Statement of Accounts – 2016-17

The Chief Constable of Nottinghamshire

NOTTINGHAMSHIRE POLICE
PROUD TO SERVE

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CHIEF FINANCE OFFICER'S NARRATIVE REPORT

CHIEF FINANCE OFFICER'S FINANCE REPORT

NOTTINGHAMSHIRE

Nottinghamshire is a diverse County. It has a mixture of affluent communities and those developing from being former mining areas. The County's major urban area of the City and surrounding conurbation is mainly in the south with the majority of the north and east of the County being rural.

There is a population of approximately 1.1 million within the City and County.

The majority of properties across the City and County fall within Council Tax bands of A and B.

Nottinghamshire is one of five regional forces in the East Midlands and works closely with the others to provide a seamless and efficient service.

The Police and Crime Commissioner determines the level of funding allocated to the Chief Constable for the provision of police services within Nottinghamshire. The amount of funding available for distribution by the Commissioner is reliant on both Central Government funding and the amount received from local council tax payers. This amount is reducing in real terms year on year.

Brexit will continue to create uncertainty about the future of central Government funding and therefore the impact this may have on police funding in the future. The results could be positive or negative, but are not currently quantified.

GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area; with operational policing being the responsibility of the Chief Constable.

This responsibility is discharged in accordance with statutory requirements, the Oath of Police Officers, the Police Discipline Code, Police Regulations and the Scheme of Delegation.

There is joint responsibility with the Commissioner for ensuring that public money is safeguarded. To discharge this accountability the Commissioner and senior officers must put in place proper procedures for the governance and stewardship of the resources at his disposal.

THE CHIEF CONSTABLES BUSINESS MODEL

Our Priorities

Engage Our Communities

Create a service that works for local people

Become an employer of choice

Our Mission Statement

'Working with partners and the communities we serve to make Nottinghamshire a safe, secure place to live, work and visit'

The force has a dedicated workforce of just under 3,200 officers and staff, who are supported by a growing army of hundreds of Special Constables, cadets and volunteers. Over the course of a typical day in Nottinghamshire, we:

- **deal with 966 incidents, of which 447 will require attendance**
- **deal with 225 new crimes**
- **make 56 arrests**
- **solve 58 crimes**
- **deal with 24 incidents associated with people with mental health issues**
- **attend 26 road traffic collisions**
- **deal with 94 antisocial behaviour incidents**
- **search for 11 people who had been reported missing**
- **carry out 5.3 stop and searches**

Policing is divided into two thematic areas, known as Uniformed Operations and Intelligence Investigations.

Each of the two areas is headed by a Chief Superintendent who is responsible for the policing of the area, and the teams within them.

Nottinghamshire is also divided into a number of Neighbourhood Policing Areas, each of which is headed by a Neighbourhood Policing Inspector.

Each neighbourhood is policed by a dedicated team made up of police officers, special constables and police community support officers (PCSOs), alongside community protection officers or neighbourhood wardens employed by local councils.

Local policing is complemented by a range of support units and departments that operate across the force. These include the control room, where staff answer 999 and non-emergency telephone calls, our roads policing section, criminal justice, crime investigation, force intelligence directorate, our dogs section, the forensics officers who work in our scientific support unit and the team that plans for major events and emergencies.

To ensure we provide an efficient and effective service, our work is overseen by the Nottinghamshire Police and Crime Commissioner and the Police and Crime Panel.

Located in the heart of England, the county is renowned for its sporting roots, including Trent Bridge Cricket ground, the Capital FM National Ice Arena, Meadow Lane, home to the world's oldest football club Notts County, and the City Ground, home to former double European Cup winners Nottingham Forest.

We work closely with all of these attractions to ensure the thousands of tourists who visit Nottinghamshire each year have a safe and enjoyable visit.

With two universities, the University of Nottingham and Nottingham Trent University and New College in Nottingham (the second largest college in Europe), the city is home to more than 95,000 students.

PERFORMANCE

Achievements 2016-17

Over the last year we have made significant changes to improve the way in which we work.

- Compliance with the National Crime Recording Standard resulted in an increase in Total Crime of 13.7%.
- A new Chief Constable has been appointed.
- Force expenditure has come in below budget and the contribution to reserves was more than originally anticipated.
- A new target operating model has been commissioned which will see a reversal of the planned reduction in Police Officers.
- Nottinghamshire has led on the provision of body worn video for the service and the benefits of this have already been seen
- Nottinghamshire Police remains a strong performing force in comparison to other similar forces and the all force average for victim satisfaction. Around 81% were satisfied with overall service levels, 95% satisfied with the way they were treated and 97% satisfied with ease of contact in March 2017
- Anti-Social Behaviour fell by 6.5% during the year.
- The lowest increases in terms of national rankings - top 3 are:
  - Robbery of personal property (ranked 2nd best, -52, -6.31%)
  - Distraction burglary (ranked 3rd best, -16, -34.8%)
  - All Robbery (ranked 4th best, -31, -3.4%)
- The highest increases in terms of national rankings - top 3 are:
  - All other theft offences (ranked 2nd, +1,554, +18.9%)
  - Public order offences (ranked 4th, +2,071, +92.7%)
  - Violence without injury (ranked 5th, +5,312, +54.6%)
- The number of non-crime related mental health patients detained in custody suites fell by 78% (11)
- The Early Guilty Plea rate for the Magistrates' Court improved by 6.2%
- The conviction rate in Crown Court was 0.3% higher than the national average
- The number of young people (<15 yrs.) Killed or Seriously Injured on Nottinghamshire's roads has reduced 65% since the 2003 – 2009 average baseline.
- The proportion of victim-based crimes that go on to receive a court or out of court disposal also remains strong in Nottinghamshire compared to other force areas
- An increasing organisational focus on responding to issues of greatest threat, risk and harm has led to significant increases in the number of vulnerable people identified and protected in 2016/17, including victims of historic sexual offences, missing and absent person incidents and child protection-related crimes
- The force has also seen marked improvements in compliance with crime recording standards during the year which has resulted in a more accurate profile of local victimisation rates and more victims being identified and supported.

FINANCIAL PERFORMANCE

The net expenditure for the Force in 2016-17 was £184.4 million which generated underspend of £1.0 million against the original budget.

This is an excellent performance in a year which required the delivery of an efficiency programme of £12.0 million to achieve a balanced budget.

This underspend is to be transferred to reserves held by the Police & Crime Commissioner as a contribution to repay reserves that were required to offset an overspend in the financial year ended 31st March 2016.

The 2016-17 efficiency target was broken down as follows:

Efficiencies included in the 2016/17 Budget	**£'000**
Police officer pay	3,334
Police officer overtime	200
Police staff pay	5,646
Police staff overtime	50
Other employee expenses	24
Premises costs	173
Transport costs	162
Comms & computing	575
Other supplies & services	512
Capital financing	1,062
Other	175
Income	100
	12,012

In 2016-17 £9.3 million (77.0%) of the efficiency savings were planned to be delivered through employee costs, in effect during the year a further £2.5 million saving was delivered.

This additional saving, combined with net underspends across other lines of expenditure and additional income, enabled the Force to make a further in year contribution to reserves of £1.2 million and a £0.75 million capital payment (MRP) to reduce future liabilities, whilst still delivering the budget underspend.

Income for the year was £15.9 million this was £1.3 million above expectations and was largely due to:

- Police Lead Prosecution (PLP) income
- IS transformation
- Insurance payments
- Vehicle recovery
- Rental of aerial masts
- IT services
- Professional Standards income, such as vetting
- Contact Management
- Recharge of a Tactical Support Unit officer
- Certificates and other fees such as firearms licences
- Rent charges from a number of buildings

FINANCIAL PERFORMANCE (Cont)

2017-18 Budget - Breakdown

The proposed revenue budget for 2017-18 is £190.1 million as detailed below:

Net Expenditure Budget	2017-18 £m
Employee	150.4
Premises	6.0
Transport	5.7
Supplies & services	16.0
Agency & contract services	17.0
Pensions	4.9
Capital financing	4.8
Income	(13.5)
Efficiencies	(1.3)
Net use of reserves	0.0
Total net expenditure	**190.1**

OUTLOOK

The force is responding positively to the challenges it faces, especially in the light of a significant £7.7 million budget overspend in 2015-16.

Craig Guilford
Nottinghamshire Chief Constable

Work to develop a Tri-Force Collaboration is designed to deliver improvements and efficiencies in Enabling Services.

This Collaboration involving Leicestershire, Northamptonshire and Nottinghamshire has identified key areas where it is expected that joint work will deliver better outcomes.

Functions have been chosen to pilot the formation of business cases and a transformation grant from the Home Office was agreed in 2016 which will deliver an additional £5.7 million to the three Forces over two financial years in order to progress this agenda and deliver efficiencies quicker.

For local policing, a move towards a new policing model is now in the implementation phase which sees a transformation in the way in which policing is delivered in Nottinghamshire. This plan itself has already been reviewed by the newly appointed Chief Constable and our priority now is to invest in additional police officers and thus increasing the number of constables that can be more flexibly deployed to meet policing demands; previously this investment was geared towards increasing front line non-uniformed police support roles.

The force intends to develop its own approach to business planning and investment within a clearly defined framework 'Quality of Service Principles'. This approach will facilitate a fast paced understanding of the organisation's baseline and ensuring investment in priority areas and identifying areas where expenditure may be withdrawn, reduced or used more effectively – thereby embedding the principles of efficiency in everything that the force undertakes.

It is also intended a number of 'deep dive reviews' as part of a rolling programme of change are implemented each year, these will be a more fundamental review and challenge to service delivery needs, methods of delivery, and a forward look to future service demands.

These reviews will have a separate reporting and review process.

Nottinghamshire continues to have an ambitious capital programme.

The main areas of expenditure for the next few years are:

- Tri-force collaboration (including projects with Transformation funding contribution from the Home Office).
- New Custody Suite.
- Maintaining the existing estate.
- Updating and replacing IT.

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 1,886 police officers, 423 PCSOs and Specials and 1,168 staff in full-time and part-time positions.

Active recruitment plans for 2017-18 include positive action to improve the diversity and reflect more closely that of the County.

The College of Policing is working actively to provide apprenticeship entry into Policing. Nottinghamshire will pay an apprenticeship levy from April 2017, equating to 0.5% of the total pay bill.

This can be utilised to pay for apprenticeship training and to accredit specific specialist roles to a professional standard, including degree level.

This will allow Nottinghamshire to focus on areas of skills shortage and future skills growth areas.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,005	57.7
Female	1,472	42.3

Age Band	Headcount	%
25 and under	222	6.4
26-40	1,423	40.9
41-55	1,563	45.0
56 or over	269	7.7

Self Declared Disability	Headcount	%
No	3,287	94.5
Yes	88	2.5
Unspecified	102	2.9

Ethnicity	Headcount	%
Asian/Asian British	80	2.3
Black/Black British	41	1.2
Mixed	38	1.1
White/White British	3,197	91.9
Other	2	0.1
Not Known/Provided	119	3.4

PRINCIPAL RISKS

A risk management strategy is in place to identify and evaluate risk. There are clearly defined steps to support better decision making through the understanding of risk, whether a positive

opportunity or threat and the likely impact. The risk management processes are subject to regular review and updates. The key strategic notes are:

RISK	IMPACT	MITIGATION
Historic child sexual exploitation cases.	Significant resource demand on complex historic cases.	Allocation of dedicated resources. Monitoring of activity by executive management
Funding Formula Review.	Could result in either a positive or negative impact on the amount of police grant Nottinghamshire receives.	Development of scalable medium term operational plans. Identification of minimum policing model.
Delays in the national implementation of The Emergency Services Network -, a replacement for the current system used by the emergency services to communicate with each other in the event of an emergency response.	Significant cost increase if deployment is delayed.	A nationally managed project. Local and regional resources identified to assist the management of the project.

Explanation of Accounting Statements	The Core Statements Are:	The Supplementary Financial Statements Are:
The Statement of Accounts sets out the Group income and expenditure for the year and its financial position at 31 March 2017. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2016-17; which in turn is underpinned by International Financial Reporting Standards. A Glossary of terms can be found at the end of this publication.	• **The Comprehensive Income and Expenditure Statement**. This records all income and expenditure for the year. • **The Movement in Reserves Statement**. This is a summary of the changes to reserves during the course of the year. • **The Expenditure Funding Analysis.** This shows the difference between management accounts and IFRS requirements. • **The Balance Sheet.** This is a "snapshot" of the assets, liabilities, cash balances and reserves at the year end. • **The Cash Flow Statement**. This shows the reasons for changes in cash balances.	• **The Notes to the Accounts.** These provide more detail about the accounting policies and individual transactions.

INDEPENDENT AUDITORS REPORT

This report sets out the opinion of the external auditor as to whether these statements present a true and fair view of the financial position and operations of the Commissioner and Group.

To be confirmed by KPMG

STATEMENT OF RESPONSIBILITIES

The Responsibilities of the Chief Constable

The Chief Constable is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Chief Constable has designated this undertaking to the Chief Financial Officer
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets
- Ensure that there is an adequate Annual Governance Statement
- Approve the Statement of Accounts

The Responsibilities of the Chief Finance Officer

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts in accordance with proper accounting practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The statement is required to present fairly, the financial position of the Chief Constable as at the accounting date and its Income and Expenditure for the year ended 31st March 2017. In preparing the Accounts the CFO has:

- Selected suitable accounting policies then applied them consistently
- Made judgements and estimates that are reasonable and prudent
- Complied with the Code of Practice
- Kept proper records that are up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

Certification

I certify that in my opinion this Statement of Accounts present a true and fair view of the financial position of the Nottinghamshire Office of the Police and Crime Commissioner and Group as at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.

P Dawkins CPFA
Chief Finance Officer
Nottinghamshire Police

Approval

The Statement of Accounts was approved by the Joint Audit and Scrutiny Panel

C Gilford
Nottinghamshire Police Chief Constable.

FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation

Precepts are made to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2015-16				2016-17		
Expenditure £000	**Income £000**	**Net £000**		**Expenditure £000**	**Income £000**	**Net £000**
239,599	(21,289)	218,310	Cost of Police services	221,165	(21,546)	199,619
0	(8,648)	(8,648)	Transfers to and from Commissioners Reserves	0	0	0
0	(221,878)	(221,878)	Funding from the Commissioner	0	(228,295)	(228,295)
239,599	**(251,815)**	**(12,216)**	**Cost of Services**	**221,165**	**(249,841)**	**(28,676)**
94,718	(5,868)	88,850	Financing and Investment Income and Expenditure	84,062	(39,519)	44,543
334,317	**(257,683)**	**76,634**	**Surplus or Deficit on Provision of Services**	**305,228**	**(289,360)**	**15,868**
		(359,481)	Remeasurement of the net defined benefit liability / asset			521,784
		(359,481)	**Other Comprehensive Income and Expenditure**			**521,784**
		(282,847)	**Total Comprehensive Income and Expenditure**			**537,652**

Expenditure and Funding Analysis

2015-16				2016-17		
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
230,526	(12,216)	218,310	Cost of Police services	228,295	(28,676)	199,619
(8,648)	0	(8,648)	Transfers to and from Commissioners Reserves	0	0	0
(221,878)	0	(221,878)	Funding from the Commissioner	(228,295)	0	(228,295)
0	**(12,216)**	**(12,216)**	**Net Cost of Services**	**0**	**(28,676)**	**(28,676)**
0	88,850	88,850	Other Income and Expenditure	0	44,543	44,543
0	**76,634**	**76,634**	**Surplus or Deficit on Provision of Services**	**0**	**15,868**	**15,868**

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement during the year on the different reserves held by the authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Chief Constable holds no usable reserves.

The Statement shows how the movements in reserves are broken down between gains and losses incurred in accordance with the Code and the statutory adjustments required to return to the amounts chargeable to council tax for the year. A minor error was found and adjusted for from 2015-16 accounts

	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Balance at 31 March 2016	0	2,181,086	**2,181,086**
Minor error adjustment to prior year		(6)	**(6)**
Balance at 31 March 2016 adjyusted		2,181,079	**2,181,079**
Movement in reserves during 2016-17			
Surplus or deficit on the provision of services	15,868		**15,868**
Other Comprehensive Income / Expenditure		521,784	**521,784**
Total Comprehensive Income and Expenditure	**15,868**	**521,784**	**537,652**
Adjustments between accounting basis and funding basis under regulations	(15,868)	15,868	**0**
Increase or Decrease in 2016-17	**0**	**537,652**	**537,652**
Balance at 31 March 2017	**0**	**2,718,730**	**2,718,730**

	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Balance at 31 March 2015		2,467,171	**2,467,171**
Movement in reserves during 2015-16			
Surplus or deficit on the provision of services	76,634		**76,634**
Other Comprehensive Income / Expenditure		(359,481)	**(359,481)**
Total Comprehensive Income and Expenditure	**76,634**	**(359,481)**	**282,847**
Adjustments between accounting basis and funding basis under regulations	(76,634)	76,634	**0**
Increase or Decrease in 2015-16		(282,847)	**(282,847)**
Balance at 31 March 2016		**2,184,086**	**2,181,086**

Balance Sheet

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

These hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'. All usable reserves are held by the Commissioner

31 March 2016		31 March 2017
£'000		**£'000**
(3,741)	Short-Term Creditors	(3,342)
(3,741)	**Current Liabilities**	**(3,342)**
(2,177,345)	Other Long-Term Liabilities	(2,715,388)
(2,181,086)	**Long Term Liabilities**	**(2,715,388)**
(2,181,086)	**Net Assets**	**(2,718,730)**
2,181,086	Unusable Reserves	2,718,730
2,181,086	**Total Reserves**	**2,718,730**

Cash Flow Statement

The Cash Flow Statement shows that there are no cash flows through the Chief Constable Entity

2015/16		2016/17
£		£
76,634	Net (surplus) or deficit on the provision of services	15,868
(76,634)	Adjustment to surplus or deficit on the provision of services for non-cash movements	(15,868)
0	**Net cash flows from activities**	**0**

NOTES TO THE ACCOUNTS

Notes to the Accounts including Accounting Policies

Note 1 - General Principles

The Commissioner is a separate entity to the Chief Constable and the relationship is clearly defined in the Governance Arrangements. The Commissioner is the lead controlling influence in the Group.

The Chief Constable is deploying staff and officers employed, controlled and paid for by the Commissioner to provide the policing service in Nottinghamshire and in the achievement of the Commissioner's Plan. The legal status has the Commissioner as the source of transactions and the reality of this is borne out through the level of control exerted.

Annual Statement of Accounts are required to be published under the Accounts and Audit Regulations 2011, in accordance with proper accounting practices.

These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17 (The Code) and the Best Value Accounting Code of Practice 2016-17, supported by International Financial Reporting Standards (IFRS).

The Accounts have been prepared on a 'going concern' basis. Under The Act, The Chief Constable and the Commissioner are separate 'Corporation Sole' bodies. Both are required to prepare separate Statement of Accounts.

Note 2 - Accruals of Income and Expenditure

Revenue is measured at fair value in the year to which it relates, and not when cash payments are made or received. All the expenditure is paid for by The Commissioner, but recognition in the Group and The Chief Constables Accounts is based on the economic benefit of resources consumed.

In particular:

- Fees, charges and rents due are accounted for as income at the date of supply
- Supplies are recorded as expenditure when they are used
- Expenditure in relation to services received is recorded as services are received, rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for as income or expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where debts are doubtful, the debt is written off by a charge to the CIES

Note 3 - Exceptional Items

There are no exceptional items applicable in the year.

Note 4 - Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

There are no prior period adjustments or changes in Accounting Policies, applicable to the Chief Constable in 2015-2016. The main changes are within the presentation of the CIES and a new note the Expenditure and Funding analysis

In applying accounting policies, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no critical judgements made in the Statement of Accounts.

The largest area of estimation included within the accounts is in staff related costs. Accruals for overtime, bonuses, early retirement costs and other one off payments have been checked retrospectively and found to be reasonable.

Note 5 - Charges to the CIES for Non-Current Assets

Although the Chief Constable does not directly hold any non-current assets a charge for depreciation is included as a proxy for using those assets

Note 6 - Government Grants and Contributions

All grants, third party contributions and donations are received by the Commissioner.

Note 7 - Joint Operations

These are accounted for in accordance with IAS 31 - Interests in Joint Ventures, according to agreed proportions of use. They are all governed by Section 22 Agreements.

The cost relating to these activities are shown within the accounts. Full details are included within the Group Accounts.

Note 8 - Allocation of Costs

The changes to the Comprehensive Income and Expenditure Account have changed to reflect closer to the way management decisions are made.

The Chief Constable is therefore a single service entity

Note 9 - Provisions

Provisions are made where an event has taken place that gives a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Note 10 - VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 11 - Resources used in Provision of Police Services

Although all transactions during the year are solely within the Accounts of the Commissioner and all assets are owned and controlled by the Commissioner, the Chief Constable has used resources to provide policing, and the true cost of this is included in the CIES. It includes the cost of depreciation on assets owned as a proxy for the rental value. It includes all adjustments required under IFRS for accrued employee benefits and pension costs.

Note 12 - Income

Credited to Services		
31 March 2016 £000		**31 March 2017 £000**
(5,531)	Partnership and Joint Controlled Operations	(5,370)
(1,858)	PFI Grant	(1,858)
(3,557)	Recharge of Officers	(3,857)
(10,343)	Other Income	(10,461)
(21,289)	**Total**	**(21,546)**

Note 13 - Note to the Expenditure and Funding Analysis

This new core statement shows how annual expenditure is used and funded from annual resources (government grants and council tax) and compares this with the Comprehensive Income and Expenditure Statement which includes economic resources consumed or earned by authorities in accordance with generally accepted accounting practices.

2016-17	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000
Cost of Police services	(28,284)	(391)	(28,676)
Transfers to and from Commissioners Reserves	0	0	0
Funding from the Commissioner	0	0	0
Net Cost of Services	**(28,284)**	**(391)**	**(28,676)**
Other Income and Expenditure	44,543	0	44,543
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	**16,259**	**(391)**	**15,868**

2015/16	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police services	(10,597)	(1,619)	(12,216)
Transfers to and from Commissioners Reserves	0	0	0
Funding from the Commissioner	0	0	0
Net Cost of Services	**(10,597)**	**(1,619)**	**(12,216)**
Other Income and Expenditure	88,850	0	88,850
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	**78,253**	**(1,619)**	**76,634**

The Net Change for the Pensions Adjustments is the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income

For services this is the removal of the employer pension contribution and the replacement with current service costs and past service costs.

For other income and expenditure this is the net interest on the defined benefit liability is charged to the CIES.

Other Differences – represents the accumulated absences difference between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable for taxation purposes.

Note 14 - Expenditure Analysed by Nature

2015/16		2016/17
£000	**Nature of Expenditure or Income**	**£000**
(21,289)	Service income	(21,546)
239,599	Service expenditure	221,165
(221,878)	Income from Commissioner	(-228295)
(5,868)	Pensions interest income	(39,519)
94,718	Pensions interest payment	84,062
76,634	**Surplus or Deficit for Year**	**15,868**

Note 15 - External Audit Costs

KPMG LLP are the appointed external auditors, the cost of which was £0.015 million (£0.015m in 2015-16).

Note 16 - Defined Benefit Pension Scheme

Full details of these defined benefit pension schemes can be found within the Accounts of the Group. As part of employment conditions, the Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the value of this is included within the CIES.

Note 17 - Officers' Remuneration

The following table sets out the remuneration for senior officers posts.

The officers included in this table are not included in the employees earning over £50,000

2016-17

2016/17		Salary, Fees & Allowances Note 1 £'000	Bonuses £'000	Expenses Allowances Note 2 £'000	Compensation for Loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Constable Chris Eyre	3	46,373		1,082		10,956	58,411
Chief Constable - Sue Fish		119,632		5,719		27,181	152,532
Deputy Chief Constable Sue Fish		30,981		2,954		6,985	40,920
Deputy Chief Constable Simon Torr		101,230		3,592		23,805	128,627
Assistant Chief Constable - Simon Torr		21,378	0	867	0	5,006	27,251
Assistant Chief Constable - Stuart Prior		73,011	0	4,848	0	14,275	92,134
Assistant Chief Officer Finance & Resources	4	95,731		5,435		17,249	118,415
Director of Human Resources	4	94,955		5,494		17,363	117,812
Director of Information Services & IT	4 & 5	110,027		500		13,300	123,827
TOTAL CHIEF CONSTABLE		**693,318**	**0**	**30,491**	**0**	**136,120**	**859,929**

Note1: Expenses Allowances include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation.

Note 2: Salary, Fees and allowances includes Rent Allowance, Housing Allowance, Compensatory Grant and Compensation for Loss of Office.

Note 3: Chief Constable C Eyre retired 22/7/16

Note 4: This is the total earned the costs are apportioned between Nottinghamshire, Northamptonshire and Lecestershire Police

Note 5: Includes Market Rate Premium

2015/2016

2015/16	Salary, Fees & Allowances Note 1 £'000	Bonuses £'000	Expenses Allowances Note 2 £'000	Compensation for Loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Constable Chris Eyre	145,847	0	3,554	0	35,295	184,696
Deputy Chief Constable Sue Fish	120,320	0	7,648	0	29,118	157,086
Assistant Chief Constable - Crime and Justice	101,805	0	3,554	0	24,420	129,779
Assistant Chief Constable - Local Policing	104,991	0	3,554	0	24,825	133,370
TOTAL CHIEF CONSTABLE	**472,963**	**0**	**18,310**	**0**	**113,658**	**604,931**

Senior Employees Remuneration

	2015/16	2016/17
£50,001 to £55,000	89	33
£55,001 to £60,000	50	79
£60,001 to £65,000	13	22
£65,001 to £70,000	7	10
£70,001 to £75,000	9	7
£75,001 to £80,000	3	5
£80,001 to £85,000	6	6
£85,001 to £90,000	2	6
Total	**179**	**168**

Exit Packages

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£000)	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
£0-£20,000	46	4	46	17	92	21	541	192
£20,001 - £40,000	1	1	8	2	9	3	298	85
£40,001 - £60,000	1	0	6	1	7	1	340	50
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	1	0	1	0	88	0
£100,001 - £150,000	0	0	0	0	01	0	0	0
Total	**48**	**5**	**68**	**20**	**109**	**25**		
Total cost included in bandings all included within the CIES							**1,267**	**327**

Termination Benefits

Termination benefits are payable as a result of a decision to terminate an employee's employment before the normal retirement date or an acceptance of voluntary redundancy. These are charged to the CIES when the Group is demonstrably committed to the decision.

25 contract were terminated during the year (109 in 2015/16), incurring costs of £0.3m, of which £0.06m was for pension strain (£1.3m in 2015/16).

Other departures agreed cover voluntary redundancies and compromise agreements. All of the costs were included within the CIES. There were no material payments in relation to injury awards during the year ended 31 March 2016

Benefits Payable during Employment

Short-term Employee Benefits are those due to be settled within 12 months of the year-end. This includes salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars).

An accrual is made for the cost of holiday entitlements or any form of leave, e.g. time off in lieu earned, but not taken before the year-end, which an employee can carry forward into the next financial year.

The accrual is made at the payment rates applicable in the following accounting year, being the period in which the employee takes the benefit.

Note 18 - Related Parties

The Chief Constable is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the organisation or vice versa. Disclosure of these transactions allows transparency to the extent that the Chief Constable might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely.

The Commissioner as the parent corporation asserts a significant influence over the Chief Constable.

Central Government has significant influence over the general operations of the Chief Constable, as it is responsible for providing the statutory framework within which it operates.

Senior managers complete a declaration of personal interests because they influence decision making.

Joint arrangements and collaborations are areas where significant influence can be exerted by all parties.

Other Local authorities with whom partnership working is important, for instance within the area of anti-social behaviour may be an influencing factor.

Note 19 - Accounting Standards Issued, Not Adopted

There are no applicable standards issued but not yet adopted that are applicable to Nottinghamshire Police Group.

GLOSSARY

Glossary

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCOUNTING POLICIES

These are a set of rules and codes of practice used when preparing the Accounts.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACT

The Police Reform and Social Responsibility Act 2011

AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy

CODE

The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CREDITOR

Amount owed by the Authority for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Authority's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

IFRS

International Financial Reporting Standards are developed by the International Accounting Standards Board (IASB) and regulate the preparation and presentation of Financial Statements. Any material departures from these Standards would be disclosed in the notes to the Accounts.

GROUP

Nottinghamshire Office of the Police and Crime Commissioner and it's Group.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.