DRAFT Statement of Accounts 2018-19

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.

The amount received from Central Government is reducing in real terms year on year, this creates the need for the Commissioner to raise Council Tax by the maximum amount available to ensure real term spending power is not reduced.

Brexit will continue to create uncertainty and therefore this may impact 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 a 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'

PERFORMANCE

The Force has a dedicated workforce of around 3,600 Officers and Staff, who are supported by a growing army of hundreds of special constables, cadets and volunteers.

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, our dogs section, the forensics officers who work in our scientific support unit and the team that plans for major events and emergencies.

The graphic on the next page demonstrates a 'typical' day in the life of Nottinghamshire Police Force.

Achievements 2018-19

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

We are an early adopter of an Apprenticeship entry scheme for police officers. This has enabled us to recruit to a wider audience of candidates which has resulted in apprentice cohorts being far more representative of the local community.

Deployment of a specialist digital forensic examiner & equipment enabling early identification and proportionate seizure of exhibits.

The Knife Crime Team (KCT) was created in 2016. The first and only one outside of the Metropolitan Police. Whilst nationally knife crime has seen an increase of 14% the Nottinghamshire increase of 11% is below the national average.

We have also processed more hate crime offences for finalisation through to the CPS than any other East Midlands Police Force.

The Digital Investigations Unit has established four Force networked kiosks at strategic locations around the Force. This places an operational capability to review digital data held on devices in the hands of frontline operators, and significantly increases the volume and speed of such investigations.

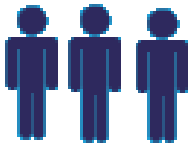
Work on Operation Equinox, the review and investigation of historic sexual abuse cases, saw the local review by the Independent Inquiry into Child Sexual Abuse (IICSA) take place. This work however continues and has been further developed to meet current and future needs.

The control room has increased staffing levels, moved to predictive workload shift patterns, added Interactive Voice Response, and widened the pool of 101 call handlers to include front counter staff. This investment has seen answering times half to 30 seconds and call abandonment rate dropping from over 12% to less than 2% (January 2019).

A typical day in Nottinghamshire Police

NOTTINGHAMSHIRE POLICE
PROUD TO SERVE

- The population of Nottinghamshire is 1,135,992 people
- Nottinghamshire Police has 1,941 FTE officers
- Across Nottinghamshire there is approximately one police officer for every 585 members of the public at any one time
- Since 2010, officer numbers have fallen while the population of Nottinghamshire has risen



+4.5%

-21.5%

Incoming daily demand

Calls Received	Incidents Created	Incidents Attended (Grade I, U, S)	Crimes Recorded	Arrests & Voluntary attendance	Positive Outcomes
1,728	926	522	267	72	44
493 calls to 999 1,216 calls to 101	91 ASB incidents 12 missing people 24 mental health related incidents	24 traffic collisions 84 domestics 24 with Mental Health qualifier	Including: 23 burglaries 72 violent crimes 10 serious sexual offences	Arrests of which: 16 have a mental health condition 4 are juveniles	Of which: 34 are charges 5 are community resolutions
+1.6% ↑	+2% ↑	+0.4% ↑	+18% ↑	-6% ↓	-3% ↓

On-going demand

As well as responding to the public, proactive work is taking place to safeguard the public, including:

- Supporting 1,522 domestic abuse survivors at the Multi-Agency Risk Assessment Centres
- Managing 1,642 sexual and violent offenders under Multi Agency Public Protection Arrangement
- Supporting 2,975 children and young people subject to a Child Protection Plan
- Supporting 2,968 priority families in the City of Nottingham, 29% of which have ASB or Domestic problems
- Carrying out 5 stop and searches, with a 34.2% positive outcome rate

FINANCIAL PERFORMANCE

The provisional outturn for the Force is £189,043k which is an overspend of £834k against the original budget. Year on year the Force expenditure has increased by £6,123k or 3.3% from £182,920k.

A transfer from reserves of £1.4m was made by the Police & Crime Commissioner to support the additional cost incurred as a result of the delay in implementing the system upgrade to Oracle Cloud Applications. The total cost to the Force of the delay was over £2m. Without this the overspend would have been higher.

Overall this has resulted in the Forces repayment to reserves being less than expected. This will require adjustment in future budgets.

Improvements to monitoring processes continue to develop and actual outturn was in line with previous monthly monitoring.

Overtime spend continues to be an issue and with effect from April 2019 new approval processes will be implemented in order to ensure greater control in future years.

2018-19 Expenditure v Budget Analysis

Employee Costs

Police officer pay
This was £101,245k for the year which was an overspend of £380k against the budget and a year on year increase of £2,640k or 2.7%, partially reflecting the increased number of Police Officers employed in year.

This position results from a decision to bring cohorts in earlier than the original budget phasing.

However in-year attrition rates reduced significantly which prompted a decision to delay recruitment in the remaining part of the year.

Although this action ensured final numbers were in line with the budgeted number, the fewer number of new recruits and corresponding higher number of experienced officers has a higher pay cost.

The actual closing position of officers was 1,941 FTE's which was 1 FTE above the original budget.

Police staff pay
This was £40,615k for the year, which was an overspend of only £54k against the budget; but a reduction year on year of £593k or 1.4%. The reduction was due to reduced turnover.

PCSO pay
This was £6,042k for the year, which was an under spend of £593k against the budget; but an increase year on year of £57k or 1.0%. During the year 10 new PCSO's were recruited, and at the end of March 2018 there was 177 FTE's which was 30 FTE's less than budgeted.

Total Police staff (including PCSO's) at the end of March 2019 was 1,336 FTE's which was 59 FTE's below budget.

Overtime
This was £5,610k for the year, which was an overspend of £1,499k against the budget; but only an increase of £82k or 1.5% on last year. The main drivers of the overspend were:

- Op Palmitate at £250k
- Increased number of firearms discharged resulting in Officers being called in at short notice

FINANCIAL PERFORMANCE (continued)

- OS at £338k which is mainly offset within income from the ARV uplift fund
- Seconded and externally funded officers/staff of £109k which has been offset by income
- City, County & SOC at £604k driven by costs within CID due to more and comlpex local investigations
- Higher summer demand within response
- Higher levels of Custody overtime at £136k. However there are now firm plans in place fill sergeant vacancies in the establishment which will prevent this excess overtime from continuing into 2019-20

Other employee costs

This was £2,390k for the year, which was an overspend of £341k against the budget. The overspend is due to additional training needs and redundancy/pension strain payments.

Premises Costs

Premises costs was £6,462k for the year, which was an overspend of £589k against the budget.

The over spend is largely due to a backlog of historic utility invoices being processed and actual costs being greater than reserves. In addition inflation in year was higher than expected, reflecting a volatile market subject to national and international influences.

Maintenance costs have also shown an increase as buildings are reconfigured/age.

Transport Costs

Transport costs was £5,650k for the year, which was an overspend of £341k against the budget. This was largely due to vehicle repairs £124k, increase in fuel costs £143k, and an increase in vehicle insurance £48k. Some increases in repair costs were off-set by increased income from insurance claims.

Comms & Computing

Comms & computing costs were £7,536k for the year, which was an underspend of £729k against the budget.

This reflects savings as a result of rationalising systems that are no longer required.

The Home Office have also revised their charges during 2018-19 resulting in a saving.

Capital funded refreshes and replacements have reduced the need for ad-hoc replacement expenditure.

Supplies & Services

Other supplies & services

This was £5,404k for the year, which was an overspend of £776k against the budget.

Costs shared with Northamptonshire Police in respect of MFSS Oracle Cloud Application developments were £198k higher than expected due to a delayed implementation date. Costs of vehicle recovery have also increased, but this will be off-set with £199k of additional income.

FINANCIAL PERFORMANCE (continued)

Custody costs and police doctor costs

This was £1,513k for the year, which was an overspend of £76k against the budget. Main reasons are higher than budgeted clothing and consumable costs and the re-alignment of police surgeon costs between the Sexual Assault Referral Centre (SARC) and Custody.

Forensics & investigative costs

This was £1,931k for the year, which was an underspend of £154k against the budget. This was largely due to savings on translators.

Partnerships & Collaborations

Collaboration contribution costs was £11,386k for the year, which was an overspend of £1,764k against the budget.

This is largely due to increased costs of implementing Oracle Cloud Applications of £1.7m this been partially funded from a reserve contribution in year of £1.4m, shown as income from the OPCC.

Capital Financing

Capital financing was £3,801k for the year, which was an underspend of £339k against the budget. This saving is due to lower interest charges of £153k as a result of reduced borrowing; and a reduction in the Minimum Revenue Provision (MRP) of £186k as a result of the actual 2017-18 capital spend being lower than the budgeted assumption.

Income

Income for the year was £17,495k, which was £3,141k above budget. This is broken down as follows approximately:

The £3,141k of additional earned income was largely due to:

- £1,400k contribution from reserves to off-set Oracle Cloud Applications costs
- £199k Vehicle recovery
- £149k Apprentice officer training
- £94k Insurance monies received
- £185k Investment interest
- £228k Mutual Aid
- £450k ARV income (off-set by costs within overtime and training)
- £108k Border agency training
- £132k Body Worn Video grant Income

Efficiencies

An ongoing efficiency target of £300k from non-pay costs were set as a target to achieve within the 2018-19 financial year.

A specific target of £50k was set in respect of forensic costs and £35k was actually achieved.

£250k was the target for other procurement activities and £295k was achieved.

Overall £330k efficiencies were achieved, £30k above target. These efficiencies are included in the above spending analysis.

FINANCIAL PERFORMANCE (continued)

2019-20 Budget Breakdown

The proposed revenue budget for 2019-20 is £201.4m as detailed below:-

Net Expenditure Budget	2019-20 £m
Employee	170.6
Premises	5.8
Transport	5.7
Communications & Computing	9.0
Supplies & Services	10.6
Partnership & Collaborations	11.5
Capital Financing	4.6
Income	(13.1)
Efficiencies (not allocated in above)	(3.3)
Net use of reserves	0.0
Total Net Expenditure	201.4

Craig Guildford
Nottinghamshire Chief Constable

OUTLOOK

Due to austerity measures the Government has made significant reductions in public sector finances over recent years; however it has now signalled that the end to austerity is in sight and further reductions in spending powers are not expected.

The annual real term reduction of over £50m since 2010 will remain, placing the need for efficiencies central to our plans to invest in front line policing.

In 2018-19 improved medium term budgeting and continued efficiency drives coupled with additional Council Tax Funding allowed for investment in front line policing, with a plan to repay reserves used in previous periods.

In 2019-20 more additional funding, created as a result of Council Tax increases agreed by the PCC, will ensure that Officer and Staff numbers are further increased.

All additional precept funding is being invested in 80 additional Police Officers in 2018-19, and a further 40 additional Officers in 2019-20 with efficiency measures being used to fund inflationary pressures like pay awards.

This, along with plans being developed to reduce the number of supervisory roles, will deliver over 140 additional front line Police Officers by the end of 2019-20.

A review of the Reserves Strategy has been undertaken by the PCC and, based upon current plans which include the continued delivery of operational efficiencies and improved budget management, it is expected that reserves will be able to be utilised in the future to support capital expenditure plans.

This investment will deliver new efficient buildings that will be fit for the future, are more energy efficient and will also deliver on-going revenue savings.

Annual Departmental Assessments and Reviews will be the mechanism to deliver further efficiencies. The aim is to ensure our support costs are amongst the most cost effective when compared to other police forces. Latest VFM profiles show that this ambition is being realised.

Sufficient on-going review and risk management is in place such that if funding levels anticipated are not forthcoming then delivery of the minimum policing model is achievable in a time frame that does not jeopardise the minimum sustainable policing level.

Plans in respect of IT Strategy, property maintenance and demand profiles are being further developed and work to further refine our knowledge and financial estimation in these aspects continues.

The Annual Budget, Operational Models, and the Medium Term plan are sufficiently robust to ascertain that policing in Nottinghamshire is **above** the levels required to provide an adequate police service and that the Force is sufficiently resourced to ensure this on an on-going and sustainable basis.

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 1,981 Police Officers, 185 PCSOs, 199 Specials and 1,271 Staff in full-time and part-time positions.

Active recruitment plans for 2019-20 include positive action to improve the diversity and reflect more closely that of the County.

Nottinghamshire pay an apprenticeship levy 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. During 2018-19 Nottinghamshire Police introduced one of the first apprentice entry Police Officer routes into the Force, in association with Derby University.

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

Overall Equality Characteristics

Gender	Headcount	%
Male	2,027	55.75
Female	1,609	44.25

Age Band	Headcount	%
25 and under	386	10.62
26-40	1,456	40.04
41-55	1,499	41.23
56 or over	295	8.11

Self-Declared Disability	Headcount	%
No	3,415	93.92
Yes	152	4.18
Unspecified	69	1.90

Ethnicity	Headcount	%
Asian/Asian British	103	2.83
Black/Black British	41	1.13
Mixed	54	1.49
White/White British	3,326	91.47
Other	8	0.22
Not known/provided	104	2.86

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
Changes to crime types	The need for Officers to be trained in new areas of growing crime such as on-line crime. Whilst continuing to manage traditional crime such as burglary	Recruitment and training of officers with these skills
Brexit	Detrimental impact of Brexit on public sector funding Management of any transition/public order issues	Monitoring of national activity by Government Force planning led by ACC
Funding formula /Comprehensive Spending Review	Could result in a positive or negative impact on the amount of Force funding	Development of a scalable Medium Term operational plan Identification of a minimum policing model

Explanation of Accounting Statements

The Statement of Accounts sets out the Chief Constable's income and expenditure for the year and its financial position at 31 March 2019. 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 2018-19; which in turn is underpinned by International Financial Reporting Standards.

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

Figures in these accounts are rounded appropriately, generally to the nearest £1,000. Due to this there may appear to be minor inconsistencies or apparent arithmetic errors.

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 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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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 Finance Officer (CFO).
- 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 Finance 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 31 March 2019. 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 2019 and its income and expenditure for the year ended 31 March 2019.

M. Kimberley, CPFA
Chief Finance Officer Nottinghamshire Police
30 July 2019

Approval

The Statement of Accounts was approved by the Joint Audit and Scrutiny Panel on 24 July 2019

C. Guildford
Nottinghamshire Police Chief Constable

30 July 2019

Nottinghamshire Police
Annual Governance Statement 2018-19

NOTTINGHAMSHIRE POLICE
PROUD TO SERVE

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. The Chief Constable and Chief Finance Officer have put in place management and reporting arrangements to enable them to be satisfied that the approach to the corporate governance arrangements have been effective and supports the aims of the OPCC, these include;

- The Governance Framework and the principals included within this
- A Risk Management Strategy and arrangements to embed this within the organisation
- The Scheme of Delegation
- The Financial Regulations
- Contract Standing Orders
- The PROUD values

This list is not exhaustive but covers the main documents that set the culture of the method of operation of governance within the organisation.

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

- All Officers, Staff and Volunteers are committed to the Code of Ethics, which sets out the principles and standards of behaviour expected from policing professionals. They are built on the Nolan Principles for Public Life with the addition of 'Fairness' and 'Respect'.
- The Force has established its own PROUD values which are explicitly linked to the Code of Ethics.
- The Force continually reinforce the Code of Ethics and expected standards of professional behaviour; guidance and advice is sent to Officers and Staff using a combination of intranet articles and the Chief's fortnightly video blog.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced and considered in any decision making situation.

- Student Officers receive a copy of the Code of Ethics on day one of their training and receive an input from PSD regarding ethics and values. Throughout training many of the subjects are linked back to the Code and integrity.
- The Force have embedded the College of Policing's Competency Values Framework (CVF) which sets out nationally recognised behaviours and values into the Leadership Programme.
- The Force refer to the Home Office Guidance in relation to Police Officer Misconduct for procedures relating to misconduct, unsatisfactory performance and attendance of Police Officers and Special Constables.
- The Police Staff Misconduct Policy provides a clear framework for all Police Staff in terms of expected standards of conduct and professional behaviour and the likely consequence of failure in meeting those standards.
- There are clear processes in place around confidential reporting `whistleblowing' outlined in the Professional Standards Reporting Procedure. Staff are also able to report breaches confidentially to PSD confidentially.
- 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 Independent Office for Police Conduct (IOPC).
- The Force has dedicated local resolution sergeants, embedded within local policing. Their purpose is to deliver learning from complaints back to the workforce thus creating a learning culture rather than a punitive one. Guidance around local resolutions is available on the intranet.
- Assurance reporting is submitted to the Joint Audit and Scrutiny Panel (JASP) on a regular basis relating to complaint recording and the nature of complaints.
- Bi-annually, a report on IOPC investigations is presented at the JASP to inform the OPCC of the Force's application of the IOPC Statutory Guidance.
- Standards are governed by the quarterly Organisation Risk, Learning, Standards and Integrity Board, chaired by the Deputy Chief Constable (DCC). Its remit is to provide a forum to discuss key areas of learning and identify emerging strategic opportunities and risks, whilst monitoring compliance with Force values.
- In the 2019 Her Majesty's Inspectorate of Constabulary and Fire and Rescue (HMICFRS) PEEL Inspection the Force were deemed to be 'good' in respect of 'How legitimately the Force treats the public and its workforce'.

- In an effort to ensure consistency and fair practice, the Professional Standards Department (PSD) are now responsible for monitoring Staff conduct. This allows parity on how cases are assessed; ensuring Staff and Officers are treated fairly and respectfully.
- All gross misconduct hearings are now held in public and the outcomes are published on the Force website.
- An Ethics Board has been established to consider and discuss ethical issues in an advisory and consultative capacity. It consider issues raised at the Organisational Risk and Learning Board and any issues which are referred from Officers, Staff or external groups.
- A procedure is in place for the monitoring of business interests and additional employment for Police Officers and Police Staff.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Health check, this forms part of the PDR process.
- The Force have developed a matrix to assess the risk posed by reported notifiable association, this assists the Force in identifying those of greatest risk to the integrity of the Force.
- A Statement of Personal and Pecuniary Interests is completed as part of the Annual Governance Statement process by Chief Officers.
- A Register of Refused and Approved Business Interests is published on the Force website biannually; any changes are reported on a monthly basis to the Organisational Risk and Learning Board.
- A record of gifts gratuities and hospitality is published biannually on the Force website.
- The Chief Constable will ensure that financial affairs for their Force are properly administered having regard to value for money, probity, legality, and appropriate standards, with particular reference to the Financial Regulations and contract standing orders agreed by the PCC as set out in Part B of Joint Code of Corporate Governance and Working Together document.
- There are documented processes and controls in place around the Prevention of Fraud and Corruption in the Procurement Process to mitigate risks in relation to procurement fraud.
- 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 CFO job description.

2.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

- The Office of the Police and Crime Commissioner (OPCC) is accountable to local people and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement.

- The Force have made a commitment to listening and engaging with communities and our partners to inform areas of focus and activity as part of the Neighbourhood Policing Strategy 2018.
- Consultation and engagement undertaken with local residents and business communities forms part of key decision making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement meetings, Key Individual Networks and Independent Advisory Groups.
- The Force Engagement Strategy is being revisited as part of the modernising Neighbourhood Policing Agenda.
- New Community Profiles are being developed to ensure a better understanding of local communities and from this Neighbourhood Police Inspectors (NPIs) have developed bespoke community engagement plans to ensure more effective and targeted community engagement.
- The Force has a strategic Independent Advisory Group (IAG) which represents different community groups across Nottinghamshire. They provide a service to the Force in three core areas; critical incidents, building trust and confidence and advising on strategies, policies and procedures. The Force has a many systems in place for the collection of local survey information that is used to shape the direction of service delivery.
- In accordance with the Freedom of Information (FOI) Act, the website is updated pro-actively with Force information in a FOI Disclosure Log. This ensures transparency and encourages increased confidence from and accountability to the public and stakeholders.
- Publication scheme monitoring, review and assurance is reported to the Joint Audit and Scrutiny Panel on an annual basis to provide a current Force position on the Publication Scheme Requirements. This report along with all other JASP reports are available to view on the OPCC website.
- The Force contributes to the OPCC's Annual Report to provide assurance on what has been delivered against the Police and Crime Plan.
- 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 defined purpose, arrangements for information sharing, community engagement, 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.

- 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.
- The three statutory Community Safety Partnerships (CSPs) are responsible for the delivery of local community safety strategies and action plans. The Safer Nottinghamshire Board (SNB) Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produces 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.
- 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. There are a range of established collaborations in place for a number of specialist front line policing operations that provide services across the Midlands region, including Nottinghamshire. These arrangements are reviewed on a regular basis by respective Chief Constables and Police and Crime Commissioners.
- Operational Support was established in Force in May 2018 following withdrawal from EMOpSS.
- An annual Extraordinary Force Executive Board (E-FEB) is held which is attended by senior internal and external stakeholders, including the City and County Council to provide an open forum for decision making regarding business change proposals for the forthcoming financial year and beyond.

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

- The Police and Crime Plan sets out the vision, values, strategic priorities and outcomes together with a performance framework in line with requirements under the Police Reform and Social Responsibility Act 2011.
- At a national level, the Force work to the 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 Police and Crime Plan is informed by the Police and Crime Needs Assessment (PCNA) which is used as a planning and priority setting tool. The document highlights key trends, issues, risks and threats in the crime community safety and criminal justice environment.
- The Force take an active part in working with the OPCC to refresh the Police and Crime Plan delivery plan each year in order to set out what activities will be undertaken to deliver the PCC's key strategic priority themes. Activities are broken down into further operational detail in the Force Delivery Framework.

- The strategic priorities set out in the Police and Crime Plan are aligned to the Force's Annual Departmental Assessment (ADA), business planning process.
- A report is submitted on a frequent basis to the Police and Crime Panel to provide an update against each of the strategic priority themes, this is made available on the Nottinghamshire County Council website.
- A Performance and Insight Report is provided to the Strategic Resources and Performance Meeting on a bimonthly basis to ensure that the Police and Crime Commissioner is aware of current performance in line with the strategic priority themes, as set out in the Police and Crime Plan.
- Collaboration agreements are in place to outline how business will be undertaken jointly in order to reduce cost, increase capability, and/ or increase resilience to protect local people.
- All activity in response to audit and inspectorate recommendations is monitored via 4Action, an action management system. Progress against activity is reported to the Joint Audit and Scrutiny Panel on a quarterly basis.
- A Medium Term Financial Strategy builds on the proposed budget for 2019-20 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- A regular capital report is provided to the Force Executive Board (FEB) and OPCC to provide an update on the Force's budgetary position and also to comply with good financial management and Financial Regulations. This is reviewed and updated regularly to remain adaptable for future requirements.
- An Equality Impact Assessment is undertaken to help the organisation to assess the likely positive and negative impact of changes on staff, service users, partners or communities.

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

- There is a robust planning cycle in place which incorporates partnership, Force and OPCC strategic assessments, public consultation, refresh of the Police and Crime Plan and the Force Delivery Framework, departmental planning via Annual Departmental Assessments (ADAs) and review and update of the Medium Term Financial Strategy.
- 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.
- The Medium Term Financial Strategy is a live document to facilitate the demands and changes that can occur within the Police so that we can remain operationally on the front foot. The budgeting and long term planning process is intrinsically linked to the business planning cycle to create a joined up approach identifying opportunities and risks that are present and, on the horizon.

- HMICFRS 2019 PEEL Report recommended that the Force should improve its approach to planning within Information Services to ensure there is a clear vision and direction which links to operational planning. This is being addressed as an area for improvement.
- Each Head of Department completes an ADA as part of the annual planning cycle. The ADA is a planning tool used to assess current structure, processes and cost in light of the current operating context. Options for change are proposed which are aligned to the Strategic Priority Themes.
- Budget meetings with departmental heads take place following E-FEB to ensure future budgets account for any project savings or spend within the department.
- Business change remains responsive to threats and opportunities which present themselves throughout the year as part of the risk management process.
- Where a change proposal is approved at E-FEB, a comprehensive analysis of approved change proposals are progressed in the form of an options appraisal (business case) which is presented at the Futures Board for decision. The business case will indicate how intended outcomes would be achieved and any risks associated with those options.
- Business change continues to be assessed according to viability and desirability throughout the project lifecycle. Governance is flexible and responsive so that outputs can be adapted to changing circumstances.
- Projects have clearly defined benefits which are identified at business case stage, updated through project delivery and reviewed following closure of the project to ensure benefits are realised. Benefits are linked to the Strategic Priority Themes.
- Decisions for change are, in part, informed by the HMICFRS' Value for Money (VfM) Profile, which is published on an annual basis. The Force benchmarks its functions against others in its Most Similar Group (MSG) to determine whether VfM is being achieved.
- All business change is governed according to the Force Corporate Portfolio Management Office (PMO) Framework and Guidance which sets out in detail the governance framework, roles and responsibilities and project management methods in order to plan, delegate, monitor and control all aspects of the business change portfolio.
- The business change governance framework provides a robust reporting structure, which includes project boards, the Futures Board and the FEB. The framework ensures that oversight and scrutiny is carried out by the relevant authority in a proportionate manner providing assurance that decisions are open and accountable and that public money is spent wisely.

- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from FEB are published on the Force Intranet under 'News'. This ensures the force's decision making processes are transparent.
- A forward plan is maintained to outline what information is required for each strategic meeting, the SRO and expected timescales.

Area for improvement: The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes.

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

- The DCC chairs a Strategic Workforce Planning and Training Priorities Meeting. The purpose is to provide strategic overview and direction in regards to workforce planning, including establishment levels, workforce mix, skills and capabilities. The meeting also has the remit of determining and prioritising training and learning activities to ensure they are aligned to business and workforce planning.
- HMICFRS recommended within the 2019 PEEL Inspection Report that the Force needs to understand fully its workforce capabilities, to identify any gaps, and put plans in place to address them. This is being addressed as an area for improvement.
- The PDR process has recently been relaunched. Each individual will have three objectives linked to the Force strategic priorities, alongside three personal objectives, linked to the individuals own area of work and associated development. Compliance has been below expectation, this is being addressed as an area for improvement; going forward it is recommended that management information is made available to ensure completion.
- Individual training and development needs are assessed as part of the PDR process.
- A standard induction programme is in place for student Officers. Staff induction is tailored to the role and department to which the individual is recruited.
- The Force has embedded the CVF which aims to support all policing professionals, setting out nationally recognised behaviours and values. The six competencies and four values of the CVF are embedded into the Force's leadership development programme.
- The leadership development programme invests in the development of first and second line supervisors, it is also complemented by coaching, mentoring and 360 degree feedback.
- Officers and Staff progressing to a senior leadership are encouraged to undertake a 360 review to enable them to consider their own effectiveness as future leaders and identify areas for personal development.

- The NOPCC and Force operate under a comprehensive 'Joint Code of Governance and Working Together Agreement' which comprises of the scheme of consent, the Joint Code of Corporate Governance, Financial Regulations and Contract Standing Orders.
- The roles and authorities of the PCC, the Chief Constable and their respective officers are set out in the Joint Code of Corporate Governance and Working Together document. The document outlines how the parties will work together in cooperation to ensure that effective and efficient delivery of policing services. This was reviewed during 2018.
- The governance structure is underpinned by a statutory framework which incorporates the Police Reform and Social Responsibility Act 2011, the Policing Protocol Order 2011 and the Financial Management Code of Practice, amongst other legislation.
- The Scheme of Delegation sets out the delegation of responsibility from the PCC to his staff and delegation to the Chief Constable and his own staff in the exercise of their statutory responsibilities.
- Clear roles and responsibilities are delegated to Chief Officers. The Chief Financial Officer, as Section 151 Officer, has an up to date job description and person specification which outlines their responsibilities.
- The Force recognises and promotes the benefits of collaborative working and continue to work in a number of regional collaborations as well as local collaborations with Nottinghamshire Fire and Rescue and Local Authorities.

Area for improvement: The Force should undertake a full review of workforce capabilities to ensure capacity and capability to meet current and future demand.

Area for improvement: Produce meaningful management information on the completion of PDRs to enable Heads of Departments to ensure on-going compliance.

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

- The Risk Management approach was redeveloped in 2018 for the Force to adopt a more sophisticated approach which links risks to our governance methods and internal audit processes.
- The Force and OPCC have agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (MoR) approach.

- A Strategic Risk Report is provided to the JASP and FEB regularly in order to keep them informed as to the level of strategic risk within the Force and OPCC and provide assurance as to the effectiveness of risk management arrangements.
- The quarterly Organisational Risk, Learning, Standards and Integrity Board provides an organisation wide forum for thematic leads and heads of department to discuss key areas of learning and identify any emerging strategic opportunities and risks. Business Continuity is also managed within this forum.
- Regular reporting is made to JASP and FEB on business continuity, including progress made against the business continuity testing timetable and notes on forthcoming testing. JASP are also asked to identify any subject areas to be reported on where additional or in depth details is required to provide greater scrutiny and reassurance.
- A Performance and Insight Report is regularly presented to the Strategic Resources and Performance Meeting to ensure that the Police and Crime Commissioner is aware of current performance in line with the Police and Crime priorities. This report is made available on the OPCC website.
- Significant changes in service delivery are subject to a Post Implementation Review in order to identify lessons learned and whether benefits have been realised, including performance, cashable or non-cashable benefits, however none were scheduled or conducted in 2018-19.
- The Financial Performance and Insight Report, including revenue and capital budget monitoring are reported to the FEB on a monthly basis. It is also presented at the Strategic Resources and Performance quarterly meeting.
- The decision making protocol is illustrated in the joint Scheme of Delegation which is part of the Joint Code of Governance and Working Together document.
- A forward plan of 'Decisions of Significant Public Interest' is provided to the Police and Crime Panel on a regular basis in the interests of accountability and transparency, this is made available on the Nottinghamshire County Council website.
- 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.
- JASP complies with best practice as outlined in Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA, 2013).
- The Panel also assist the OPCC 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 OPCC.

- 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 Annual Statement of Accounts is published on our website under `what we spend' and includes accounting policies and also the report of the auditors.
- The Annual Audit letter is report to the JASP on an annual basis.
- The Treasury Management Strategy and annual report are reported annually to the JASP.
- Budget monitoring reports are presented to the Strategic Resources and Performance meeting on a quarterly basis.
- In compliance with CIPFA guidance, the OPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisation's 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.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the JASP at every meeting.
- Regular reporting is made to JASP on legislative compliance with the Freedom of Information Act and Data Protection Act legislation.
- Effective arrangements are in place to monitor risks arising from Brexit. The ACC chairs a regular Gold Group meeting.
- The 2017-18 Independent Auditor's Report on the Audit of Financial Statements noted that there were not adequate governance and monitoring arrangements in place to enable the successful delivery by Multi-Force Shared Service (MFSS) to Oracle Cloud Applications (Fusion), therefore failing to deliver value for money and effective delivery in support of strategic priorities. This is being managed as an area for improvement. Consultancy support was procured during 2018-19 to provide more robust governance and programme management arrangements in respect of Fusion. Despite this delivery of Fusion was further delayed, going live in April 2019. Close management of the situation continues with DCC taking an active role as SRO.

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

- The PCC and Chief Constable's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 in order to achieve the outcomes of the Police and Crime Plan.
- Both the PCC and the Chief Constable have appointed Chief Financial Officers. The responsibilities of the CFO's for both the PCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2013).

- The JASP operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.
- A programme of internal audit is commissioned and undertaken which reflects published guidance and standards. This is available on the OPCC website.
- Progress reports against the Internal Audit Plan are submitted on a timely basis to the JASP along with the findings from audits completed to date.
- Police Officers, Police Staff operate within Force policies and procedures; the corporate governance framework; disciplinary regulations; codes of conduct and the Code of Ethics. Assurance is provided via the Force and OPCC governance framework.
- 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.
- The Annual Governance Statement assesses the extent to which the organisation is applying the principles contained within the CIPFA framework. This is published for public scrutiny alongside the Statement of Accounts.
- The Force has a robust process to capture HMICFRS recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is prepared and presented to the JASP on a quarterly basis.
- The Force has an established reporting procedure for our response to HMICFRS recommendations to be received by the OPCC in line with the timescales dictated in the Police and Crime Bill.
- A policy and procedure framework is required to ensure that corporate documentation is reviewed on a timely basis, this is an area for improvement.
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.

Area for improvement: Develop and maintain a robust policy and procedure framework, ensuring policies and procedures remain current to inform decision making.

3.0 Chief Finance Officer Role

- The role of Chief Financial Officer (CFO) rests with the Head of Finance with effect from 1 April 2018.
- 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.

- The CFO is 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.
- The CFO leads 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 CFO and the DCC on behalf of the Chief Constable agree the Force's risk based Internal Audit Annual Plan for delivery each year and this is presented to the Joint Audit and Scrutiny Panel for comment. Delivery of the plan is via external engagement of an appropriately trained and experienced organisation, currently this is provided by Mazar's. Award of the work was via a competitive tendering exercise.
- In respect of external audit, progress reports are provided to the Panel by the external auditors 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.
- The CFO is required to maintain continuous professional development to ensure they maintain knowledge, skills and experience to enable them to fulfil the duties and statutory obligations of the post.

4.0 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 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 HMICFRS.

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.

5.0 Improvement actions

The review process to support the production of the Annual Governance Statement in 2018-19 identified a number of improvement actions, which are summarised below. 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 organisation's activities and/ or are key risk controls and therefore require a corporate solution.

Areas for improvement 2017-18

Identified improvement action(s):	Update	Lead Officer.
1. The Force should review its plan to ensure that by April 2018 it has achieved clearance for all those people that it is required to clear (Source: 2017-18 AGS)	The PEEL Integrity report assessed that the Force is now compliant with the vetting requirement.	Det Supt Scurr
2. The Force should continue to undertake appropriate activities to understand fully its leadership capacity and capability, in order to identify any gaps, and put plans in place to address them (Source: 2017-18 AGS)	A new leadership programme has been commissioned and delivered during 2018-19 to address gaps in capacity and capability. This incorporates the CVF.	ACC Cooper
3. The Force should address governance and monitoring arrangements in respect of MFSS' delivery of Oracle Cloud Applications (Fusion), to ensure value for money and delivery in support of strategic priorities. (Source: KPMG 2017-18 Independent Auditor's Report on the Audit of Financial Statements)	Consultancy support has been procured to provide more robust governance and programme management arrangements in respect of Fusion. Despite this delivery of Fusion was further delayed, going live in April 2019. Close management of the situation continues with DCC taking an active role as SRO.	DCC Barber

Areas for improvement 2018-19

Identified improvement action(s):	Lead Officer.
1. The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes.	Ch Supt White/ Supt Antill
2. Undertake a full review of workforce capabilities to ensure capacity and capability to meet current and future demand.	Denise Hill
3. Produce management information on the completion of PDRs to enable Heads of Departments to ensure ongoing compliance.	Denise Hill
4. Develop and maintain a robust policy and procedure framework, ensuring policies and procedures remain current to inform decision making.	Ch Supt White

Chief Constable and Chief Finance Officer Declaration

We propose over the coming year to take steps to address the improvement actions identified above 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.

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Signed:

Date:

C. Guildford
Chief Constable

Signed:

Date:

M. Kimberley
Chief Finance Officer

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.

2017-18				2018-19		
Expenditure	**Income** (Note 12)	**Net**		**Expenditure**	**Income** (Note 13)	**Net**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
232,143	(20,971)	**211,172**	Cost of Police services	**235,094**	(15,190)	**219,904**
0	(227,536)	**(227,536)**	Funding from the Commissioner	0	(238,568)	**(238,568)**
232,143	**(248,507)**	**(16,364)**	**Cost of Services**	**235,094**	**(253,758)**	**(18,664)**
78,034	(5,565)	**72,469**	Financing and Investment (Income) and Expenditure	**72,073**	(21,387)	**50,686**
310,177	**(254,072)**	**56,105**	**(Surplus) or Deficit on Provision of Services**	**307,167**	**(275,145)**	**32,022**
		(165,866)	Other Comprehensive (Income) and Expenditure			**67,946**
		(109,761)	**Total Comprehensive (Income) and Expenditure**			**99,968**

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.

2018-19	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Balance at 31 March 2018	**0**	**2,626,380**	**2,626,380**
Movement in reserves during year			
Surplus or deficit on the provision of services	32,022	0	32,022
Other Comprehesive (Income)/Expenditure	0	67,946	67,946
Total Comprehensive (Income)/Expenditure	**32,022**	**67,946**	**99,968**
Adjustments between accounting basis and funding basis under regulations	(32,022)	32,022	0
(Increase) or Decrease in year	**0**	**99,968**	**99,968**
Balance at 31 March 2019	**0**	**2,726,348**	**2,726,348**

2017-18	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Balance at 31 March 2017	**0**	**2,718,730**	**2,718,730**
Restatement of Opening Balance	**0**	17,411	17,411
Restated Balance 31 March 2017	**0**	**2,736,141**	**2,736,141**
Movement in reserves during year			
Surplus or deficit on the provision of services	56,105	0	56,105
Other Comprehensive (Income)/Expenditure	0	(165,866)	(165,866)
Total Comprehensive Income and Expenditure	**56,105**	**(165,866)**	**(109,761)**
Adjustments between accounting basis and funding basis under regulations	(56,105)	56,105	0
(Increase) or Decrease in year	**0**	**(109,761)**	**(109,761)**
Balance at 31 March 2018	**0**	**2,626,380**	**2,626,380**

Balance Sheet

The Balance Sheet gives a value of net worth and corresponding reserves at a particular moment in time. All reserves are unusable and reflect valuation estimates on pensions and employee holiday / time owed.

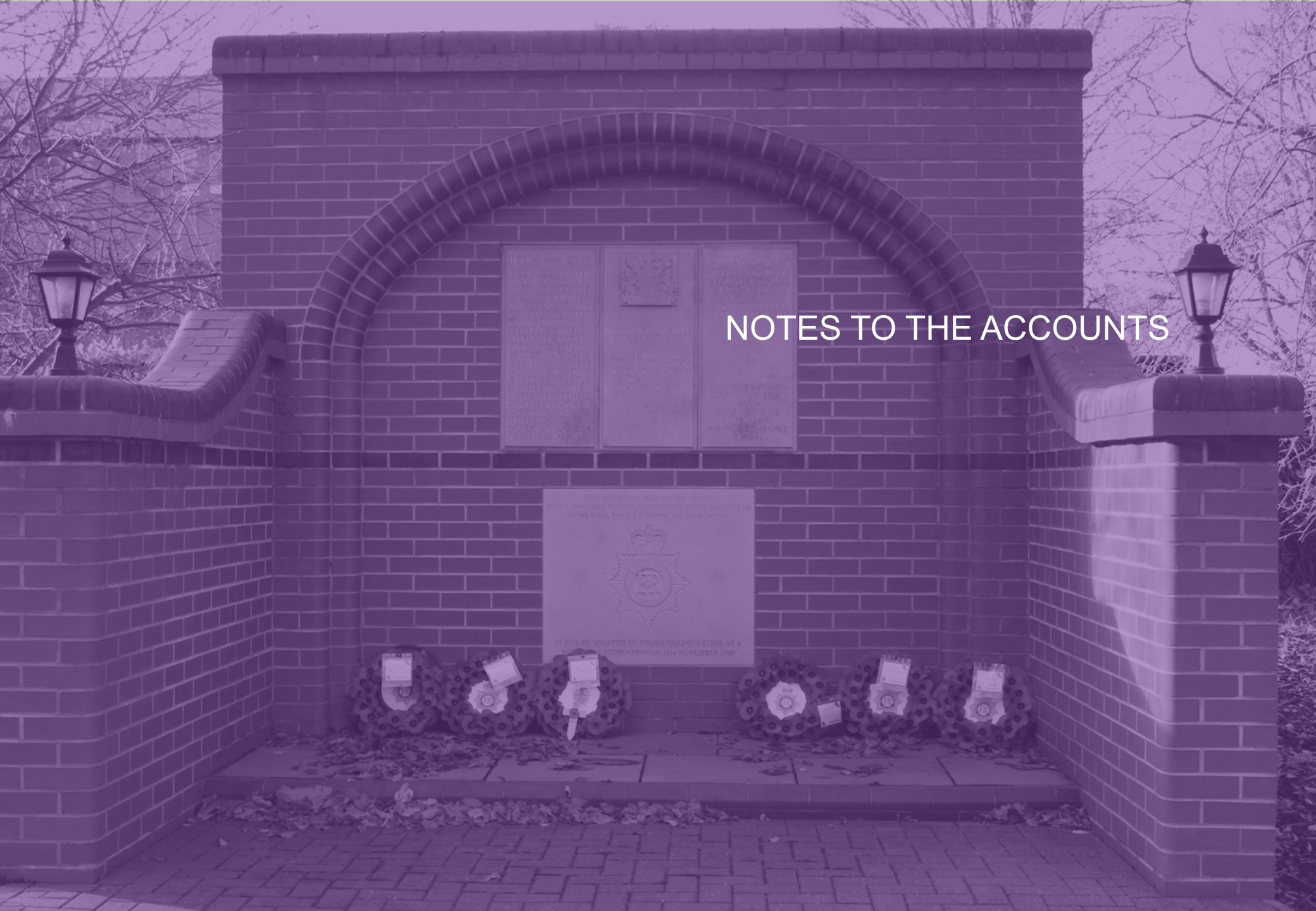
All non-current assets are owned by the Commissioner and all usable reserves are held by the Commissioner.

31 March 2018		31 March 2019
£000		**£000**
(3,315)	Short-Term Creditors – accumulated absences	(3,330)
(3,315)	**Current Liabilities**	**(3,330)**
(2,623,065)	Other Long-Term Liabilities – pension liabilities	(2,723,020)
(2,623,065)	**Long Term Liabilities**	**(2,723,020)**
(2,626,380)	**Net Assets**	**(2,726,350)**
2,626,380	Unusable Reserves	2,726,350
2,626,380	**Total Reserves**	**2,726,350**

Cash Flow Statement

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

2017-18		2018-19
£000		**£000**
56,105	Net (surplus) or deficit on the provision of services	32,022
(56,105)	Adjustment to (surplus) or deficit on the provision of services for non-cash movements	(32,022)
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 2018-19 (The Code) and the Best Value Accounting Code of Practice 2018-19, 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 year adjustments relating to historic errors.

There have been no changes in Accounting Policies, applicable to the Chief Constable in the year.

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 charges to the Comprehensive Income and Expenditure Account reflect 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 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 – Expenditure Funding Analysis

This statement shows how annual expenditure is used and funded from annual resources (government grants and Council Tax).

This is compared with the CIES which includes economic resources consumed or earned in accordance with generally accepted accounting practices.

2017-18				2018-19		
Net Expenditure Chargeable to the General Fund £000	**Adjustments £000**	**Net Expenditure in the CIES £000**		**Net Expenditure Chargeable to the General Fund £000**	**Adjustments £000**	**Net Expenditure in the CIES £000** (Notes 13 &14)
227,536	(16,364)	**211,172**	Cost of Police services	238,568	(18,664)	**219,904**
(227,536)	0	**(227,536)**	Funding from the Commissioner	(238,568)	0	**(238,568)**
0	**(16,364)**	**(16,364)**	Net Cost of Services	**0**	**(18,664)**	**(18,664)**
0	72,469	**72,469**	Other (Income) and Expenditure	0	50,686	**50,686**
0	**56,105**	**56,105**	**(Surplus) or Deficit on Provision of Services**	**0**	**32,022**	**32,022**

Further Analysis			
2018-19	Net Pensions Statutory Adjustments **£000**	Other Statutory Adjustments **£000**	Total Adjustments **£000**
Cost of Police services	(19,486)	822	**(18,664)**
Net Cost of Services	**(19,486)**	**822**	**(18,664)**
Other Income and Expenditure	50,686	0	**50,686**
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	**31,200**	**822**	**32,022**
2017-18			
Cost of Police services	(16,336)	(28)	**(16,364)**
Net Cost of Services	**(16,336)**	**(28)**	**(16,364)**
Other Income and Expenditure	72,469	0	**72,469**
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	**56,133**	**(28)**	**56,105**

The Net Change for the Pensions Adjustments in 2017-18 is the replacement of pension contributions with IAS 19 pension related expenditure and income. 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, which is charged to the CIES.

Other Differences – represents the difference in accumulated absences charged to the CIES and amounts paid for taxation purposes (being accrued leave).

Note 13 - Income

Credited to Services		
31 March 2018 £000		**31 March 2019 £000**
(5,883)	Partnership and Joint Controlled Operations	(1,689)
(1,858)	PFI Grant	(1,858)
(3,002)	Recharge of Officers	(2,142)
(10,228)	Other Income	(9,501)
(20,971)	**Total**	**(15,190)**

Note 14 - Expenditure Analysed by Nature

2017-18		2018-19
£000	Nature of Expenditure or Income	**£000**
(20,971)	Service Income	(15,190)
191,945	Employee Expenditure	192,813
40,198	Running Expenses	42,281
(227,536)	Income from Commissioner	(238,568)
(5,565)	Pensions Interest Income	(21,387)
78,034	Pensions Interest Payment	72,073
56,105	**(Surplus) or Deficit for Year**	**32,022**

Note 15 – External Audit Costs

Ernst and Young LLP are the appointed external auditors.

The cost was £0.012m (£0.015m in 2017-18).

Note 16 – Defined Benefit Pension Scheme

The employer 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. The total value of the liability is carried on the Balance Sheet. The statutory arrangements ensure that funding will meet payments. Actuarial gains and losses are charged to the Pension Reserve.

Full pensions notes are included within the Group accounts. Summary information relating to the Chief Constable entity is included here. The Chief Constable information is extracted on a pro rata basis.

Employees are members of two separate defined benefits pension schemes providing retirement lump sums and pensions, earned whilst employed by the Group. There is a scheme for Staff and one for Officers.

The Local Government Pensions Scheme

The Local Government Pensions Scheme (LGPS) for Staff is administered by Nottinghamshire County Council. This is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This scheme is a multi-employer scheme and the underlying assets and liabilities cannot be directly identified with individual employers. Therefore assets and liabilities are incorporated within these accounts on an apportioned basis at fair value. The figures are calculated by Barnett Waddingham (Actuaries), based on membership data as at 31 March 2016 for members receiving funded benefits and as at 31 March 2014 for any members receiving unfunded benefits. This has then been rolled forward to reflect the position as at 2019.

The Police Pension Scheme

The Police Pension Scheme for Police Officers is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, the Group must transfer amounts to reduce the balance on the Pension Fund to zero. This is via the Pension Top-up grant from the Home Office. Conversely a surplus would be paid over. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. The figures are based on a detailed valuation using information as at 31 March 2016.

McCloud/Sargeant transitional protection judgement

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. Transitional protection enabled some members to remain in the pre-2015 schemes after 1 April 2015 until retirement or the end of a pre-determined tapered protection period. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

The first case was heard in November 2016 and was brought by McCloud and other members of the Judicial Pension Scheme against the Lord Chancellor and the Ministry of Justice. The tribunal ruled in favour of the claimants. The decision was taken to the Employment Appeal Tribunal who decided in January 2018 to uphold the tribunal's decision. The Lord Chancellor and Ministry of Justice lodged an appeal to the Court of Appeal.

The second case was heard in January 2017 and was brought by Sargeant and other members of the Firefighters' Pension Scheme against the Fire & Rescue Authorities and the Government (in England and Wales). The tribunal ruled against the claimants. The claimants appealed this decision to the Employment Appeal Tribunal, which led to further appeals to the Court of Appeal by both parties.

Before hearing the two appeals the Court of Appeal decided to combine the two cases as they were so closely linked. In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination. The Government is currently seeking permission to appeal this decision, with an unknown timeframe for this permission to be granted or denied.

If permission to appeal is denied, it would likely result in a requirement to compensate certain members for any discrimination suffered as a result of the transitional protections. At the moment there is uncertainty over the form that this compensation would take.

The read across to other public service pension schemes such as the Police Pension Scheme is unknown but given that the transitional protection arrangements are very similar, it would be reasonable to assume that the implications would be the same.

Effect on Police Pension Scheme Liabilities

If compensation is payable to employees who were transferred to the reformed 2015 schemes, it is expected to lead to an increase in pension scheme liabilities.

However, due to the uncertainty surrounding the outcome of the McCloud/Sargeant age discrimination case we have not made any allowance for the potential increase in liabilities in these disclosures. The Government Actuaries (GAD) have estimated that any allowance for the increase to liabilities should be treated as a Past Service Cost of 5.4% of liabilities (defined benefit obligation) as at 31 March 2018, together with a corresponding increase in the past service liabilities as at 31 March 2019.

This would be an overall increase to the net liability arising from the defined benefit obligation of £134.2m at 31 March 2018 and £139.8m at 31 March 2019.

2017-18		Pension Scheme Comprehensive Income and Expenditure Statement	2018-19	
LGPS £000	**Police £000**		**LGPS £000**	**Police £000**
12,610	37,330	Current service cost	12,956	38,100
81	0	Admin Expense	80	0
57	1,660	Past service cost	360	0
0	0	(Gain) / loss from curtailments	0	0
4,139	68,330	Net interest expense / (income)	(12,324)	63,010
16,887	**107,320**	**Total charged to (Surplus) and Deficit on Provision of Services**	**1,072**	**101,110**
		Other Costs – Remeasurement of the defined benefit liability		
0	**0**	Return on plan assets (exc the amount included in the net interest expense)	**0**	**0**
0	**(142,220)**	Actuarial (gains) and losses – experience	**0**	**(6,690)**
0	**(83,260)**	Actuarial (gains) and losses arising on changes in demographic assumptions	**20,979**	**0**
(15,446)	**75,060**	Actuarial (gains) and losses arising on changes in financial assumptions	**(21,383)**	**75,040**
1,441	**(43,100)**	**Total charged to the Comprehensive Income and Expenditure Statement**	**(668)**	**169,460**

2017-18		Pension Scheme Movement in Reserves Statement	2018-19	
LGPS £000	**Police £000**		**LGPS £000**	**Police £000**
(16,887)	(107,320)	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	(1,072)	(101,110)
		Actual amount charged against the general fund balance for pensions in the year:		
5,104	0	Employers' contributions payable to scheme	5,682	0
0	62,970	Retirement benefits payable to pensioners	0	65,300

2017-18		Pensions Assets and Liabilities Recognised in the Balance Sheet	2018-19	
LGPS £000	**Police £000**		**LGPS £000**	**Police £000**
(350,956)	(2,484,500)	Present value of the defined obligation	(368,353)	(2,588,660)
213,188	0	Fair value of plan assets	234,691	0
(137,768)	(2,484,500)	Value of Assets / (Liabilities)	(133,662)	(2,588,660)
(137,768)	**(2,484,500)**	**Net (liability) / asset arising from the defined benefit obligation**	**(133,662)**	**(2,588,660)**

Note 17 – Officers' Remuneration

2018-19							
Officers Remuneration 2018-19	Note	**Salary, Fees & Allowances (Note 1)** £	**Bonus** £	**Expenses Allowances (Note 2)** £	**Compensation for Loss of Office** £	**Pension Contribution** £	**Total** £
Chief Constable – C Guildford		159,313	0	14,196	0	36,575	**210,084**
Deputy Chief Constable – R Barber	5	131,754	0	7,022	0	7,939	**146,715**
Assistant Chief Constable – S Cooper		106,042	0	7,588	0	25,662	**139,292**
Assistant Chief Constable – S Prior	3	51,874	0	550	0	11,772	**64,196**
Assistant Chief Constable – K Meynell	4	69,810	0	2,322	0	13,500	**85,632**
Chief Finance Officer – M Kimberley		63,990	0	602	0	8,452	**73,044**
TOTAL CHIEF CONSTABLE		**582,783**	**0**	**32,280**	**0**	**103,900**	**718,963**

Note 1: Salary, Fees and allowances includes 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: Assistant Chief Constable retired 9 September 2018

Note 4: Assistant Chief Constable 6 August 2018

Note 5: Deputy Chief Constable opted out of pension scheme 30 years 4 September 2018

Note 17 – Officers' Remuneration

2017-18							
Officers Remuneration 2017-18	Note	**Salary, Fees & Allowances (Note 1)** £	**Bonus** £	**Expenses Allowances (Note 2)** £	**Compensation for Loss of Office** £	**Pension Contribution** £	**Total** £
Chief Constable – C Guildford		156,436	0	12,464	0	36,004	**204,904**
Deputy Chief Constable – R Barber	3	122,743	0	6,788	0	28,391	**157,922**
Assistant Chief Constable – S Cooper	4	92,359	0	6,117	0	22,004	**120,480**
Assistant Chief Constable – S Prior		103,916	0	3,225	0	25,148	**132,289**
Assistant Chief Officer – Finance & Resources	5	95,349	0	5,435	0	18,879	**119,663**
Director of Human Resources	5	100,385	0	8,335	0	17,683	**126,403**
Director of Information Services & IT	5,6,7	49,485	0	6,618	0	6,275	**62,378**
TOTAL CHIEF CONSTABLE		**720,673**	**0**	**48,982**	**0**	**154,384**	**924,039**

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: Deputy Chief Constable was appointed 17 April 2017

Note 4: Assistant Chief Constable was appointed 5 April 2017

Note 5: This is the total earned. The costs are apportioned between Nottinghamshire, Northamptonshire and Leicestershire Police

Note 6: Includes Market Rate Premium

Note 7: Director of Information Services and IT resigned 15 September 2017

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

Employees Remuneration over £50,000		
	2017-18	**2018-19**
£50,001 to £55,000	161	158
£55,001 to £60,000	89	96
£60,001 to £65,000	27	30
£65,001 to £70,000	8	5
£70,001 to £75,000	10	8
£75,001 to £80,000	6	8
£80,001 to £85,000	6	9
£85,001 to £90,000	1	2
£90,001 to £95,000	1	1
£95,001 to £100,000	0	1
Total	309	318

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. The amount included on the Balance Sheet is £0.2m (£1.1m 2017-18).

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.

20 contracts were terminated during the year (9 in 2017-18), incurring costs of £0.378m (£0.209m in 2017-18), of which £0.145m 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 2019.

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)	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
£0 - £20,000	5	7	1	8	6	15	67	101
£20,001 - £40,000	2	2	0	1	2	3	67	98
£40,001 - £60,000	0	0	0	1	0	1	0	49
£60,001 - £80,000	1	0	0	0	1	0	75	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	1	0	1	0	130
Total cost included in bandings all included within the CIES	**8**	**9**	**1**	**11**	**9**	**20**	**209**	**378**

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.

GLOSSARY

GLOSSARY

ACCOUNTING PERIOD	ACCOUNTING POLICIES	ACCRUALS
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.	These are a set of rules and codes of practice used when preparing the accounts.	Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.
ACT	**AUDIT OF ACCOUNTS**	**BALANCE SHEET**
The Police Reform and Social Responsibilities Act 2011.	An independent examination of the Force's financial affairs.	A statement of the recorded assets, liabilities and other balances at the end of the accounting period.
BUDGET	**CIPFA**	**CODE**
The forecast of net revenue and capital expenditure over the accounting period.	The Chartered Institute of Public Finance and Accountancy.	The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	**CONSISTENCY**	**CREDITOR**
The account of the Force 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.	The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.	Amount owed by the Force for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

DEPRECIATION	EVENTS AFTER THE BALANCE SHEET DATE	GOING CONCERN
The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Force's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other charges.	Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date when the Statement of Accounts is authorised for issue.	The concept that the statement of Accounts is prepared on the assumption that the Force will continue in operational existence for the foreseeable future.
GOVERNMENT GRANTS	**IFRS**	**GROUP**
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 Force. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.	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.	Nottinghamshire Office of the Police and Crime Commissioner and its Group.
MATERIALITY	**MINIMUM REVENUE PROVISION (MRP)**	**PRIOR YEAR ADJUSTMENT**
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.	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 Force.	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.

PROVISION	PUBLIC WORKS LOAN BOARD (PWLB)	REMUNERATION
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.	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.	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.

REVENUE EXPENDITURE
The day-to-day expenses of providing services.