



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



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 their disposal.

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 3,500 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 behavior 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, dogs section, 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)
 - Distraction burglary (ranked 3rd best)
 - All Robbery (ranked 4th best)
- The highest increases in terms of national rankings - top 3 are:
 - All other theft offences (ranked 2nd)
 - Public order offences (ranked 4th)
 - Violence without injury (ranked 5th)
- The number of non-crime related mental health patients detained in custody suites fell by 78%.
- 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 years.) Killed or Seriously Injured on Nottinghamshire's roads has reduced 65% since the 2005 – 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.

More information on performance can be found on the Police and Crime Commissioners website within the Annual Report

FINANCIAL PERFORMANCE

The net expenditure for the Force (excluding externally funded activities) in 2016-17 was £184.4 million which generated an 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 target 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.

Budgeted 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 licenses
- Rent charges from a number of buildings

FINANCIAL PERFORMANCE (Cont)

2017-18 Budget - Breakdown

The proposed revenue budget (including the OPCC) 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. The Force was subject to a PEEL inspection in May 2016 which determined that the Force “requires improvement” in respect of efficiency. Since this time the Force has launched a new planning process, improved budget monitoring, and delivered a significant underspend against its 2016-17 budget. The changes undertaken are designed to prepare us for the financial and demand challenges that lie ahead. The Force is still awaiting the results of its most recent PEEL inspection, which took place during May 2017, but is expecting improvements to have been recognised by the inspection team.



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

therefore we are 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 organisations 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 capital investment 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 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

Self Declared Disability	Headcount	%
No	3,287	94.6
Yes	88	2.5
Unspecified	102	2.9

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

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, which replaces current communication system used by the emergency services during 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.
That an adverse Peel Report is received.	That special measures are imposed and there are reputational risks.	The Force has launched a new planning process and improved budget monitoring,

Explanation of Accounting Statements

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 are 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.

There has been some restatement of 2015-16 figures to provide the information in line with the current code but there is no change to the underlying figures.

A Glossary of terms can be found at the end of this publication.

The Core Statements

- **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 Supplementary Financial Statements

- **The Notes to the Accounts.** These provide more detail about the accounting policies and individual transactions.



Independent auditor's report to the Chief Constable for Nottinghamshire

We have audited the financial statements of the Chief Constable for Nottinghamshire for the year ended 31 March 2017 on pages 45 to 65. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Chief Constable, as a body, 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and auditor

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

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Narrative Statement 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 2017 and of the Chief Constable's expenditure and income for the year then ended;

- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

Matters on which we are required to report by exception

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

- the Annual Governance Statement set out on pages 19 to 43 does not reflect compliance with ‘Delivering Good Governance in Local Government: a Framework’ (CIPFA/SOLACE 2016 Edition); or
- the information given in the Narrative Statement for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014; or
- any other special powers of the auditor have been exercised under the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

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

Authority’s responsibilities

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

Auditor’s responsibilities

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

We report if significant matters have come to our attention which prevent us from concluding that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in their 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 their use of resources are operating effectively.

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

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

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

Conclusion

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

Certificate

Due to work on the WGA Return not being completed by the 29 September 2017.

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Andrew Cardoza

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

29 September 2017

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 Chief Constable 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 Guildford
Nottinghamshire Police Chief Constable.

Nottinghamshire Police

Annual Governance Statement 2016-17

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1.0 Introduction

1.1 Scope of responsibility

Nottinghamshire Police is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Force has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Nottinghamshire Police (hereafter referred to as the Force) is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Chief Constable of Nottinghamshire Police and the Police and Crime Commissioner (PCC) for Nottinghamshire have adopted a Joint Code of Corporate Governance, which is consistent with the principles of the CIPFA 2016 Edition Framework 'Delivering Good Governance in Local Government'. A copy of the Code of Governance can be obtained from the Nottinghamshire Office of Police and Crime Commissioner (NOPCC) website at <http://www.nottinghamshire.pcc.police.uk>.

This Statement has been prepared following an assessment of the key elements of the governance framework, including the role of those responsible for the development and maintenance of the governance environment. The statement explains how the Force has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

1.2 The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the Force is directed and controlled and the activities through which, it accounts to and engages with the community. It enables the Force to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.0 The governance framework

The principles which form the basis of the governance framework and how they are applied within the Force are described in the following sections.

2.1 Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

2.1.1 Behaving with integrity

- The Force has retained the PROUD values which are explicitly linked to the Code of Ethics. The PROUD values, which were launched in 2012, are firmly embedded with a refresh on a quarterly basis to keep it high in the minds of officers and staff.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced and considered in any decision making situation. It is clearly set out in the policy booklets used by officers in command situations. It is also applied to personnel processes, policies and explicitly included in areas of work such as dealing with grievances.
- Standards of conduct and personal behaviour required of all officers and staff are embedded in the Police Conduct Regulations, 2012, and the Police Staff Misconduct Policy and Procedure.
- There are clear processes in place around confidential reporting 'whistleblowing'. The Professional Standards Reporting Procedure sets out the ways in which individuals within the Force can report breaches of PSD in a supportive and confidential environment by using Integrity Messenger, the Force's online confidential reporting tool or the confidential reporting telephone line.
- Staff and officers receive an annual Integrity Health Check alongside their Personal Development Review (PDR). With the introduction of the new electronic PDR process completion rates should increase and completion of the accompanying Integrity Health Check can be monitored to ensure compliance. There is also an expectation that the Integrity Health Check will be noted during mid-year line manager meetings.
- The registers for senior police pay and rewards packages, gifts and hospitality, expenses, and second interests are published on the Force website and submitted to the Police Integrity Team at the Home Office.
- In the 2016 HMIC PEEL Legitimacy Inspection Nottinghamshire Police was good overall and good at ensuring that its workforce behaves ethically and lawfully.

2.1.2 Demonstrating strong commitment to ethical values

- Standards are governed by the quarterly Professional Standards, Integrity and Ethics Board, chaired by the Deputy Chief Constable (DCC). The meeting's remit is to oversee integrity and monitor standards of behaviour and conduct within the Force, ensuring that they are in line with the Force values and have a positive impact on Force reputation and public confidence.
- Bi-annually, a report on IPCC investigations is presented at the NOPCC's Audit and Scrutiny Panel to inform the PCC of the Force's application of the IPCC Statutory Guidance, having due regard to compliance with both voluntary and mandatory referrals. The report also details lessons learned, Force improvement activity and the organisations response to IPCC bulletins.

- There are robust mechanisms in place with respect to the governance of complaints in Force. Complaints are managed in accordance with statutory guidance provided by the IPCC. To provide internal assurance, a Performance and Insight Report, monitoring the complaints process, is produced on a monthly basis. This report provides statistical data and analysis on public complaints and allegations, diversity monitoring of complainants and Officers and Staff receiving complaints, mode of resolution, timeliness and outcomes. The report is discussed in detail at the Professional Standards, Integrity and Ethics Board. All learning is captured and fed into a service improvement plan. Full detailed reports are also produced on a quarterly basis, which are a retrospective of the previous 12 months.
- Where appropriate, for less serious conduct issues, a process of local resolution may be used to address a complainants concerns quickly and effectively, without the need for formal investigation. A 'guide to locally resolving complaints against police or police staff' is provided by PSD. The Force's performance is measured against IPCC target time for locally resolving complaints which is 28 days from the date it was first recorded.
- A monthly progress report is provided for Departmental Heads detailing officers who are currently under suspension notices and restricted duties, outstanding local resolutions, employees subject to three or more complaints and stop and search complaint allegations.
- The Professional Standard Directorate provide the following;
 - 6 monthly training events for senior officers and staff that have primary responsibility in demonstrating integrity from a leadership perspective.
 - Training delivery for recruitment on the Standards of Professional Behaviour, Police Complaints procedure, Vetting procedures and the PROUD values, including the Code of Ethics. This is based around the existing NPCC training package.
 - Professional Standards Directorate input for management courses and front-line Sergeants briefings.
- The Force procedure regarding Business Interests and Additional Employment for Police Officers and Police Staff was revised during 2015-16 to ensure all refused interests are subject to review by line managers. This procedure remains fit for purpose and is scheduled for review in January 2019.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Healthcheck.
- A redacted version of the Register of Approved Business Interests is published on the Force website annually; any changes are reported on a monthly basis to the Professional Standards, Integrity and Ethics Board.
- The Notifiable Associations for Police Personnel Procedure remains fit for purpose and is scheduled for review in July 2018.
- The Force work to the Contract Standing Orders Procedure Rules to ensure fairness and consistency of approach in line with sound commercial practice for strategic procurement managed by the East Midlands Strategic Commercial Unit (EMSCU).

- The HMIC PEEL Legitimacy Inspection 2016 found that the Force continues to ensure that its workforce behaves ethically and lawfully. There is an ethical culture and the workforce understands what serious corruption is and how to report it. The Force clarifies and reinforces unacceptable behaviour effectively.

2.1.3 Respecting the rule of the law

- Each PCC and their respective Chief Constable is established in law as a corporation sole within the Police Reform and Social Responsibility 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead.
- The Force is compliant with the Policing Protocol, which was issued in accordance with the Police Reform and Social Responsibility Act 2011 and sets out how the functions of the PCC, Chief Constable and Police and Crime Panel will be exercised in relation to each other.
- The Force is compliant with the CIPFA statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2012), as per the ACO Finance job description.
- The 'early intervention process' continues to be effective in enabling PSD to intercede as soon as possible where Officers or members of staff are highlighted at being at particular risk of breaching conduct standards.
- The Counter Corruption Unit policy clearly sets out the procedures to be operated that are designed to encourage prevention, promote detection and identify a clear pathway for the investigation of fraudulent or corrupt practices and behaviour.
- We have developed a public facing Counter Corruption Plan setting out how Nottinghamshire Police prevents and tackles internal corruption.

2.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

2.2.1 Openness

- Nottinghamshire Police meets its legal responsibility as a public authority to respond to Freedom of Information Act (FOIA) and Data Protection Subject Access Requests (DPSARs) within legislative deadlines.
- The FOIA and DPSARs data compliance is presented annually to the Audit and Scrutiny Panel and also presented to the Force Information Assurance Board (FIAB) quarterly.
- Publication scheme monitoring, review and assurance is reported to the Joint Audit and Scrutiny Panel on an annual basis.
- There are a number of Information Sharing Agreements (ISAs) in place with partners and other agencies.

- Our website is updated on a rolling programme to enable a comprehensive publication scheme including; Who we are; What we spend; Our priorities; How we make decisions; Our policies and procedures; Registers; and The services we provide. This ensures our transparency and encourages increased confidence from and accountability to the public and stakeholders.

2.2.2 Engaging comprehensively with institutional stakeholders

- The Force is committed to working in partnership to deliver its priorities and provide the best service to its communities.
- There are strong governance processes in place for the City partnerships. Each of the partnerships under the One Nottingham umbrella, including the Crime Drugs Partnership (CDP), have clear terms of reference including a clearly defined purpose, arrangements for information sharing, community engagement and governance and finance.
- The CDP Plan 2015-20 sets out the overall aims and delivery and performance framework of the partnership to deliver the 'safer' agenda of the 'Nottingham Plan to 2020'. The Partnership Plan has been developed with regard to the priorities of the Police and Crime Commissioner. It is informed by an annual assessment of threat, risk, harm, volume and response, which identified priorities for the City.
- There is a robust governance framework in place to oversee the delivery of the Plan. This is directed by the Partnership Board, which provides strategic governance of the partnership. There is also a Citywide Priority Tasking Group, which provides leadership in operational matters and Themed Strategic Groups and Task and Finish Groups, which coordinate action at an operational level. Neighbourhood Action Teams coordinate action with a strong focus on high impact neighbourhoods.
- The Partnerships Support Team have a clear remit to build and manage strategic and tactical plans, monitor performance, identify risks and provide coordination between agencies.
- There is robust governance in place to manage County partnership working. These strategic partnerships are underpinned by a common vision and objectives, which are outlined in terms of reference for the Safer Nottinghamshire Board (SNB).
- The SNB is responsible for setting strategic direction for community safety and substance misuse. The Board ensures the effective delivery of the Nottinghamshire Community Safety Strategy, supports the statutory local Community Safety Partnerships (CSPs) to deliver their community safety strategies and ensures effective performance management arrangements are in place.
- The three statutory CSPs are responsible for the delivery of local community safety strategies and action plans. The SNB Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produce performance information on a monthly basis. This includes reporting on current performance against targets, comparison against most similar force peers and performance of Partnership Plus areas. The SNB Performance Group brings together the CSP Chairs to discuss performance risks and highlights.

- Performance is managed through a process of Strategic Assessment which highlights the business areas that need addressing. Problem profiles support a greater understanding of established and emerging crime or incident series, priority locations and other identified high risk issues in an area. Action plans are developed from this process to help deliver measurable outcomes for local communities, established and emerging crime or incident series, priority locations and other identified high risk issues in an area.
- Opportunities for collaboration continue to be explored with an established supporting governance structure.
- Section 22A of the Police Act 1996 provides for a collaboration agreement to be made between police and crime commissioners or between commissioners and chief officers from more than one force area. Each of the established collaborations has a Collaboration Agreement in place which includes the aims of the collaboration, the governance and accountability framework, roles and responsibilities, financial contributions, audit and inspection and information management arrangements.
- The Collaboration Agreements are formally signed off by the PCCs and Chief Constables for the forces concerned and are continually reviewed and amended by the East Midlands Police Legal Services (EMPLS) to ensure they are fit for purpose.
- The Chief Constable reports with the PCC to the Nottinghamshire Members of Parliament on an annual basis.

2.2.3 Engaging with individual citizens and service users

- The Force's Public Engagement Strategy was revised in September 2016 following an exponential growth in our digital engagement and designed to complement the NOPCC Engagement and Community Involvement Strategy.
- There is a bespoke neighbourhood engagement plan for every neighbourhood published on the Force website, including measures for breaking down engagement barriers (such as social exclusion, accessibility issues and concerns over privacy) and engaging with young people.
- Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, Neighbourhood Watch Meetings, Locality Boards, Key Individual Networks and Independent Advisory Groups.
- The Neighbourhood Alert Electronic Communication System continues to help members of the public communicate with their local Neighbourhood Policing Team and their local Neighbourhood Watch Coordinator. The aim is to provide up-to-date information direct to registered members to support two-way communication regarding information about suspicious or antisocial behaviour and crime trends, community safety and crime reduction advice.
- The Force has a strategic Independent Advisory Group (IAG) which represents different community groups across Nottinghamshire. They provide an invaluable service to the Force in three core areas; critical incidents, building trust and confidence and advising on strategies, policies and procedures.
- There are a number of partnership mechanisms in place to consult and engage with communities in the City: The City Council Community Cohesion Team work to reduce inequalities, discrimination and levels of deprivation and increase community engagement, promote interaction and increase safety and respect of individuals and communities.

- The Respect for Nottingham Survey is commissioned by the CDP. The Survey explores the views of local residents about their local area in relation to ASB, crime and community safety and the strategic partnership between the Police and Council.
- As part of our commitment to safer neighbourhoods, the online Neighbourhood Priority Survey continues to allow individuals in the community to influence how their area is policed by completing a short survey which is available on the Force website.
- Thematic online events are held on an ad hoc basis to enable the public to interact with the Chief Officer Team, with other members of the Force and the NOPCC on relevant matters.
- The Market Research team manages victim satisfaction sampling, feedback and reporting of the mandatory engagement requirements as prescribed by the Home Office. The results are reported within the monthly Performance & Insight Report, Force Performance Board and the Confidence and Satisfaction dashboard.

2.3 Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

2.3.1 Defining outcomes

- The local direction and priorities for the Force vision are set in the Police and Crime Commissioner's Police and Crime Plan, created following a comprehensive multi-agency strategic assessment. The Force and local partner organisations each completed a Local Profile assessment. Local Profiles were aggregated together with outcomes of community consultation and engagement, to inform the Police and Crime Needs Assessment (PCNA) and subsequently the 2016-17 of the Police and Crime Plan, reflective of emerging priorities for policing.
- At a national level, the Force work to the Strategic Policing Requirement (SPR) which is issued by the Home Office to articulate current national threats and the appropriate national policing capabilities required to counter those threats. The SPR is considered as part of the Force Strategic Crime Intelligence Assessment which in turn informs the PCNA and the Police and Crime Plan.
- The monthly Performance and Insight Pack (P&I Pack) reports against the strategic priority themes set out in the Police and Crime Plan. This considers performance against target as well as trends over time. Additional insight is also given for those areas of performance which are of concern to the Force.
- The P&I Pack is reported to the Force Executive Board (FEB) and the Force Performance Board on a monthly basis. It is also presented to the NOPCC's Strategic Resources and Performance Meeting to inform them of the key performance headlines. The minutes of this meeting, along with the P&I Pack, are made publicly available on the NOPCC website.

2.3.2 Sustainable, economic and environmental benefits

- Requests for capital investment are directed to the Force Management Board (FMB). The FMB governs activity throughout its lifecycle, supporting continuous improvement and enabling it to meet its future performance and financial challenges. The FMB ensures clear alignment with the Force objectives, the purpose e.g. legislative change, strategic risk, and facilitates full consultation with key enablers for consideration of resources, interdependencies and future proof design.
- Following approval at FMB business cases are submitted to the Force Executive Board (FEB). The purpose of the FEB is to direct, set and oversee the strategic development of Nottinghamshire Police.
- A Notice of Decision for the PCC requires a Force Executive Board report or Business Case with supporting financial information to be approved by the Chief Finance Officer in the first instance.
- The PCC has the sole legal authority to make a decision as the results of a discussion or based on information provided to him by the public, partner organisations, members of staff from the NOPCC or the Chief Constable. Records of decisions made and supporting material are publicly available unless confidential in which case they body of the report contains the rationale as to why it is not in the public interest to make that information available at that time.

2.4 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

2.4.1 Determining interventions

- Corporate Development and Finance are jointly responsible for implementing mechanisms to ensure all appropriate considerations are made when making a key decision, for example when writing business cases, scopes, project initiation documents, policies, procedures and strategy.
- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from the FEB are no longer published on the Force's intranet, it is recommended that this requirement is reviewed and addressed in 2017-18. Additionally it is a requirement of the ICO Publication Scheme that the Force publish how key decisions are made on the external website. This should take the form of minutes of key Force meetings, such as the FEB. This is not currently done and has also been identified as an area for improvement for 2017-18.
- The framework of corporate governance has recently been reviewed and recommendations agreed by FEB to ensure a clearer decision making process and more robust governance. The revised meeting structure will be implemented during June 2017.
- The Force's meeting structure is reviewed at least annually to ensure it is fit for purpose and providing an effective decision making framework.

2.4.2 Planning interventions

- The 'Activity Request' process controls the introduction of new activity, outside of business as usual. The objective of this process is to ensure prioritisation of available resource in supporting departments, including Finance, HR, Assets and IS, and full oversight of improvement activity taking place in Force. This process has omitted duplication of activity and appropriate allocation of resource for prioritised activity.
- Senior Responsible Officers (SROs) are responsible for producing business cases for the proposed efficiency savings and how these will be achieved; it will then be validated by both Finance and HR. This robust process ensures identification and subsequent monitoring of realisation.
- Delivery of the savings the achievement of efficiency targets are monitored and reported to the Force Management Board on a monthly basis.
- During 2016-17 the Force has reviewed its approach to business planning and looks to introduce a Priority Plan programme during 2017-18 to achieve the Chief Constable's vision and strategic priorities.
- Budgets are prepared in accordance with government funding announcements and organisational and strategic objectives.
- The Force Operational Medium Term Financial Plan is maintained as a live management tool and refreshed regularly to incorporate outturn reporting.

2.4.3 Optimising achievement of intended outcomes

- The Force produces an annual strategic intelligence assessment which outlines the capacity and capability to meet its greatest threats including those outlined in the strategic policing requirements. This contributes to a Police and Crime Needs Assessment which is produced on an annual basis by the NOPCC. This in turn informs the Police and Crime Plan.
- The Force's 'Operational' Medium Term Financial Plan (MTFP) was initially approved at the FEB in October with amendments to a sustainable minimum policing model being agreed in February 2017. Since this time the ambition of an enhanced policing establishment has been costed and this is the model that the Force is currently working to deliver. This is a live document for internal use including movement in terms of the Delivering the Future efficiency model, Tri Force collaboration and agile working. The Operational MTFP will assist with strategic decision making for the Priority Plan business planning cycle.
- In July 2016 Mazars completed a 'Social Value' audit. It concluded that although the OPCC and force have wider policies in place which go some way to addressing the requirements of the Public Services (Social Value) Act 2012 there are areas that need to be addressed to ensure full compliance and embed processes as business as usual. The introduction of a dedicated Social Value Policy was recommended to allow guidance for those with key procurement and commissioning responsibilities and to ensure that social value forms part of routine procurement processes, tender requirements and ongoing contract monitoring. The policy will include assurance and performance monitoring arrangements.

- As part of the Priority Plan process Heads of Department will be required to complete Annual Departmental Assessments to include proposals for business change and the key expected benefits. Business benefits will be identified under the Priority Plan's Continuous Improvement Principles and detailed in the Benefits Realisation Plan for each business change project.

2.5 Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

2.5.1 Developing the entity's capacity

- The Police Reform and Social Responsibility 2011 Act inserted sections 22B and 22C into the Police Act 1996 Act, which places duties on chief officers and policing bodies (Commissioners) to keep collaboration opportunities under review and to collaborate where it is in the interests of the efficiency or effectiveness of their own and other police force areas.
- Opportunities for collaboration continue to be explored with an established supporting governance structure.
- A monthly Design Authority meeting is chaired by the Leicestershire DCC, attended by the three DCCs, Chief Executives and the Programme Director. This meeting feeds into the monthly Tri-Force Executive Board facilitating decision making by the three Chief Constables which in turn updates the East Midlands Police and Crime Commissioners Board (EMPCCB).
- The EMPCCB meets every two months attended by the regional PCCs, their Chief Executives and Finance Officers and the Chief Constables. The Board is constituted as a business meeting coordinating strategic oversight and performance management of strategic assets with updates on collaborative projects, performance, threat and risk assessment and collaboration budgets. This is further supported by the PCC and CEO Business Meeting, attended by the CEOs and PCCs and the Collaboration Efficiency Board.
- Further scrutiny and assurance is provided in the role of Senior Responsible Officer accountable for specific business areas. In addition the EMPCC have maintained their nominated Police and Crime Commissioner leads for each area of regional collaboration with access to all appropriate strategic information to enable appropriate support and challenge through the Board.
- In December 2016 the first phase of the strategic review of transactional services and systems provision (MFSS/ Fusion) was completed by Grant Thornton. An optimisation programme will commence to deliver opportunities for improvements in the effectiveness and efficiency of enabling services.
- During 2016-17 a new Senior Management Team has been put in place with a new Chief Constable, Deputy Chief Constable and Assistant Chief Constable all being appointed in the early part of 2017. In addition two new senior posts of Head of Finance and Head of HR have been created to enhance organisational capacity and the terms of a further Assistant Chief Constable post has been extended to provide continuity whilst new arrangements are established.

2.5.2 Developing the capability of the entity's leadership and other individuals

- The NOPCC and Force operate under a comprehensive 'Working Together Agreement' which comprises of the scheme of consent, the Joint Code of Corporate Governance, Financial Regulations and Contract Standing Orders. The document was introduced in 2014 to give clarity to the way the NOPCC and the Force will govern both jointly and separately to ensure that they are conducting business in the right way, for the right reason at the right time. This is under review following clarification of the future direction of the Tri-Force collaboration.
- The Scheme of Consent sets out the extent of, and any conditions attached to, the PCC's consent to the Chief Constable and their respective staff. It outlines the Chief Constable's functions and powers and any statutory restrictions on the powers and conditions of consent from the PCC.
- The OPCC produce a fortnightly Horizon Scanning document, which along with the IPCC 'Learning the Lessons Bulletin' and the 'College of Policing Digest', is reviewed to ensure any threats or opportunities are fed into planning and risk management processes.
- Any changes to financial legislation are monitored through professional network subscriptions, such as CIPFA. Potential changes are discussed by the Finance team and action taken as appropriate.
- Nottinghamshire Police has a strong commitment to equality and diversity and we aim to employ a representative workforce that reflects the diverse communities we serve. Our initiative, Operation Voice, in line with Section 158 of the Equality Act 2010 uses positive action general provisions giving individuals from under-represented groups the opportunity to access support and training and preparation for the recruitment process.
- In order to apply a consistent process for new members of staff joining the organisation, all line managers are required to complete an 'induction checklist' within three months of new members of commencement of employment.
- On commencement of 'employment' all new police officers complete the Police Constable Student Officer Learning and Assessment Portfolio (PC-SOLAP) as part of their Initial Police Learning and Development Programme (IPLDP). An equivalent SOLAP is also completed by PCSOs and Special Constables. The Professionalising Investigations Programme (PIP) provides accredited training for the development of investigative skills.
- Following their initial training on the IPLDP programme all student officers complete the Police Constable Student Officer Learning and Assessment Portfolio (PC-SOLAP). A role-focused assessment portfolio is also completed in a similar way by PCSOs and Special Constables. The Professionalising Investigations Programme Level 1 (PIP) forms a part of the PC-SOLAP, and is an accredited assessment of initial investigative skills for priority and volume crime.
- Learning and development is delivered collaboratively by EMCHRS L&D. Each force within the collaboration holds quarterly Training Priority Panels (TPP) which set the learning and development priorities. Training priorities are based on consideration of risk and forthcoming legislative changes; they are informed by both emerging national issues and local priorities.

- Completion of training is formally monitored with regular reports being produced and completion/non completion records sent to BCU and department leads. Completion is discussed at every TPP meeting as part of the KPI reports.
- The National Centre for Applied Learning Technologies (NCALT) Managed Learning Environment (MLE) is used to provide a range of e-learning courses to officers and staff, who are required to complete mandatory packages on topics such as Health and Safety and Information Assurance.
- Individual training and development needs are assessed as part of the PDR process. Previously there was limited assurance that PDRs were completed consistently across the Force however a new PDR process went live in April 2016 which has allowed officers and staff to store evidence and update objectives online throughout the year. Competency gaps can also be recorded and training and development needs identified as a result. Reports are generated for departmental heads to assess the level of compliance within their respective areas.
- The career pathways policy introduced in 2015-16 continues to enable Nottinghamshire Police to deliver a professional, ethical and effective investigation capability to the diverse communities of Nottinghamshire it serves, complemented by the Senior Detective Panel which seeks to identify requirements and develop officers in specific areas.
- The Strategic Workforce Planning Group, chaired by the ACC manages the career pathways, secondments and identifies resources risks recognising the need for succession planning.
- During this financial year we have undertaken a full review of our Leadership programme including investment to increase the coaching and mentoring resources
- A Leadership Development Strategy will be released in May 2017 the purpose of which is to develop leadership capability and capacity across all levels of the organisation, linked directly to the delivery of Our Priority Plan. The strategy will offer officers and staff a framework to build on their existing leadership capabilities and skills, and provides direction on what individuals need to know and how they need to apply the Leadership Expectations in practicing their own daily leadership.
- In 2016 Mazars undertook an audit of the controls and processes in place for recruitment and selection. It was recommended that the Force should review and update all recruitment and selection procedures in line with the MFSS procedures to ensure the responsibility of the Force and MFSS at key stages of the recruitment process are clearly documented.
- It was also recommended that the Force should review the recruitment process and identify other measures of determining MFSS performance. This is reviewed at the bi-monthly Business Processing Team meeting which began in January 2017.
- The Force consults with the trade unions when proposing changes in pay and conditions which are not set nationally. Consultation with Police Staff Associations takes place at the Joint Negotiating and Staff Consultative Committee, chaired by the Chief Constable.
- A Memorandum of Understanding between the Force and the Diversity Staff Support Associations (DSSAs) documents agreed arrangements between the Force and DSSAs in terms of funding, use of ICT and facilities and the implementation of a DSSA Support Manager who will receive regular updates on DSSA agendas.

- The People Survey, which was developed by Durham University, took place in June 2016. The results were followed up with focus groups, including a workshop for all participating Forces in March 2017, an opportunity to share results and good practice. The results showed that the Force perception of ethical leadership within the organisation is high and subsequently a People Panel has helped to recruit our new leadership team in a transparent way. A Staff Survey action plan is being developed to feed into the People Board, Chaired by the DCC.
- The Force intranet provides an informal forum for workforce feedback including online chats and discussion forums which enable staff to voice issues that matter to them with members of the Chief Officer Team or relevant department such as the MFSS discussion forum.
- There are a variety of awards available which ensures equality of opportunity allowing all employees, and also member of the public, partners and other emergency services members, to be recognised for their efforts and commitment. This variety of awards enables us to recognise difference degrees of personal courage, innovation and commitment.

2.6 Principle F: Managing risks and performance through robust internal control and strong public financial management

2.6.1 Managing risk

- The joint Risk Management Policy and Procedure was reviewed and updated in Autumn 2016 to ensure it is fit for purpose. A recent audit of the Force's risk management arrangements resulted in a number of recommendations, including the development of a joint risk strategy with the OPCC, the roll out of appropriate risk management training and robust governance of risks. The new policy and procedure continue to be implemented throughout the Force with reference to these recommendations.
- In February 2017 the quarterly Organisational Risk and Learning Board was introduced. This is a force-wide forum for thematic leads and heads of department to identify any emerging strategic opportunities and risks and discuss risk management and organisational learning.
- The Governance and Planning Team provides a quarterly report on strategic risk management to the FEB and the Audit and Scrutiny Panel. This includes a summary of current strategic risks and an overview of risk management activity during the reporting period.
- The joint risk based Internal Audit Plan (the Plan) for 2016-17 was agreed and presented to the Joint Audit and Scrutiny Panel (the Panel) in June 2016. The Plan was informed by the assurance mapping process which gives a dashboard view of assurance levels against functional areas and Force risks. Where an area is deemed to have limited assurance it will be recommended for inclusion in the Plan.

- In respect of external audit, progress reports are provided to the Panel by KPMG to provide a summary of the work they plan to undertake for the audit year, together with a high level assessment of the risks that have been considered as part of the initial planning process.
- KPMG conduct an 'interim audit visit', which takes place in April, and a 'final accounts visit', which takes place in July. Communication is on-going with the Force Finance team throughout the year and feedback is provided to the Panel on any potential risk areas arising during the year.
- An Audit and Inspection Report is presented to the FEB and the Panel on a quarterly basis to enable the Panel to fulfil its scrutiny obligations to oversee and consider Force arrangements to deliver against audit and inspection recommendations.

2.6.2 Managing performance

- Performance against the PCC themed indicators is reported to the Force Executive Board on a monthly basis.
- A Performance Scorecard is produced for Strategic Resources and Performance at every quarterly meeting. This is a public forum for the PCC to scrutinise the performance of the Force.
- A review of the Force's approach to performance management has taken place during 2016-17 that has examined the types of performance decisions that are made across the organisation, the fact that data is not available for some measures but in addition, locally, we have the resources to report on various other areas of business. Currently there is no nationally recognised Performance Framework for forces however, the proposed PEEL based approach would improve our relationship with the HMIC and simplify inspection processes whilst enabling effective scrutiny. The proposed framework will be revisited in 2017 following the development of a local policing plan on a page, aligned with the Police and Crime Plan.
- The Financial Performance and Insight Report, including revenue and capital budget monitoring is reported to the Force Executive Board on a monthly basis.
- The Financial Performance and Insight Report is also presented at the Strategic Resources and Performance quarterly meeting.

2.6.3 Robust internal control

- In accordance with the Financial Management Code of Practice for the police service, issued by the Home Office, the PCC and the Chief Constable established a Joint Audit and Scrutiny Panel (the Panel) in 2013. The role of the Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.
- The Panel also assist the PCC and the Chief Constable in fulfilling their responsibility for ensuring value for money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the PCC.

- The Panel meets four times a year and consists of five independent members. The terms of reference for the Panel, meeting agendas, minutes and associated reports are published on the NOPCC's website in the interests of transparency and accountability.
- In compliance with CIPFA guidance, the NOPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisations internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the annual internal audit opinion.

2.6.4 Managing data

- Information management is governed through the Force Information Assurance Board (FIAB), chaired by the DCC as the Senior Information Risk Officer (SIRO). The role of the Board is to manage the effectiveness of information management arrangements to ensure that information held, processed and accessed by members of the Force and stakeholders is managed in line with legislative requirements. This Board feeds into the Regional Information Assurance Group (RIAG).
- The Information Management lead ensures that the Force continues to meet the required security standards to allow it to connect to the Public Services Network for Policing (PSNP) in line with Codes of Connection. The IM lead engages with the National Accreditors and maintains a current PSN certificate of accreditation.
- The IM lead liaises with the National Policing Information Risk Management Team (NPIRMT), based at the Home Office, on national initiatives and projects. They also attend the local Regional Information Assurance Board (RIAG) for regional initiatives and projects and the Police Information Assurance Forum (PIAF) biannually.
- An Information Risk Register has been developed and risks are reported quarterly to FIAB.
- The Force continues to maintain an Information Asset Register to ensure the correct protection and use of each asset. It was identified that further training was required for the Information Asset Owners (IAOs) and this has taken place in part during 2016-17 and will be continued.

2.6.5 Strong public financial management

- The Force's Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their statutory officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- The role of Chief Financial Officer (CFO) is fulfilled by the Assistant Chief Officer for Finance and Resources for Nottinghamshire, Northamptonshire and Leicestershire.
- As a key member of the leadership team, the CFO helps to develop and implement strategy, and resource and deliver the PCC's strategic objectives sustainably and in the public interest. They are actively involved and able to bring influence to bear, on all business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered and aligned

with the financial strategy. They lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

- The Annual Statement of Accounts is published on the website 'what we spend' and includes accounting policies and also the report of the auditors.
- The Annual Audit letter is report to the Joint Audit and Scrutiny Panel on an annual basis.
- The Treasury Management Strategy and annual report are reported annually to the Joint Audit and Scrutiny Panel.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the Joint Audit and Scrutiny Panel at every meeting.
- Budget monitoring reports are presented to the Strategic Resources and Performance meeting on a quarterly basis.
- In June 2016 a report Improving Budget Monitoring and Forecasting was approved by the FEB and actions from this report were subsequently included in the Operational Medium Term Financial Plan. This provided an improvement plan for financial processes and management. Implementation of the plan is monitored via regular reviews of the MTFP.

2.7 Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

2.7.1 Transparency

- The Force Statement of Accounts are published publicly on an annual basis alongside the Force Annual Governance Statement.
- A consistent approach is applied to business case methodology and subsequent decision forms. Any decision deemed to be in the public interest will be referred for approval by the PCC and subsequently published by the NOPCC.
- The Police and Crime Panel scrutinises the action and decision of the Police and Crime Commissioner and makes sure information is available for the public. The Force provides reports in accordance with the Police and Crime Panel work programme including specific focus on each of the seven Strategic Priority Themes included in the Police and Crime Plan.

2.7.2 Reporting

- Reference can be made to the reporting techniques described in the Annual Governance Statement herewith.

2.7.3 Assurance and accountability

- In compliance with CIPFA guidance, the NOPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisations internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the internal annual audit opinion.
- The Force has a robust process to capture HMIC recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is presented to the FEB on a quarterly basis and also the Joint Audit and Scrutiny Panel.
- The Force has an established reporting procedure for our response to HMIC recommendations to be received by the NOPCC in line with the timescales dictated in the Police and Crime Bill.
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.

3.0 Review of effectiveness

Nottinghamshire Police has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Chief Officer Team, the Heads of Divisions and Departments and other senior managers within the Force who have responsibility for the development and maintenance of the systems of internal control. It is also informed by the reports of the Force's internal auditors and external inspectorates, such as HMIC.

Where weaknesses in internal controls have been identified, improvement actions have been established, which will be addressed during the forthcoming financial year. Outcomes will be monitored by the FEB and the Joint Audit and Scrutiny Panel, on a quarterly basis.

4.0 Improvement actions

The review process to support the production of the Annual Governance Statement in 2016-17 identified a number of improvement actions, which are summarised in Appendix A of this report. These have been agreed with the respective Divisional and Departmental Heads to address weaknesses identified in the Force's systems of internal control. These issues are significant in that they cover a large proportion of the organisations activities and/ or are key risk controls and therefore require a corporate solution.

Please see Appendix B to this Statement for an update on the improvement actions identified in the Force's 2015-16 Statement.

Chief Constable and Chief Finance Officer Declaration

We propose over the coming year to take steps to address the improvement actions identified in Appendix A to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

Signed

Signed

Date 28th September 2017

Date 28th September 2017

C Guildford
Chief Constable

P Dawkins
ACO Finance and Resources
Chief Financial Officer

Appendix A: Identified improvement actions from 2016-17

The following improvement actions were identified for 2016-17, these are summarised according to the relevant governance principle.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

Identified improvement action(s):	Lead Dept.
1. Work to be undertaken to engage with the relevant IAGs to develop how we learn from complaints, in line with the IPCC recommendations on discrimination.	Professional Standards
2. The compliance rate for the Health & Integrity Health Checks has already been identified as a force action for improvement. The check also needs to be completed online as part of the new updated electronic PDR this year. As a number of PDR's were unable to be uploaded at the introduction of this new system some Health and Integrity Checks were not completed.	Professional Standards/ HR
3. Resurrect the completion of the central log for complaints and data breaches within Information Management and implement a review of the log at SMT meetings.	Corporate Development
4. Confirm compliance with all aspects of the current national guidelines for vetting to ensure the integrity of the organisation	Professional Standards

Principle B: Ensuring openness and comprehensive stakeholder management

Identified improvement action(s):	Lead Dept.
1. It is a requirement of the ICO Publication Scheme that the Force publish how key decisions are made on the external website. This requirement is to be reviewed and addressed.	Corporate Comms

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Identified improvement action(s):	Lead Dept.
1. To realign existing resources and procedures to achieve maximum effect by progressing with the implementation of the Priority Plan and revised business planning cycle.	All

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Identified improvement action(s):	Lead Dept.
1. Audit recommendation; new suppliers should only be set up upon receipt of an approved new supplier form including key details that can be verified by MFSS. MFSS to move to a 'no purchase order no pay' process and introduce if necessary a robust secondary checking and verification process. As part of the review MFSS to create a report showing amendments to suppliers.	Finance
2. Deliver the agreed objectives to continue to embed Corporate risk management into the Force	Corporate Development
3. To introduce a dedicated Social Value Policy as recommended following the Mazars Social Value audit. This should provide guidance for those with key procurement and commissioning responsibilities and ensure that social value forms part of routine procurement processes, tender requirements and ongoing contract monitoring. The policy will include assurance and performance monitoring arrangements.	EMSCU

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Identified improvement action(s):	Lead Dept.
1. The PDR process requires force review to increase confidence and value from our staff. Engagement with HR to facilitate this process.	All
2. To review and update all recruitment and selection procedures in line with MFSS procedures. On publication, HR to publish new and withdraw old documentation from the intranet.	HR
3. Retained HR to ensure key documentation/checks undertaken by MFSS are evidenced prior to every appointment. Once embedded this to become a sample check basis.	HR
4. HR will review the recruitment process and identify other measures of determining MFSS performance. Once created this information to be reviewed regularly at the BPT meeting.	HR
5. Review all officer roles that are performing a role outside of their normal operational policing role and create a job description/ role profile where appropriate	HR

6. Review of the 'Working Together Agreement' to be undertaken. The Financial Regulations for the three Tri-Forces has been achieved however the work was not agreed or implemented under a new governance model for the Tri-Force. Clarification on the future direction of the Tri-Force leaves The local 'Working Together' document requires updating following clarification on the future direction of the Tri-Force collaboration.	NOPCC
7. To develop a comprehensive leadership skills analysis clearly linked to the Force's training needs in order to understand leadership ability across the whole workforce.	HR

Principle F: Managing risks and performance through robust internal control and strong public financial management

Identified improvement action(s):	Lead Dept.
1. Following deployment to the Information Security Officer post, to conduct further training with Information Asset Owners during 2017-18 to ensure they fully understand their roles and responsibilities, including ownership of information risk and attendance at FIAB.	Corporate Development

Principle G: Implementing good practices in transparency reporting and audit to deliver effective accountability

Identified improvement action(s):	Lead Dept.
Please refer to B1. above	-

Appendix B: Update of improvement actions from 2015-16

The following is a summary of recommendations for improvement identified in the 2015-16 AGS alongside the Force's response.

Identified improvement action(s)	Force response
Negotiation should take place between the PCC, Nottinghamshire Police and MFSS to establish how the current authorisation limits, as agreed within the scheme of delegation, can be embedded into the current purchasing process. All approval of purchases should then be in line with the agreed Scheme of Delegation and Financial Regulations. (Mazars, Core Financials)	Authorisation limits are now embedded on Oracle Procurement processes. Further work in bringing together common authorisation levels amongst the Tri-Force collaboration workstream supersedes this recommendation.
The Force should review its Expenses Policy to ensure it remains fit for purpose and includes clear guidance on all categories of expenses and those which are appropriate to be claimed through the self-serve systems. The review should also ensure that authorised limited for categories of expenditure remain valid. (Mazars, Core Financials)	PD568 Version 2.2 Expenses, Subsistence and Refreshment Guidance published September 2016
The NOPCC should undertake a review of the Governance and Decision Making Framework to ensure it remains up to date and fit for purpose in terms of the way decisions are required to be made. Particularly those with a non-financial impact (or of significant public interest) which are not currently covered in the Working Together document. (Mazars, Joint Code of Corporate Governance)	The Financial Regulations for the three Tri-Forces has been achieved however the work was not agreed or implemented under a new governance model for the Tri-Force. Following clarification on the future direction of the Tri-Force the local 'Working Together' document will be reviewed.
Contracts should be in place for all purchases over £25,000 and these should be signed by all parties prior to the commencement of the contract. (Mazars, Procurement)	EMSCU Interim Head of Purchasing Efficiency briefed all to ensure this action was discharged. Dip sampling performed confirmed recommendation complete.
A formal approval process should be established within the Force before new suppliers are entered into the Oracle system. (Mazars, Procurement)	EMSCU report for ACO (Finance) recommending changes to MFSS. Deadline extended to 30/04/17
Management should look to implement an exception reporting system in conjunction with the MFSS to monitor payments which are outside of the approved process. (Mazars, Procurement)	'No purchase order – no pay' established following comms to staff and supplier. Go live date 1 st June 2016.
Conduct further training with IAOs during 2016-17 to ensure they fully understand their roles and responsibilities, including ownership of information risk and attendance at FIAB.	The ISO post became vacant in November and a review of training requirements will be tasked to the new ISO when in post. In the meantime Leics and Northants have adopted the Handbook and IAR template used in Notts for a consistent Tri-Force approach. Target date now 31/05/17

Implement a strategy for the further development of MoPI in Force, which provides a detailed improvement delivery plan.	Refresher training is now available on an NCALT training package.
Introduce a mechanism for publishing key decisions made at the FEB, both internally and externally, in line with the ICO Publication Scheme.	A report of the key decisions FEB decisions is publicised on the intranet news following each meeting.
Ensure consistency in publishing key decisions from the FEB on the intranet to promote internal transparency and engagement.	
Introduce a quarterly update to the FEB on improvement actions identified in the AGS to ensure robust oversight of implementation.	Improvement actions identified as part of the AGS are managed through 4Action.
Evaluate, review and further develop the risk management and information risk management process to enable effective decision making within the Force and the NOPCC.	We have recently reviewed and updated the Forces Risk Management Policy and Procedure and this has been approved by the Chief Officer Team. The DCC has overall responsibility for Corporate Risk Management and reviewed key Corporate Risks on a regular basis. The Corporate Risk Register is formally reviewed each quarter by the FEB and the OPCC.
Re-establish a formal quarterly risk review and reporting process and further develop the process for identifying potential new risks.	
Implement a process to ensure robust oversight of horizon scanning outcomes and subsequent identification and assessment of risk and opportunity in consultation with the relevant lead officer.	
It is recommended that proper recording and reporting mechanisms are developed for skills and training of officers and staff through MFSS. This is critical to ongoing delivery of appropriate training.	This is being progressed by EMCHRS L&D with the migration of skills data initially.
Review the requirement for formal succession planning framework as part of the Strategic Alliance.	The Force has progressed Detective Career Pathways for Detective succession planning and meetings with Supt ranks and above to discuss career aspirations.
The Force should ensure that its local teams have sufficient information available to them to improve their understanding of local communities. (HMIC: Legitimacy)	01/12/16 all Community Profiles are finalised and stored on the ECINS system. The profiles are living documents to be maintained by District Commanders and will directly inform community engagement plans.

A photograph of two police officers on motorcycles riding down a road. The image is overlaid with a semi-transparent orange filter. The officers are wearing white uniforms and helmets. In the background, there are trees and a few cars. The text 'FINANCIAL STATEMENTS' is written in white capital letters on the right side of the image.

FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement (CIES)

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 Funding Analysis and the Movement in Reserves Statement.

2015-16				2016-17		
Expenditure	Income	Net		Expenditure	Income (Note 12)	Net
£000	£000	£000		£000	£000	£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	84,063	(39,519)	44,544
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 Funding Analysis

2015-16				2016-17		
Net Expenditure Chargeable to the General Fund £000	Adjustment s £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the General Fund £000	Adjustment s £000	Net Expenditure in the CIES £000 (Notes 13&14)
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	44,544	44,544
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, analysed into 'usable reserves' (i.e. 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	0	(7)	(7)
Balance at 31 March 2016 adjusted	0	2,181,079	2,181,079
Movement in reserves during 2016-17			
Surplus or deficit on the provision of services	15,868	0	15,868
Other Comprehensive (Income)/Expenditure	0	521,783	521,783
Total Comprehensive Income and Expenditure	15,868	521,783	537,651
Adjustments between accounting basis and funding basis under regulations	(15,868)	15,868	0
Increase or Decrease in 2016-17	0	537,651	537,651
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	0	2,467,171	2,467,171
Movement in reserves during 2015-16			
(Surplus) or deficit on the provision of services	76,634	0	76,634
Other Comprehensive (Income)/Expenditure	0	(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
Changes for Employee Benefits		(3,238)	(3,238)
Increase or Decrease in 2015-16	0	(286,085)	(286,085)
Balance at 31 March 2016	0	2,181,086	2,181,086

Balance Sheet

The Balance Sheet is a snapshot of the value of assets and liabilities. The net assets (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 Non-current assets are owned by the Commissioner and 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)
(2,177,345)	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
£000		£000
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 employs staff and officers 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 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 uses resources to provide policing.

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 Funding Analysis

This new core statement shows how annual expenditure is used and funded from annual resources (government grants and council tax).

This is compared with the Comprehensive Income and Expenditure Statement which includes economic resources consumed or earned in accordance with generally accepted accounting practices.

2016-17			
	Net Pensions Statutory Adjustments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police services	(28,285)	(391)	(28,676)
Net Cost of Services	(28,285)	(391)	(28,676)
Other Income and Expenditure	44,544	0	44,544
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)
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 replacement of pension contributions with of IAS 19 Employee Benefits pension related expenditure and income. For Cost of Police services this is the 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 charged 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)
197,749	Employee expenditure	172,027
41,850	Running Expenses	49,138
(230,526)	Income from Commissioner	(228,295)
(5,868)	Pensions interest income	(39,519)
94,718	Pensions interest payment	84,063
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

2016-17

Officers Remuneration 2016-17		Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable – C Eyre	3	46,373	0	0	0	10,956	57,329
Chief Constable – S Fish	3	113,166	0	8,285	0	27,181	148,632
Chief Constable – C Guildford	3	25,338	0	11,707	0	5,966	43,011
Deputy Chief Constable – S Fish		29,207	0	4,206	0	6,985	40,398
Deputy Chief Constable – S Torr		98,133	0	2,666	0	23,805	124,604
Assistant Chief Constable – S Torr		21,113	0	889	0	5,006	27,008
Assistant Chief Constable – S Prior		73,011	0	4,848	0	14,275	92,134
Assistant Chief Officer - Finance & Resources	4	95,731	0	5,435	0	17,249	118,415
Director of Human Resources	4	94,955	0	5,494	0	17,363	117,812
Director of Information Services & IT	4, 5	110,027	0	500	0	13,300	123,827
TOTAL CHIEF CONSTABLE		707,054	0	44,030	0	142,086	893,170

Note 1: Salary, Fees & Allowances include Rent Allowance, Housing Allowance, Compensatory Grant and Compensation for Loss of Office

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances, medical expenses and mortgage interest payments relating to relocation

Note 3: Chief Constable C Eyre retired 22/7/16, Chief Constable S Fish retired 31/3/17 and Chief Constable C Guildford was appointed 1/2/17

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

Note 5: Includes Market Rate Premium

2015-16

Officers Remuneration 2015-16	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable – C Eyre	145,847	0	3,554	0	35,295	184,696
Deputy Chief Constable – S Fish	120,320	0	7,648	0	29,118	157,086
Assistant Chief Constable – Crime & 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

The table below does not include the senior officers in the previous tables.

Senior Employees Remuneration		
	2015-16	2016-17
£50,001 to £55,000	89	136
£55,001 to £60,000	50	84
£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	276

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	0	0	0	0
Total	48	5	61	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 contracts were terminated during the year (109 in 2015-16), incurring costs of £0.3m (£1.3m in 2015-16), of which £0.06m was for pension strain.

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

The additional disclosures that will be required in the 2016-17 and 2017-18 financial statements in respect of accounting changes that are introduced in the 2017-18 Code are:

- Amendment to the reporting of pension fund scheme transactions
- Amendment to the reporting of investment concentration

The Code specifically excludes police pension funds from this.

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

A photograph of two police officers in white uniforms and helmets riding motorcycles on a road. The image is split vertically: the left half is the original photo, and the right half is a blue-tinted version of the same photo. The word 'GLOSSARY' is written in white capital letters on the blue-tinted section.

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.

ACT

The Police Reform and Social Responsibility Act 2011

BUDGET

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

ACCOUNTING POLICIES

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

AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

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.

BALANCE SHEET

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

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.

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.

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.

CONSISTENCY

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

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.

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.

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.

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.

GROUP

Nottinghamshire Office of the Police and Crime Commissioner and its 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.