor's responsibilities

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

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

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

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Chief Constable has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

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

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2014, we are satisfied that, in all significant respects, the Chief Constable has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

Certificate

We certify that we have completed the audit of the financial statements of the Chief Constable for Humberside in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.

Rashpal Khangura
for and on behalf of KPMG LLP, Appointed Auditor

Chartered Accountants
1 The Embankment
Leeds
LS1 4DW

29 September 2015

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

Chief Constable's Responsibilities

The Chief Constable is required:

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

I approve this Statement of Accounts.

Date: 28 September 2015

Justine Curran
Chief Constable of Humberside

Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Chief Constable's statement of accounts which, in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (the 'Code of Practice'), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to present fairly the financial position of the Chief Constable at the accounting date, and its income and expenditure for the year ended 31 March 2015.

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 Chief Constable of Humberside as at 31 March 2015 and its income and expenditure for the year.

Date: 28 September 2015

Phil Goatley
Chief Finance Officer

MOVEMENT IN RESERVES STATEMENT FOR THE CHIEF CONSTABLE OF HUMBERSIDE

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Chief Constable.

	General Fund Balance £'000	Total Usable Reserves £'000	Pensions Reserve £'000	Accumulated Absences Adjustment Account £'000	Total Reserves £'000
Balance at 31 March 2014	-	-	(1,703,350)	(3,689)	(1,707,039)
Surplus or (Deficit) on Provision of Services (accounting basis)	(58,678)	(58,678)	-	-	(58,678)
Other Comprehensive Expenditure and Income	-	-	(205,252)	-	(205,252)
Total Comprehensive Income & Expenditure	(58,678)	(58,678)	(205,252)	-	(263,930)
Adjustments between Accounting Basis & Funding Basis under Regulations (Note3)	58,678	58,678	(58,763)	85	(0)
Net Increase / Decrease before Transfers to Earmarked Reserves	-	-	(264,015)	85	(263,930)
Transfers to / from Earmarked Reserves	-	-	-	-	-
Increase / Decrease in Year	-	-	(264,015)	85	(263,930)
Balance at 31 March 2015	-	-	(1,967,365)	(3,604)	(1,970,969)

	General Fund Balance £'000	Total Usable Reserves £'000	Pensions Reserve £'000	Accumulated Absences Adjustment Account £'000	Total Reserves £'000
Balance at 31 March 2013	-	-	(1,725,324)	(4,003)	(1,729,327)
Surplus or (Deficit) on Provision of Services (accounting basis)	(69,870)	(69,870)	-	-	(69,870)
Other Comprehensive Expenditure and Income	-	-	92,158	-	92,158
Total Comprehensive Income & Expenditure	(69,870)	(69,870)	92,158	-	22,288
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 3)	69,870	69,870	(70,184)	314	-
Net Increase / Decrease before Transfers to Earmarked Reserves	-	-	21,974	314	22,288
Transfers to / from Earmarked Reserves	-	-	-	-	-
Increase / Decrease in Year	-	-	21,974	314	22,288
Balance at 31 March 2014	-	-	(1,703,350)	(3,689)	(1,707,039)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT OF THE CHIEF CONSTABLE OF HUMBERSIDE

This statement shows the accounting cost in the year for the Chief Constable 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 of the Chief Constable in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2013-14 £'000		Year ended 31 March 2015			
		£'000	£'000	£'000	
		Note	Expenditure	Income	
				Net	
78,147	Local Policing		76,517	-	76,517
21,521	Dealing with the Public		20,539	-	20,539
14,959	Criminal Justice Arrangements		14,998	-	14,998
12,701	Road Policing		12,095	-	12,095
12,612	Specialist Operations		12,300	-	12,300
11,352	Intelligence		11,596	-	11,596
49,025	Investigation		45,940	-	45,940
7,396	Investigative Support		8,356	-	8,356
4,643	National Policing		5,916	-	5,916
212,356	Financial Resources Consumed		208,257	-	208,257
203	The Corporate and Democratic Core		117	-	117
-	Non Distributed Cost		73	-	73
212,559	Total financial resources of the PCC consumed at the request of the Chief Constable	2 & 4	208,447	-	208,447
(216,922)	Intra - Group Adjustment	1	(224,316)	-	(224,316)
(4,363)	Net Cost of Policing Services	2	(15,869)	-	(15,869)
-	Other Operating Expenditure		-	-	-
74,233	Financing and Investment Income and Expenditure	6	74,547	-	74,547
69,870	(Surplus) or Deficit on Provision of Services				58,678
(92,158)	Remeasurements of the net defined benefit liability	22			205,252
(92,158)	Other Comprehensive Income and Expenditure (Surplus)/Deficit				205,252
(22,288)	Total Comprehensive Income and Expenditure (Surplus)/Deficit				263,930

The Police and Crime Commissioner receives all income and funding and makes all payments for the PCC Group from the PCC Police Fund. In turn, the Chief Constable consumes resources to deliver policing services within an annual budget.

BALANCE SHEET OF THE CHIEF CONSTABLE OF HUMBERSIDE

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets/(liabilities) of the Chief Constable are matched by reserves held by the Chief Constable. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Chief Constable may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between Accounting Basis and Funding Basis under Regulations'.

31-Mar-14 £'000	Note	31-Mar-15 £'000
-	Property, Plant & Equipment	-
-	Intangible Assets	-
-	Long Term Debtors	-
-	Long Term Assets	-
-	Assets Held for Sale	-
-	Inventories	-
-	Short Term Investments	-
3,756	Short Term Debtors	3,624
-	Cash and Cash Equivalents	-
3,756	Current Assets	3,624
-	Bank Overdraft	-
7,445	Short Term Creditors	7,228
-	Short Term Borrowing	-
-	Provisions	-
7,445	Current Liabilities	7,228
-	Long Term Borrowing	-
1,703,350	Other Long Term Liabilities	1,967,365
1,703,350	Long Term Liabilities	1,967,365
<u>(1,707,039)</u>	Net Assets/ (Liabilities)	<u>(1,970,969)</u>
-	Usable Reserves	-
(1,707,039)	Unusable Reserves	(1,970,969)
<u>(1,707,039)</u>	Total Reserves	<u>(1,970,969)</u>

CASH FLOW STATEMENT OF THE CHIEF CONSTABLE OF HUMBERSIDE

This statement does not show any cash and cash equivalents during the reporting period as all payments were made from the Police Fund which is held by the Police and Crime Commissioner for Humberside ("PCC") and similarly all income and funding is received by the PCC. The financial consequences of the operational activities undertaken by the Chief Constable can be seen in the Comprehensive Income and Expenditure Statement.

31-Mar-14 £'000		Note	31-Mar-15 £'000
69,870	Net (Surplus) or Deficit on the Provision of Services		58,678
(69,870)	Adjustments to Net Surplus or Deficit on the Provision of Services for Non Cash Movements	23	(58,678)
-	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities		-
-	Net Cash Flows from Operating Activities		-
-	Investing Activities		-
-	Financing Activities		-
-	Net (Increase) or Decrease in Cash and Cash Equivalents		-
-	Cash and Cash Equivalents at the Beginning of the Reporting Period		-
-	Cash and Cash Equivalents at the End of the Reporting Period		-

STATEMENT OF ACCOUNTING POLICIES FOR THE CHIEF CONSTABLE OF HUMBERSIDE

1. Accounting Policies

The Financial Statements must meet the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting which has been agreed with HM Treasury. Consequently, the financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2014/15. 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 Chief Constable for the purpose of presenting fairly the position of the Chief Constable has been selected. The particular policies adopted by the Chief Constable are described below. They have been applied consistently in dealing with items considered material in relation to the financial statements.

The accounting policies also reflect the powers and responsibilities of the Chief Constable of Humberside as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service, England and Wales 2013. The accounting policies defined here are consistent with local regulations, local agreement and practice as well as the PCC Group policies.

1.1 Accounting convention

These financial statements have been prepared under the historical cost convention. Where appropriate financial assets and liabilities have been impaired or discounted to bring them to fair value.

1.2 Acquisitions and discontinued operations

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

1.3 Going Concern

After making enquires, the Chief Constable has formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Chief Constable 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.

1.4 Critical Judgements In Applying Accounting Policies

In the application of the Chief Constable's accounting policies, management is required to make judgements about complex transactions involving uncertainty about future events. There have been no critical judgements made in these Statement of Accounts regarding uncertainty of future events.

1.4.1 Assumptions Made About the Future and Other major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable 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 as at 31 March 2015 for which there are significant risks of material adjustment in the forthcoming financial year are as follows:

Short Term Employee Benefits (See paragraph 1.6)

In calculating the cost of the above, the uncertainty is that the number of days of accrued annual leave or the rate used to cost the accrual are incorrect. A 10% movement in the number of days would see a £364k increase/decrease in the cost.

Pensions Liability and Reserve – (See paragraph 1.6 and note 17)

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

Allocation of Expenditure between the PCC and the Chief Constable– (See note 2)

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

1.5 Cost recognition

All expenditure is paid for by the PCC including the wages of Police Officers and Police Staff and no actual cash transactions or events take place between the two entities. Costs are however recognised in the Chief Constable's accounts to reflect the financial resources consumed at the request of the Chief Constable.

1.6 Employee Benefits

Short-term employee benefits

Employee benefits are those due to be settled within 12 months of the year-end. The financial consequences of these benefits are recognised in the Chief Constable's financial statements in the year in which the employee renders service to the Chief Constable. IAS19 Employee Benefits also requires the PCC Group to account for short-term compensated absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are untaken by the Balance Sheet date.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These costs are recognised in the financial statements of the Chief Constable when the Chief Constable 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, two 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 Police Pension Scheme involves officers paying contributions in a range of 14.25 to 15.05%. The 2006 Police Pension Scheme was introduced in 2006 and provides different benefits to the 1987 scheme. The 2006 scheme has contribution rates in a range of 11.00 to 12.75%. The Chief Constable administers 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 Chief Constable's budget.

Police Staff

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

The PCC Group has fully adopted IAS 19 Employee Benefits. The financial statements reflect the Chief Constable's commitment to make up any shortfall in attributable net assets in the Pension Fund. The pension liability is included in the Chief Constable's Balance Sheet and service costs are reflected in the Chief Constable's Comprehensive Income and Expenditure Statement. The current economic cost outflow of police officer and police staff pensions is recognised in the Chief Constable's financial statements to reflect the cost of operating the three pension schemes.

1.7 Reserves

The Chief Constable sets 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 Statement 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 retirement and employee benefits and do not represent usable resources for the Chief Constable. Details of these reserves are provided in the relevant note to the financial statements.

1.8 Jointly Controlled Operations – Regional Working

The Chief Constable engages in collaborative working in partnership with the other Yorkshire forces and OPCCs to deliver a number of specific services on a regional basis. The governance for this Regional programme of activity is via the Regional Collaboration Board ("RCB").

Until 1 September 2013 the administration of activities was via a Regional Programme Team including the financial administration of Regional budgets which was led by the OPCC for West Yorkshire (OPCCWY).

The participating forces used their own resources to undertake this venture and the accounting arrangements for Regional working were to account for this as a Joint Arrangement Not an Entity ('JANE') in line with CIPFA guidance:

The PCC Group accounted in its financial statements for the assets it controlled, the liabilities it incurred, the expenses that it incurred and the income received in relation to amounts re-charged to the venture under these arrangements.

Since 1 September 2013 each functional area has been administered using a Lead Force model, with the RCB having governance of these arrangements.

The PCC for Humberside has Lead Force responsibility within the regional programme for property matters and marine services. Properties leased under these arrangements are disclosed in the PCC Group financial statements. Memorandum accounts for marine services summarising all pertinent transactions are included in these financial statements.

Two force collaborations between Humberside Police and South Yorkshire Police are accounted for as joint operations under IFRS11.

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

The following new or amended standards have been issued by the IASB but are not required to be adopted by the Code until 2015/2016:

- IFRS13 Fair Value Measurement (May 2011)
- Annual Improvements to IFRSs (2011-2013 Cycle) – see below
- IFRIC21 Levies

The issues included in the Annual Improvements to IFRSs 2011-2013 Cycle are:

- IFRS1 Meaning of effective IFRSs
- IFRS3 Scope exceptions for joint ventures
- IFRS13 Scope of portfolio exception
- IAS40 Clarifying the interrelationship between IAS40 and IFRS3 when classifying property as investment property or owner-occupied property

None of the above standards are expected to have any significant impact on future financial statements of the Chief Constable.

1.10 Accounting standards issued that have been adopted early

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

1.11 Exceptional items

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

1.12 Prior period adjustments

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

1.13 Events after the balance sheet date

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

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

Two types of event can be identified as:

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

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

1.14 Value Added Tax (VAT)

The Chief Constable does not submit VAT returns. The PCC submits single VAT returns on behalf of the PCC Group. Expenditure shown in the Chief Constable's financial statements excludes any amounts relating to VAT as all VAT is remitted to /from Her Majesty's Revenue and Customs.

NOTES TO THE CORE FINANCIAL STATEMENTS

1. FINANCIAL RESOURCES CONSUMED BY THE CHIEF CONSTABLE FUNDED BY THE POLICE AND CRIME COMMISSIONER("PCC")

As the Chief Constable has no resources with which to fulfil her devolved responsibilities to provide a policing service, the expenditure is funded by the PCC. The annual budget is set by the PCC in consultation with the Chief Constable. Similarly, access is granted to PCC staff and assets and a scheme of delegation operates between the two bodies determining the local arrangements and respective responsibilities.

The tables below show the movement through the intra-group accounts within the respective Balance Sheets during 2014-15 and 2013-14 and show that there are no outstanding intra-group balances at the year end dates, other than resulting from year end accounting adjustments in respect of payroll balances.

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

	PCC £'000	Chief Constable £'000	PCC Group £'000
Intra - Group movements 2014- 2015:			
Opening balance as at 1 April 2014	(3,728)	3,728	-
PCC resources consumed at the request of the Chief Constable	208,447	(208,447)	-
PCC intra - group adjustment (resource funding)	(208,447)	208,447	-
	(3,728)	3,728	-
Year end adjustments:			
Accumulated absences movement	85	(85)	-
Pensions actuarial adjustments	15,784	(15,784)	-
PCC intra - group adjustment	(15,869)	15,869	-
Payroll creditors and debtors movement	135	(135)	-
Closing balance as at 31 March 2015	(3,593)	3,593	-
Intra - Group movements 2013- 2014:			
Opening balance as at 1 April 2013	(3,851)	3,851	-
PCC resources consumed at the request of the Chief Constable	212,559	(212,559)	-
PCC intra - group adjustment (resource funding)	(212,559)	212,559	-
	(3,851)	3,851	-
Year end adjustments:			
Accumulated absences movement	314	(314)	-
Pensions actuarial adjustments	4,049	(4,049)	-
PCC intra - group adjustment	(4,363)	4,363	-
Payroll creditors and debtors movement	123	(123)	-
Closing balance as at 31 March 2014	(3,728)	3,728	-

The financial consequences of PCC resources consumed at the request of the Chief Constable in pursuance of the Chief Constable's operational responsibilities are shown in the Comprehensive Income and Expenditure Statement. This shows the net cost of policing for the Chief Constable and the financial consequences recognised are offset by an intra-group adjustment to reflect the payment of the PCC resources consumed at the request of the Chief Constable to give a nil position on the Comprehensive Income and Expenditure

Statement, apart from the year end adjustments for pensions actuarial adjustments and accumulated absences. In contrast, the PCC “Net Cost of Services” includes the intra-group adjustment (“Funding of Resources at the request of the Chief Constable”) in addition to the cost of administering the PCC itself to show the overall net cost of policing Humberside.

2. SUMMARY SPENDING DETAILS

The statement below reflects the financial resources of the PCC consumed at the request of the Chief Constable. In practice, all the respective costs are paid for by the PCC and the intra-group adjustments referred to in Note 1 are shown in the statements below, resulting in a nil balance for the net cost of policing services apart from year end adjustments.

The financial resources of the PCC consumed at the request of the Chief Constable are shown below in a subjective analysis format. The subjective analysis is used by management to make decisions about resource allocation in internal management reports.

2013-14		2014-15
£'000		£'000
Restated	Financial resources of PCC consumed at the request of the Chief Constable	
	<u>Employees</u>	
140,540	Pay and Other Employment Costs	138,467
35,890	Police Pensions Current Service Cost	30,320
<u>176,430</u>		<u>168,787</u>
	<u>Running Expenses</u>	
6,164	Premises	6,521
5,321	Transport	4,376
21,072	Supplies and Services	23,021
28	Agency Services	-
53	Special Constables	47
3,491	Capital charges	5,622
-	Non Distributable Cost	73
<u>36,129</u>		<u>39,660</u>
<u>212,559</u>	Total financial resources of PCC consumed at the request of the Chief Constable	<u>208,447</u>
(216,922)	Intra - Group adjustments *	(224,316)
<u>(4,363)</u>	Net Cost of Policing Services	<u>(15,869)</u>

* PCC funding during the year for financial resources of the PCC consumed at the request of the Chief Constable and year end adjustments as shown in note 1.

The financial resources of the PCC consumed at the request of the Chief Constable analysed as specified by the CIPFA Service Reporting Code of Practice (SeRCOP), which is by policing activity, are shown in the Comprehensive Income and Expenditure Statement.

Following adoption of IFRS11 (Joint Arrangements) by the Code, the subjective analysis for 2013-14 above has been restated. The increase/(decrease) in the previously reported figures as a result of this restatement are:

	2013-14 £'000
Expenditure	
Pay and Other Employment Costs	5,689
Transport	185
Supplies and Services	(5,874)
Total Expenditure	<hr/> -
Income	-
Net Cost of Policing Services	<hr/> <hr/> -

3. NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

Amounts included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement on the General Fund Balance for the year.

	2013-14 £'000	2014-15 £'000
Employee benefits	314	85
Net Charges Made for Retirement Benefits in Accordance with IAS 19	(119,286)	(113,379)
	<hr/> (118,972)	<hr/> (113,294)

Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining the Movement on the General Fund Balance for the year.

Employers Contribution to Pensions	23,368	24,485
Additional Contribution to the Pension Fund to balance the deficit on the Fund Account	25,734	30,131
	<hr/> 49,102	<hr/> 54,616

Net Adjustments between Accounting Basis and Funding Basis under Regulations.

(69,870)	(58,678)
-----------------	-----------------

Net Additional Amount Required to be (Credited) /Charged to the General Fund Balance for the Year

<hr/> (69,870)	<hr/> (58,678)
----------------	----------------

4. OPERATING SEGMENTS

The analysis of expenditure by service as shown on the face of the Comprehensive Income and Expenditure Statement is that specified by Service Reporting Code of Practice for Local Authorities (SeRCOP). However, decisions about resource allocation are taken by management on the basis of budget reports analysed across operating divisions and branches. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- a. Charges for use of assets are not included in budget reports
- b. The cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than the current service cost of benefits accrued in the year.

The PCC resources consumed at the request of the Chief Constable for the principal operating divisions and branches recorded in the budget reports for the year is as follows:

2013-14		2014-15
£'000		£'000
Restated		
26,942	South Bank Division (North & North East Lincolnshire)	25,738
18,579	C Division (East Riding of Yorkshire)	17,601
25,991	D Division (Kingston upon Hull)	24,844
24,818	Crime Management branch	25,941
25,780	Operations branch	24,603
28,603	Support Services branch	29,362
150,713		148,089

Comparative figures have been restated from those previously reported for 2013-14 in order that they are presented on a consistent basis with 2014-15. The impact of this restatement on the 2013-14 figures previously reported is:

£'000	
(2,011)	South Bank Division (North & North East Lincolnshire)
(1,646)	C Division (East Riding of Yorkshire)
(2,724)	D Division (Kingston upon Hull)
10,840	Crime Management branch
233	Operations branch
295	Support Services branch
4,987	
(4,987)	Net expenditure of other operating branches and divisions
-	Net expenditure as reported to management

Budget reports analyse categories of expenditure at a total level for the Humberside Force as a whole and not at an operating division or branch level. Further details of income and expenditure are included in Note 2 to the financial statements.

Reconciliation to Total Financial Resources of the PCC consumed at the request of the Chief Constable per Summary Spending Details (Note 2)

2013-14		2014-15
£'000		£'000
Restated		
150,713	Net expenditure of principal operating branches and divisions	148,089
20,412	Net expenditure of other operating branches and divisions	26,093
171,125	Net expenditure as reported to management	174,182
	Amounts included in Summary Spending Details not reported to management:	
4,758	Depreciation	4,578
(1,267)	Impairments	1,045
21,931	Retirement benefits (IAS 19)	14,649
43	Redundancy provision	896
(202)	Other items	179
25,263		21,347
	Amounts not included in Summary Spending Details but reported to management:	
17,800	Income	17,243
1,562	Transfers from reserves to revenue	3,053
(798)	Transfers from revenue to reserves	(4,245)
(1,331)	Minimum Revenue Provision	(2,251)
(824)	Interest payable	(1,083)
(238)	Other	201
16,171		12,918
212,559	Total Financial Resources of the PCC consumed at the request of the Chief Constable per Summary Spending Details	208,447

5. PENSIONS COSTS

As part of the terms and conditions of employment the PCC Group offers retirement benefits for Police Officers and Police Staff. There are three pension schemes as described in the Statement of Accounting Policies. Further details of the Police Pension Schemes can be found in the Police Pension Fund Accounts. Details of actuarial valuations of all three pension schemes can be found in these financial statements.

To reflect the full financial consequences of utilising the services of Police Officers and Police Staff during the year, an amount for pensions costs is reflected in the Chief Constable's financial statements. In accordance with IAS 19 Employee Benefits, this amount equates to the present value of the pension benefits earned by active employees and is intended to reflect the true economic cost for the year based on current market conditions. The cost is determined independently of the funding of the schemes and measures the full liability estimated to have been generated in the year (at today's prices).

The following amounts have been included in the financial statements for the year:

	Local Government		Police Pension Schemes					
	Pension Scheme		1987 Scheme		2006 Scheme		Injury Awards	
	31March	31March	31March	31March	31March	31March	31March	31March
	2015	2014	2015	2014	2015	2014	2015	2014
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Comprehensive Income and Expenditure Statement								
Net Cost of Service								
Current Service Cost (Gross)	8,956	9,258	27,560	32,890	2,300	2,500	460	500
Non Distributed Costs	73	-	-	-	-	-	-	-
	<u>9,029</u>	<u>9,258</u>	<u>27,560</u>	<u>32,890</u>	<u>2,300</u>	<u>2,500</u>	<u>460</u>	<u>500</u>
Net Operating Expenditure								
Interest Cost	8,995	8,737	68,990	68,290	1,390	1,300	2,000	2,230
Interest Income	(6,828)	(6,324)	-	-	-	-	-	-
	<u>2,167</u>	<u>2,413</u>	<u>68,990</u>	<u>68,290</u>	<u>1,390</u>	<u>1,300</u>	<u>2,000</u>	<u>2,230</u>
	<u>11,196</u>	<u>11,671</u>	<u>96,550</u>	<u>101,180</u>	<u>3,690</u>	<u>3,800</u>	<u>2,460</u>	<u>2,730</u>
Net Charge to the Comprehensive Income and Expenditure Statement								
Statement of Movement in the General Fund Balance								
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS 19	(11,196)	(11,671)	(96,550)	(101,180)	(3,690)	(3,800)	(2,460)	(2,730)
Actual amount charged against the General Fund Balance for Pensions in the Year:								
Employer's Contributions Payable to Scheme	8,198	7,512	13,543	14,270	1,352	1,294	-	-
Retirement Benefits Payable to Pensioners (Gross)	-	-	-	-	-	-	680	740

6. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2013-14	2014-15
£'000	£'000
74,233 Pensions interest cost net of interest on pension assets	74,547
<u>74,233</u>	<u>74,547</u>

7. OFFICER'S EMOLUMENTS

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

2013-14		2014-15		
Restated	Remuneration band	Police	Support	Total
No.s	£	Officers	Staff	No.s
134	50,000 - 54,999	121	1	122
56	55,000 - 59,999	60	-	60
8	60,000 - 64,999	13	-	13
12	65,000 - 69,999	6	3	9
5	70,000 - 74,999	3	1	4
3	75,000 - 79,999	3	-	3
4	80,000 - 84,999	5	1	6
1	85,000 - 89,999	1	-	1
-	90,000 - 94,999	1	-	1
-	95,000 - 99,999	-	-	-
-	100,000 - 104,999	-	-	-
-	105,000 - 109,999	-	-	-
2	110,000 - 114,999	-	1	1
2	115,000 - 119,999	2	-	2
1	120,000 - 124,999	-	1	1
-	125,000 - 129,999	-	-	-
-	130,000 - 134,999	-	-	-
-	135,000 - 139,999	-	-	-
-	140,000 - 144,999	-	-	-
-	145,000 - 149,999	-	-	-
-	150,000 - 154,999	-	-	-
-	155,000 - 159,999	1	-	1
1	180,000 - 184,999	-	-	-
<u>229</u>		<u>216</u>	<u>8</u>	<u>224</u>

The Officers disclosed separately in Note 8 are included in the bands above.

The number of employees for 2013-14 have been restated from the previously reported total of 207 to 229 due to unsocial hours payments being inadvertently omitted from the disclosure in the 2013-14 financial statements. Other banding restatements are due to the inclusion of benefits in kind. The impact on the 2013-14 bandings previously reported are:

Remuneration band	
£	
Unsocial hours:	
No.s	
10	50,000 - 54,999
12	55,000 - 59,999
(1)	60,000 - 64,999
<u>1</u>	<u>65,000 - 69,999</u>
<u>22</u>	

Remuneration band	
£	
Benefits in kind:	
No.s	
(3)	105,000 - 109,999
2	110,000 - 114,999
1	120,000 - 124,999
-	

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:

2014-15

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	7	120	127	1,202
20,001 - 40,000	1	23	24	639
	<u>8</u>	<u>143</u>	<u>151</u>	<u>1,841</u>

2013-14

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	4	8	12	120
20,001 - 40,000	-	8	8	234
40,001 - 60,000	1	3	4	192
60,001 - 80,000	1	1	2	130
80,001 - 100,000	-	1	1	99
100,001 - 120,000	-	1	1	110
	<u>6</u>	<u>22</u>	<u>28</u>	<u>885</u>

8. SENIOR OFFICERS & RELEVANT POLICE OFFICERS EMOLUMENTS

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

2014- 2015							
Post Holder	Salary (Including Fees & Allowances) £'000	Benefits in kind £'000	Other Emoluments £'000	Compensatory Grant £'000	Total Remuneration excluding Pension Contributions £'000	Pension Contributions £'000	Total Remuneration including Pension Contributions £'000
<u>Chief Constable</u>							
Chief Constable	144	3	10	1	158	34	192
Deputy Chief Constable	118	2	-	-	120	28	148
Assistant Chief Constable Operations Support	111	5	-	-	116	-	116
Assistant Chief Constable Operations	82	1	-	-	83	19	102
Temporary Assistant Chief Constable Operations	46	3	-	-	49	10	59
Assistant Chief Officer Human Resources	117	6	-	-	123	26	149
Assistant Chief Officer Support	107	4	-	-	111	23	134
	725	24	10	1	760	140	900

2013- 2014 Restated							
Post Holder	Salary (Including Fees & Allowances) £'000	Benefits in kind £'000	Other Emoluments £'000	Compensatory Grant £'000	Total Remuneration excluding Pension Contributions £'000	Pension Contributions £'000	Total Remuneration including Pension Contributions £'000
<u>Chief Constable</u>							
Chief Constable	142	3	39	-	184	34	218
Deputy Chief Constable	117	2	-	-	119	28	147
Assistant Chief Constable Operations Support	110	6	-	-	116	-	116
Assistant Chief Constable Operations	110	1	-	-	111	26	137
Assistant Chief Officer Human Resources	116	4	-	-	120	22	142
Assistant Chief Officer Support	107	4	-	-	111	20	131
	702	20	39		761	130	891

A Temporary Assistant Chief Constable (Operations) was appointed with effect from 20 October 2014 following announcement of the retirement of the existing post holder.

A shared service agreement exists with the OPCC for South Yorkshire (OPCCSY) in respect of the emoluments (and travel and subsistence expenses) of the Assistant Chief Officer (Human Resources), subject to periodic reviews. 50% of all these costs are recoverable from OPCCSY. The emoluments which are recoverable from OPCCSY for 2014-15 amount to £78.4k (2013-14 £74.8k), including Employers National Insurance of £7.0k (2013-14 £6.8k).

No bonuses, expense allowances or compensation for loss of office were paid to Senior Officers during 2014/15 or 2013/14.

2013-14 figures have been restated to include benefits in kind.

9. RELATED PARTY TRANSACTIONS

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

Central Government has significant influence over the general operations of the Chief Constable. It is responsible for providing the statutory framework within which the Chief Constable operates as well as providing substantial resources in the form of grants which are paid to the PCC. It also prescribes the terms of many of the transactions that the PCC Group has with other parties. Grants received from Central Government to the PCC are set out in the PCC Group and PCC financial statements.

The Chief Constable is represented on the Association of Chief Police Officers (ACPO) which is an independent professional body of chief police officers and senior staff equivalents.

The relationship between the PCC and the Chief Constable is explained in note 1 to these financial statements. The monetary value of transactions between the Chief Constable and the PCC are also disclosed in these financial statements.

A survey of the Chief Constable and Senior Officers of Humberside Police and parties related to them was undertaken in preparing these financial statements. No material related party transactions were identified.

10. EXTERNAL AUDIT FEES

The external audit fee payable to KPMG LLP for 2014-15 for the Chief Constable is £20k (2013-14 £20k).

11. 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 dependant upon an assessment of the benefit to be derived from each specific project or initiative.

Until 31 August 2013, the OPCC for West Yorkshire published memorandum accounts for the Regional Collaboration Programme within its Financial Statements. Humberside PCC's share of expenditure was £1,375k for the five months ended 31 August 2013.

Lead Force collaboration arrangements

From 1 September 2013 a Lead Force model has been adopted for each functional area of regional collaboration, with the RCB having governance over all the arrangements.

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

Memorandum accounts for marine services for the year ended 31 March 2015 (comparative period seven months ended 31 March 2014) are as follows:

2013-14 £'000		2014-15 £'000	£'000
	<u>Expenditure</u>		
501	Staff Costs	543	
44	Property Related Expenses	43	
75	Supplies and Services	136	
<u>88</u>	Transport Related Expenses	<u>48</u>	
708			770
	<u>Income</u>		
66	Fees & Charges *	15	
713	Contributions	751	
<u>-</u>	Other income	<u>4</u>	
779			770
<u>71</u>	Surplus in period/year		<u>-</u>
	<u>Contributions</u>		
	2013-14 Surplus brought forward		56
193	West Yorkshire		183
128	South Yorkshire		121
36	North Yorkshire		36
<u>356</u>	Humberside		<u>355</u>
<u>713</u>			<u>751</u>
	* Made up of charges not included in Contributions to:		
-	Metropolitan Police Service		9
1	West Yorkshire		4
-	South Yorkshire		2
60	North Yorkshire		-
<u>5</u>	Cleveland		<u>-</u>
<u>66</u>			<u>15</u>

The PCC for Humberside has made contributions during the year ended 31 March 2015 (comparative period seven months ended 31 March 2014) to other Lead Forces as follows:

Lead Force	Functional area	Contributions made	
		2013-14 £'000	2014-15 £'000
OPCC for South Yorkshire	Procurement and stores	186	289
	Firearms	21	24
OPCC for West Yorkshire	Serious and Organised Crime	708	925
	Scientific Support	2,311	4619
	Regional Collaboration team	129	-
	ICT 5th domain	20	-

Other Regional Collaboration arrangements

The PCC for Humberside also collaborates in a two force partnership with the OPCC for South Yorkshire (OPCCSY) on the provision of Human Resources and Training Services and Information Technology and Information Services. The summary position for each of these joint operations is outlined below:

Human Resources and Training

2013-14 £'000		2014-15	
		£'000	£'000
	<u>Expenditure</u>		
9,639	Staff Costs	9,549	
1	Property Related Expenses	3	
301	Supplies and Services	369	
328	Transport Related Expenses	391	
-	Third Party Costs	9	
<u>10,269</u>		<u>10,321</u>	
	<u>Income</u>		
10,138	Contributions	10,202	
131	Other Income	119	
<u>10,269</u>		<u>10,321</u>	
<u>-</u>	Deficit/(Surplus) in year	<u>-</u>	
	<u>Contributions</u>		
4,279	Humberside Police	4,228	
<u>5,859</u>	South Yorkshire	<u>5,974</u>	
<u>10,138</u>		<u>10,202</u>	

Information and Communication Technology

2013-14		2014-15	
£'000		£'000	£'000
	<u>Expenditure</u>		
3,972	Staff Costs	4,312	
358	Supplies and Services	972	
113	Transport Related Expenses	149	
223	Third Party Costs	<u>2</u>	
4,666			5,435
	<u>Income</u>		
4,666	Contributions	5,301	
-	Grant income	<u>134</u>	
4,666			5,435
<u>-</u>	Deficit/(Surplus) in year		<u>-</u>
	<u>Contributions</u>		
1,904	Humberside Police		2,203
2,762	South Yorkshire		<u>3,098</u>
<u>4,666</u>			<u>5,301</u>

12. PREPAYMENTS AND DEBTORS/ACCRUALS

2013-14		2014-15
£'000		£'000
3,728	Other Police and Local Authorities	3,593
28	Other	31
<u>3,756</u>		<u>3,624</u>

13. SHORT TERM DEBTORS

2013-14		2014-15
£'000		£'000
3,756	Debtors & Accruals	3,624
<u>3,756</u>		<u>3,624</u>

14. INCOME IN ADVANCE AND CREDITORS/ACCRUALS

2013-14		2014-15	
£'000		£'000	
3,020	Government Departments	2,861	
4,425	Other	4,367	
<u>7,445</u>		<u>7,228</u>	

15. SHORT TERM CREDITORS

2013-14		2014-15	
£'000		£'000	
7,445	Creditors & Accruals	7,228	
<u>7,445</u>		<u>7,228</u>	

16. UNUSABLE RESERVES

2013-14		2014-15	
£'000		£'000	
(1,703,350)	Pensions Reserve	(1,967,365)	
<u>(3,689)</u>	Accumulated Absences Adjustment Account	<u>(3,604)</u>	
<u>(1,707,039)</u>	Total Unusable Reserves	<u>(1,970,969)</u>	

Movements in the Chief Constable's unusable reserves are detailed in the Movement in Reserves Statements.

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 Chief Constable 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 Chief Constable 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 Chief Constable 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.

Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Funding Balance is neutralised by transfers to or from the Account.

17. ASSETS AND LIABILITIES IN RELATION TO RETIREMENT BENEFITS

The underlying assets and liabilities for retirement benefits of the Chief Constable at 31 March 2015 and 31 March 2014 are as follows:

	Local Government Pension Scheme		Police Pension Schemes						Totals	
	31 March 2015	31 March 2014	1987 Scheme		2006 Scheme		Injury Awards		31 March 2015	31 March 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estimated Liabilities in the Scheme	(265,685)	(210,764)	(1,822,193)	(1,577,101)	(39,350)	(30,130)	(27,270)	(45,580)	(2,154,498)	(1,863,575)
Estimated Assets in the Scheme	185,072	159,430	-	-	-	-	-	-	185,072	159,430
Net Asset/(Liability)	(80,613)	(51,334)	(1,822,193)	(1,577,101)	(39,350)	(30,130)	(27,270)	(45,580)	(1,969,426)	(1,704,145)

	31 March 2015	31 March 2014
	£'000	£'000
Allocation of Net Asset/(Liability)		
PCC	(2,061)	(795)
Chief Constable	(1,967,365)	(1,703,350)
	<u>(1,969,426)</u>	<u>(1,704,145)</u>

The liabilities show the Chiefs long term commitments to pay retirement benefits. The total liability of £1,967m has a substantial impact on the net worth of the Chief as recorded in the balance sheet, resulting in a negative overall balance of £1,971m. It must be noted however that the deficit on the Local Government Pension Scheme will be made good by increased contributions assessed by the scheme actuary every three years. Finance is only required to be raised to cover police pensions when pensions are actually paid.

The last actuarial review was carried out on the Local Government Pension Scheme as at 31 March 2013. The next actuarial review takes place as at 31 March 2016.

18. RECONCILIATION OF PRESENT VALUE OF SCHEME LIABILITIES

	Unfunded Liabilities: Police Pension Scheme		Funded Liabilities: Local Government Pension Scheme	
	2014-15	2013-14	2014-15	2013-14
	£'000	£'000	£'000	£'000
1st April	(1,652,811)	(1,672,421)	(210,764)	(192,870)
Current service cost	(30,320)	(35,890)	(9,191)	(9,404)
Past service costs (including curtailments)	-	-	(75)	-
Interest cost	(72,380)	(71,820)	(9,231)	(8,874)
Contributions by scheme participants	(7,730)	(8,190)	(2,471)	(2,529)
Benefits paid	54,148	49,780	3,549	2,875
Remeasurements:				
Gains and losses from changes in assumptions	(213,500)	49,790	(38,803)	6,057
Experience gains and losses	33,780	35,940	1,301	(6,019)
31st March	<u>(1,888,813)</u>	<u>(1,652,811)</u>	<u>(265,685)</u>	<u>(210,764)</u>

The expected contributions to the ERYC Fund for 2015/16 are £7.092m (2014/15 was £7.542m). The expected contributions to the Police Pension Fund for 2015/16 are £12.606m (2014/15 was £15.064m).

19. RECONCILIATION OF PRESENT VALUE OF SCHEME ASSETS

	Local Government Pension Scheme	
	2014-15	2013-14
	£'000	£'000
1st April	159,430	139,232
Interest income on Plan assets	7,007	6,423
Employer contributions	8,413	7,630
Contributions by scheme participants	2,471	2,529
Benefits paid	(3,549)	(2,875)
Remeasurements:		
Return on assets excluding net interest	11,300	6,491
31st March	<u>185,072</u>	<u>159,430</u>

20. BASIS FOR ESTIMATING ASSETS AND LIABILITIES

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

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

The main assumptions used in their calculations have been:

	Local Government Pension Scheme		Police Pension Schemes					
	2014-15	2013-14	1987 Scheme		2006 Scheme		Injury Awards	
			2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	%	%	%	%	%	%	%	%
Rate of Inflation	2.5	2.9	2.2	2.5	2.2	2.5	2.2	2.5
Rate of Increases in Salaries	3.9	4.2	4.2	4.5	4.2	4.5	4.2	4.5
Rate of Increase for Pensions	2.5	2.9	2.2	2.5	2.2	2.5	2.2	2.5
Rate for Discounting Scheme Liabilities	3.3	4.3	3.3	4.4	3.3	4.4	3.3	4.4
Take up option to convert annual pension into retirement grant:								
Pre April 2008 service	30	30						
Post April 2008 service	65	65						

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

2014-15	Local Government Pension Scheme		Police Pension Schemes			
	%	£'000	1987 Scheme		2006 Scheme	
Change in assumption:	%	£'000	%	£'000	%	£'000
0.5% increase in salaries increase rate	6.0	15,034	1.6	29,000	7.0	2,700
0.5% increase in pensions increase rate	7.0	19,410	9.3	169,000	8.5	3,300
0.5% decrease in discounting of liabilities rate	13.0	35,447	11.5	209,000	17.1	6,700
1 year increase in member life expectancy rate	3.0	7,971	2.5	46,000	1.8	700

2013-14	Local Government Pension Scheme		Police Pension Schemes			
	%	£'000	1987 Scheme		2006 Scheme	
Change in assumption:	%	£'000	%	£'000	%	£'000
0.5% increase in salaries increase rate	5.0	11,187	2.1	33,000	9.1	2,800
0.5% increase in pensions increase rate	7.0	15,292	8.8	139,000	8.8	2,600
0.5% decrease in discounting of liabilities rate	13.0	27,045	10.9	172,000	17.9	5,400
1 year increase in member life expectancy rate	3.0	6,323	1.9	30,000	1.4	400

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	Police Pension Schemes	
	Pension Scheme	1987 Scheme	2006 Scheme
	Years	Years	Years
2014-15	23.6	22.0	33.0
2013-14	23.6	21.0	35.0

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

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

	Expected return		Expected return	
	on Assets at	Assets at	on Assets at	Assets at
	31 March 2015	31 March 2015	31 March 2014	31 March 2014
	%	£'000	%	£'000
Equity investments	5.8	146,207	6.7	124,355
Bonds	2.2	18,507	3.8	15,943
Property	3.9	14,806	4.8	9,566
Cash	2.6	5,552	3.7	9,566
Total	5.2	185,072	6.1	159,430
In active markets	84.6	156,595	91.5	145,900
Not in active markets	15.4	28,477	8.5	13,530
Total		185,072		159,430

21. ASSUMED MORTALITY RATES

Mortality rates are projected using published tables. Future mortality improvements are in line with the 2012-based UK principle population projections.

Police Pension Fund

2014-15

Current Pensioners			Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners		Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females		Males	Females
65	23.3	25.7	65	25.4	27.9

2013-14

Current Pensioners			Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners		Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females		Males	Females
65	23.4	25.9	65	25.6	28.0

East Riding of Yorkshire Pension Fund

2014-15

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

2013-14

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

22. REMEASUREMENTS OF THE NET DEFINED BENEFIT LIABILITY

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

Local Government Pension Scheme

	2010-11		2011-12		2012-13		2013-14		2014-15	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Return on assets, excluding net interest* (* Differences between expected and actual returns for years prior to 2012-13)	3,254	3.03	(5,780)	(5.01)	11,053	7.94	6,491	4.07	11,300	6.11
Difference between actuarial assumptions about liabilities and actual experience	3,760	2.79	(956)	(0.63)	86	0.04	(6,019)	(2.86)	1,301	0.49
Changes in the demographic and financial assumptions used to estimate liabilities	<u>21,115</u>	19.68	<u>(2,816)</u>	(1.85)	<u>(25,579)</u>	(13.26)	<u>6,057</u>	2.87	<u>(38,803)</u>	(14.60)
Total IAS19 remeasurements	<u>28,129</u>	20.91	<u>(9,552)</u>	(6.26)	<u>(14,440)</u>	(7.49)	<u>6,529</u>	3.10	<u>(26,202)</u>	(9.86)

Police Pension Scheme - 1987

	2010-11		2011-12		2012-13		2013-14		2014-15	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	(3,700)	(0.30)	54,280	4.00	46,590	2.93	27,890	1.77	29,460	1.62
Changes in the demographic and financial assumptions used to estimate liabilities	<u>18,030</u>	1.40	<u>(30,050)</u>	(2.20)	<u>(227,490)</u>	(14.29)	<u>46,300</u>	2.94	<u>(224,560)</u>	(12.32)
Total IAS19 remeasurements	<u>14,330</u>	1.10	<u>24,230</u>	1.80	<u>(180,900)</u>	(11.36)	<u>74,190</u>	4.70	<u>(195,100)</u>	(10.70)

Police Pension Scheme - 2006

	2010-11		2011-12		2012-13		2013-14		2014-15	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	(540)	(3.40)	1,210	6.20	(490)	(1.71)	900	2.99	960	2.44
Changes in the demographic and financial assumptions used to estimate liabilities	<u>480</u>	3.00	<u>(1,020)</u>	(5.20)	<u>(5,140)</u>	(17.98)	<u>2,230</u>	7.40	<u>(5,670)</u>	(14.41)
Total IAS19 remeasurements	<u>(60)</u>	(0.40)	<u>190</u>	1.00	<u>(5,630)</u>	(19.70)	<u>3,130</u>	10.39	<u>(4,710)</u>	(11.97)

Police Pension Injury Awards

	2010-11		2011-12		2012-13		2013-14		2014-15	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	2,560	6.50	1,110	2.50	280	0.54	7,150	15.69	3,360	12.32
Changes in the demographic and financial assumptions used to estimate liabilities	<u>2,640</u>	6.70	<u>(4,400)</u>	(9.90)	<u>(5,670)</u>	(10.90)	<u>1,260</u>	2.76	<u>16,730</u>	61.35
Total IAS19 remeasurements	<u>5,200</u>	13.20	<u>(3,290)</u>	(7.40)	<u>(5,390)</u>	(10.37)	<u>8,410</u>	18.45	<u>20,090</u>	73.67
Total IAS19 remeasurements	<u>47,599</u>		<u>11,578</u>		<u>(206,360)</u>		<u>92,259</u>		<u>(205,922)</u>	

Allocation of IAS19 remeasurements:

	2013-14		2014-15	
	£'000	%	£'000	%
PCC	101		(670)	
Chief Constable	92,158		(205,252)	
Total IAS19 remeasurements	<u>92,259</u>		<u>(205,922)</u>	

23. CASH FLOW STATEMENT – ADJUSTMENTS FOR NON CASH MOVEMENTS

2013-14 £'000	2014-15 £'000
Notional Pension Costs (in excess of) / less than	
(70,184) actual pensions paid	(58,763)
314 Accumulated absences movement	85
<u>(69,870)</u>	<u>(58,678)</u>

24. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue on 28 September 2015. The Chief Constable has reviewed events occurring between 31 March and 28 September 2015, and has not identified any events that are adjusting events in respect of conditions existing at the Balance Sheet date.

Non-adjusting events after the balance sheet date:

- Humberside Police and Humberside Fire Authority established a joint vehicle maintenance company, Emergency Services Fleet Management (Humberside) Limited, a company limited by guarantee, which was incorporated on 19 December 2014 but did not commence trading until 1 April 2015.

The Police Pension Scheme Commutation Factors are reviewed periodically by the Government Actuary's Department (GAD). The factors were not reviewed between 2001 and 2006. This has been challenged and is the subject of a test case to the Pensions' Ombudsman, brought by a member of the Firefighters Scheme, but which will have relevance to the Police Pension Scheme 1987. The test case has now been heard (Milne v GAD) and the Home Office and GAD have accepted that additional lump sums may be payable to members who retired between 2001 and 2006.

The Force is in the process of gathering the information required for commutation lump sums paid to pensioners during this period to be re-calculated. Additional payments where applicable will include interest and be paid by April 2016 in line with Home Office guidelines.

Actual additional commutation costs are not known at this time due to the complex nature of the calculations, being individual case specific.

Confirmation has been received that these extra costs will be paid for by the Government in the form of additional top-up grant from the Home Office.

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 2014-15.

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.

In 2014-15 the PCC Group participated in the following pension schemes:

- The Police Pension Schemes for police officers – two schemes are provided for police officers, the 1987 Scheme where officers' contributions are in a range of 14.25 to 15.05% and the scheme introduced from 1 April 2006, where all new entrants to the force will contribute in a range of 11.00 to 12.75% to the new scheme. Both schemes are unfunded schemes, i.e. no investment assets are built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.
- The Local Government Pension Scheme for police staff, administered by the East Riding of Yorkshire Council – this is a funded scheme, i.e. the PCC and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

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

POLICE PENSION FUND ACCOUNTS

2013-14 £'000		2014-15 £'000
	CONTRIBUTIONS RECEIVABLE	
	Police & Crime Commissioner ("PCC"):	
(15,585)	- contributions at 24.2% of pensionable pay	(14,894)
(537)	- early retirements - Ill Health	(1,048)
(8,452)	Officers' contributions	(8,562)
(24,574)		(24,504)
	TRANSFERS IN	
(180)	Transfers in from other Pension Schemes	(113)
	BENEFITS PAYABLE	
39,510	- pensions	41,864
10,385	- commutations and lump sum retirement benefits	11,575
3	- lump sum death benefits	160
		53,599
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS	
437	- transfers out to other Pension Schemes	953
153	- transfers out to other Police Forces: 1966 & 1974 arrangements	196
		1,149
25,734	NET AMOUNT PAYABLE FOR THE YEAR	30,131
(25,734)	ADDITIONAL CONTRIBUTION (FROM) THE PCC	(30,131)
-		-

NET ASSETS STATEMENT

2013-14 £'000		2014-15 £'000
	Current Assets	
244	Police Fund Debtor	258
	Current Liabilities	
(244)	Unpaid Pensions Due	(258)
-		-

NOTES TO THE POLICE PENSION FUND ACCOUNTS

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

The Police Officer Pension Schemes make up the account:

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

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 2014-15 was 24.2% of pensionable pay.

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 are no investment assets, the fund is balanced to nil at the year end 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.

With effect from 1 April 2015, The Police Pension Scheme 2015 came into effect. This is a career average model scheme and was established by the Police Pensions Regulations 2015. All current members of the 1987 and 2006 Schemes will join the 2015 Scheme unless they are eligible for Full Transitional Protection or Tapered Protection under the 2015 Scheme rules. Tapered Protection members will join the 2015 Scheme at the end of their Tapered Protection period.

GLOSSARY OF ACCOUNTING TERMS

The Chief 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.
Asset	An item owned or leased by the Chief Constable, 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 Chief Constable.
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.
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.
Corporate & Democratic Core costs	These represent the costs of delivering public accountability and representation in policy-making and meeting our legal responsibilities.
Creditors	Amounts owed by the Chief Constable 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 Chief Constable expects to hold or discharge for a period of less than one year from the Balance Sheet date.
Debtors	Sums of money due to the Chief Constable 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.
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.
Going concern basis	The underlying assumption used in producing the financial statements that the Chief Constable will continue to operate for at least 12 months from the Balance Sheet date.
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 Chief Constable such as uniforms, fuel etc.
Leases	A method of financing expenditure over a period of time. There are two types of lease: <ul style="list-style-type: none"> ▪ Finance lease, where the risks of ownership are transferred to the lessee and where the assets are recorded in the Chief Constable's Balance Sheet at a current valuation. ▪ Operating lease, where the risks of ownership stay with the leasing company and the annual rental charges are made via the Comprehensive Income and Expenditure Statement.
Liability	An amount owing to a third party such as a loan or unpaid invoice from a supplier.
Local Authority Accounting Panel (LAAP) bulletin	Latest update from CIPFA detailing amendments and guidance to changes in Local Authority Accounting Practice.
Medium Term Financial Strategy (MTFS)	The MTFS covers a 5 year period and describes the financial direction of the Force and the Chief Constable capturing known and estimated funding, financial pressures 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 Chief Constable 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.
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.

Remeasurements of the Net Defined Benefit Liability	For a defined benefit pension scheme, the changes that arise because : <ul style="list-style-type: none"> ▪ events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or ▪ The actuarial assumptions have changed.
Reserves	General reserves are accumulated balances available to support revenue or capital spending and meet unforeseen events. Earmarked reserves are amounts set aside for an agreed purpose in one financial year and carried forward to meet expenditure in future years.
Revenue expenditure	Spending on day to day items, including salaries, premises costs and supplies and services.
SeRCOP	The Service Reporting Code of Practice for Local Authorities (SeRCOP) was previously known as the Best Value Accounting Code of Practice (BVACOP). SeRCOP establishes proper practices with regard to consistent financial reporting for services. All local authorities are expected to comply with its requirements.
The Code	The Code of Practice published by CIPFA, relating to Local Authority Accounting in the United Kingdom and is issued each year.

Acronyms

ACPO	Association of Chief Police Officers
APACE	Association of Police and Crime Chief Executives
CCRF	Commissioners Crime Reduction Fund
CIPFA	Chartered Institute of Public Finance and Accountancy
CJS	Criminal Justice System
CPS	Crown Prosecution Service
CSFG	Community Safety Fund Grant
CSP	Community Safety Partnership
CSR	Comprehensive Spending Review
DCLG	Department of Communities and Local Government
GAD	Government Actuaries Department
GOYH	Government Office for Yorkshire and the Humber
HMIC	Her Majesty's Inspector of Constabulary
HPA / HP	Humberside Police Authority / Humberside Police
IAS	International Accounting Standards
IPCC	Independent Police Complaints Commission
JANE	Joint Arrangement Not an Entity
JIAC	Joint Independent Audit Committee
LAAP	Local Authority Accounting Panel
LCJB	Local Criminal Justice Board
LGYH	Local Government Yorkshire and the Humber
MTFS	Medium Term Financial Strategy
NPT	Neighbourhood Policing Teams
OPCC	Office of Police and Crime Commissioner
OPCCNY	OPCC for North Yorkshire / North Yorkshire Police
OPCCSY	OPCC for South Yorkshire / South Yorkshire Police
OPCCWY	OPCC for West Yorkshire / West Yorkshire Police
OPPB	Operational Policing Programme Board
PaCCTS	Police and Crime Commissioners Treasurers' Society
PCC	Police and Crime Commissioner
PCP	Police and Crime Panel
PDR	Performance Development Review
PNB	Police Negotiating Board
PRSRA	Police Reform and Social Responsibility Act
PSC	Police Staff Council
RCB	Regional Collaboration Board
SeRCOP	Service Reporting Code of Practice for Local Authorities
SOLACE	Society of Local Authority Chief Executives
UITF	Urgent Issues Task Force of Accounting Standards Board