



Statement of Accounts 2020-21 – Unaudited

The Chief Constable of Nottinghamshire

(V3 as at 16th February 2024)



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CHIEF FINANCE OFFICER'S NARRATIVE REPORT



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 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, which creates the need for the Commissioner to raise Council Tax by the maximum amount available to ensure real term spending power is not reduced.

However, during the year the Government announced investment in policing to recruit 20,000 additional police officers over the next three financial years. Nottinghamshire's element of this increase will be 359 additional police officers. It is expected that the additional funding of this element only will be met by the Government in full.

Brexit and Covid-19 will continue to create uncertainty and therefore this may impact on police funding in the future. The results of which 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'

PERFORMANCE

The Force has a dedicated workforce of around 3,900 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 page 10 demonstrates the level of demand on policing in 2020-21 and examines future demand expectations moving forward in 2021-22.

Achievements 2020-21

Responding to the public

We answered 96.9% of 999 calls within 10 seconds and 91.5% of 101 calls within 60 seconds. The national target for these areas respectively is 90% and 80%.

In January 2020, we launched a new command and control system called SAFE. The new system is seen to be a more effective call-handling platform, logging every call as a contact record ensuring greater oversight and transparency.

We have implemented a new process, whereby non-emergency calls are presented to front counter staff as well as the Force Control Room (FCR), sharing demand. This has been particularly effective during COVID lockdown, as front counters were closed to the public.

During COVID, we explored reframing the Intelligent Voice Recognition System (IVR) and for the first time, included a non-emergency call-back facility. Since inception in October 2020, and on average, we have received over 200 call-back requests over a rolling 7-day period. This reduces call flow and facilitates focus on the greatest immediate threat, risk, and harm and those most in need of service.

We have achieved reductions in key crime types including robbery, knife crime and burglary. In this performance year we have reduced crime across the whole of Nottinghamshire by 20.6%, almost double the national average reduction. Traditional policing activity is becoming more complex and time consuming, as we operate in an increasingly digital age, whereby almost all investigations have a digital footprint attached, requiring careful investigation.

In January 2020, we launched a joint Drone team with Nottinghamshire Fire and Rescue Service, and this team provide 24/7 support across the whole force area. Our qualified pilots support on immediate and critical incidents, including firearms deployments, burglary, and theft of motor vehicles. Latterly, the technology has been of specific benefit to Missing Person incidents, whilst offering an opportunity to support COVID enforcement legislation at beauty spots

PERFORMANCE (continued)

Prevention and Deterrence

A recent report from Transform Justice confirms our robust approach to prosecutions and identifies that we are 7th highest user of prosecutions by proportion for low level crimes (i.e. excluding violent and sexual crimes).

Our robust approach to securing justice for our victims and deterring criminality is reflected in our positive outcome rate. When considering all nationally defined positive outcomes, our 2019/20 rate was 15.3%. This was higher than the regional (13.9%), Most Similar Group (11.8%) and national average (12.2%).

In Neighbourhood Policing we have introduced Operation Reacher teams, this locally based proactive capability is in each of our 12 local neighbourhood areas, comprising of a police sergeant and six police constables per team. These teams lead the proactive response to crime issues within their local area and have been described as the 'teeth' of neighbourhood policing.

Our Reacher teams have brought additional benefits in providing a local proactive resource that focuses on community priorities, crime prevention and intelligence gathering to deter and disrupt crime before it happens.

The Op Reacher model has demonstrated the positive impact a dedicated proactive team can have by delivering exceptional results in enforcement activity, criminal justice outcomes and community confidence. In the first 6 months of our full force roll out there have been over 1,000 arrests, 300 cars seized and 400 individual seizures of drugs.

Uplift investment has seen the Knife Crime and Robbery Teams double in size. This expansion has enabled more specific intelligence led proactive patrols in areas deemed at risk of knife enabled violence. The knife crime teams have undertaken stop searches for persons carrying weapons and in doing so seized weapons, drugs, cash and assets linked to knife crime and drugs supply, in 2020/21 we reduced knife crime by 8%.

The Robbery Teams work alongside their dedicated Burglary Teams and other local policing colleagues by investigating robbery offences and proactively targeting robbery offenders.

Across our County command area, we have co-located within partnership hubs at Worksop, Newark, Mansfield, Ashfield, Gedling, Broxtowe and Rushcliffe. Within our City command area, every station houses joint Police and Council teams, with

the Central Police Station at Byron House, becoming a full partnership hub. This co-location has enhanced data and information sharing, whilst permitting effective partnership working to address vulnerable people, premises and locations in real-time.

Investigations

With significant investment we have commenced a phased implementation of an interim Digital Evidence Management System (DEMS). This additional capability provides frontline investigators with the ability to rapidly access CCTV and audio recordings and complete basic editing work creating resilience for our specialists to undertake more complex work.

Despite the disruption caused by COVID we are still on track to deliver the extensive redevelopment project to deliver the new Nottingham Custody Centre within budget and by the completion deadline of August 2021. The facility has been purposely designed to deliver an improved service to detainees and secure efficiencies in new operating practices.

PERFORMANCE (continued)

The layout of the new build being on one floor and wings in view of the custody desk will assist in timeliness of reviews and visits together with more control and management of high-risk detainees, thereby reducing risk to detainees and our staff.

Development of ANPR capabilities continue with a continued increase in coverage thanks to support from local partnerships A replacement program has been established to maintain current capabilities over time and also a refresh of vehicle-based systems with 18 new systems for Operational Support vehicles.

Protecting Vulnerable People

We have invested heavily in strengthening our commitment to making Nottinghamshire a safe place to work and live. From 2019/20 to 2020/21 the Police Officer establishment within our Public Protection Department has been increased through Operation Uplift by 2 Sergeants and 21 Constables, enabling us to expand our Adults teams from 11 to 15 and providing 2 dedicated Constables to facilitate the introduction of polygraph safeguarding techniques in the force.

We have invested in a stalking safeguarding officer to support the stalking clinic and to be the single point of contact for the Stalking Prevention Orders. Nottinghamshire Police has the highest number of orders regionally and pro-actively polices any breaches of these.

Over the past year both police and partnership have invested resources into tackling child criminal exploitation including sexual exploitation, county lines and gangs. This increased focus is managed by processes including multi-agency panels for CCE (child criminal exploitation), MASE (sexual exploitation) and SERAC (modern slavery) and we have recruited two CCE officers who can coordinate partnership responses..

We have focused support to vulnerable communities in lockdown and have a 100% conviction rate for the hate crimes that progressed to court, public satisfaction levels remaining high at 84%.

Managing Offenders

Demand for the Drugs Support Team has been consistently high as the number of cannabis cultivation sites is rising exponentially nationally and grows become increasingly 'industrial' in scale and sophistication. In a huge increase on 2019-20 returns, the team dismantled 125 Cannabis grows. 25,300 plants were seized and destroyed with a street value between £12 million - £24 million dependent on yield. 3300 cannabis exhibits were identified and weighed, saving the force £128,700 in laboratory testing costs.

Last year there were 545 cyber-dependent crime reports compared with 497 the previous year, representing a rise of 9.7%. With estimates of over 80% of fraud being cyber-enabled and 90% of crimes having a digital element, the number of cyber-enabled crimes has also risen. COVID has significantly contributed to a further uptrend in cyber-crime.

PERFORMANCE (continued)

The County Lines team continues to work closely with partners including British Transport Police (BTP) to share intelligence and disrupt County Lines on the rail network. During Covid-19 BTP have reported a reduction in footfall on rail network which has enabled closer scrutiny and swifter identification of both perpetrators of cross border drug dealing and identification of potential child victim's exploited through the rail system.

Force wide functions

We have supported Operation Bion (the force response to COVID) by extending agile working to enable regular and safe business practices across the force. We extended access to conferencing facilities including with Courts and Coroners, created new self service solutions and engineered new ways of working to extend access to services whilst minimising person to person contact in specialist functions like Digital Forensic Unit (DFU).

During 2020 the Private Finance Initiative (PFI) arrangement for the purchase, repair, and maintenance of our vehicle's was exited 6 years early to the mutual benefit of all parties. This action was implemented with advice and guidance from the Home Office and Treasury, with the Government supporting the exit arrangement with a grant of £6.5m.

The mini police programme for primary school aged cadets continued with bespoke online programmes and local engagement through local policing teams and Operation Reacher. The Mini-Police programme lead Helen Ridley has recently been awarded with a British Empire Medal in the Queen's New Year's honours in recognition of her services to policing.

Prior to Operation Uplift, Nottinghamshire Police had an ethnic minority officer representational figure of 3.8%. As of December 2020, this figure stood at 7.1%, representing huge organisational change, and the most representative force within the country, of any area with a significant ethnic minority population of over 10%.

In the last year Operational Police Teams have moved from West Bridgford Police station and collocated with Fire colleagues at the West Bridgford Fire Station. This will enable a capital receipt from and this was a key step in allowing the sale of the existing police station and will result in further reduced on-going revenue costs for each organisation.

We have introduced a Wellbeing Support Officer who has a primary focus upon assessing and enabling reasonable adjustments including the timely delivery of adaptive technology. In addition, this role supports early intervention on absence, supports Trauma Risk Incident Management (TRIM) delivery and workstation assessments.

In 2020 we reinvigorated and bolstered our commitment to our staff to appropriately support them if they become victims of physical assaults and hate abuse whilst carrying out their duties.

Sickness levels are currently reducing year on year. The main reason for absence during 2020 was COVID with psychological disorder (mental health conditions) and hospital operations making our top three absence reasons. Sickness levels excluding COVID are significantly lower than last year.

STATEMENTS ABOUT DEMAND ON POLICING 2021

The population of Nottinghamshire is approximately 1,154,200 people policed by 2171 officers.

Across Nottinghamshire, there is approximately one police officer for every 532 members of the public.

Non-crime demand

On a typical day in Nottinghamshire:

2020/21 demand



There is approximately 1 police officer on duty for every 1769 people living in the Force area

Future demand –2021/22



Current recruitment plans would result in approximately 1 police officer on duty for every 1746 people living in the Force area

Crime demand



249 crimes recorded

- 16 Burglaries
- 85 Violent Crimes
- 7 Serious sexual offences
- 8 cases of fraud
- 43 arrests
- 38 positive outcomes (excludes pending outcome)
- 4 Community Resolutions
- 28 Charges

222 crimes recorded

- 13 Burglaries
- 50 Violent Crimes
- 7 Serious sexual offences
- 10 Cases of Fraud
- 50 Arrests



Receive 2,051 calls per day of which

- 321 are 999 calls
- 1730 are 101 calls



Receive 1,336 calls per day of which

- 475 are 999 calls
- 861 are 101 calls



Create 870 incidents per day which includes

- 125 ASB
- 13 missing persons
- 47 MH related



Create 788 incidents per day which includes

- 120 ASB
- 5 missing persons
- 97 MH related



Attend 475 incidents graded I,U&T per day which includes

- 16 RTC's
- 53 Domestic Incidents
- 22 MH related



Attend 503 incidents graded I,U&T per day which includes

- 15 RTC's
- 51 Domestic Incidents
- 23 MH related



Ongoing Safeguarding Demand



Detained and supported 409 vulnerable people under s136 powers.



Carrying out 14 Stop & Searches per day, with a 39.8% positive outcome rate



Supporting approx. 5933 Priority/Troubled Families in partnership with other local bodies, 68% of which include Domestic Abuse.



Managing approximately 1,804 sexual and violent offenders under **Multi-Agency Public Protection Arrangements** in partnership with other local bodies

Ongoing Safeguarding Demand



Submitting approx. 82 PPNs per day, including 19 for Child Concerns and 14 for Adults at Risk



Supporting approximately 1,650 domestic abuse victims being seen at **Multi-Agency Risk Assessment Centres**



7145 Child Protection Plans during 2020/2021, with 415 new children and young people supported in 2020/2021

FINANCIAL PERFORMANCE

The outturn for the Force is £221.7m which is an overspend of £0.1m against the original budget.

The budget was set to provide for a £3.5m contribution to fund capital expenditure, a further £1.0m was also allocated from uplift performance grant.

Improvements to monitoring processes continue to develop and the outturn is reviewed monthly.

Any changes are reported to the Force Executive board with requests for the approval of virements. The rolling five year planning model is updated if future years are impacted.

The actual outturn was in line with monthly monitoring during the year, with the exception of the purchase of vehicles and other exit costs associated with the early exit of the Forces Public Finance Initiative (PFI) contract for the provision and maintenance of vehicles.

Performance over previous years has been:

- 2016-17 an underspend of £1.0m
- 2017-18 an underspend of £2.5m
- 2018-19 an overspend of £0.8m
- 2019-20 an overspend of £0.3m
- 2020-21 an overspend of £0.1m

The medium term financial plan assumptions have been adjusted accordingly to reflect past and this year's performance.

2020-21 Expenditure v Budget Analysis

Nottinghamshire Police Group Outturn Position 2020-21.

Net Expenditure Budget	Budget £m	Efficiencies Allocation £m	Working Budget £m	Outturn £m	Variance £m
Employee	179.1	(1.8)	177.3	180.5	3.2
Premises	6.1	-	6.1	6.5	0.4
Transport	6.1	-	6.1	7.3	1.2
Communications & Computing	8.9	-	8.9	10.1	1.2
Supplies & Services	10.0	(0.2)	9.8	9.6	(0.2)
Partnership & Collaborations	12.8	-	12.8	13.8	1.0
Capital Financing	8.5	-	8.5	16.0	7.5
Income	(13.0)	-	(13.0)	(27.2)	(14.2)
OPCC	5.1	-	5.1	5.1	-
Total Net Expenditure	223.6	(2.0)	221.6	221.7	0.1

Notes:

Over spends are shown as + numbers, whilst under spends are shown as () numbers.
No adjustments have been made for rounding.

FINANCIAL PERFORMANCE (continued)

Employee Costs

This was £180.5m for the year which was an over-spend of £3.2m against the budget.

This over-spend reflects the impact of additional deployments required due to Covid19 restrictions. An additional £1.6m was spent on overtime and a further £2.9m on the early recruitment of new and transferring in of Officers to help with the pandemic and other demands.

Over £1.0m of specific Covid19 grants from Government were used to fund this additional cost which is reflected in additional income to the force.

Savings in other employee costs due to vacancies in PCSO's (£55K), Staff vacancies (£773k), training budget savings (£330k) and reduced medical retirements (£135k) as well as core uplift grant, uplift performance grants allocations contributed to this net position.

Premises

This was £6.5m for the year which was an over-spend of £0.4m against the budget.

The over-spend reflects increased costs for PPE and cleaning of offices as a result of the pandemic.

Costs relating to buildings that were sold later than planned were off-set by an increase in rental income for buildings recharged to regional collaborations (£315k) which is reflected in the improved income outturn.

Transport

This was £7.3m for the year which was an over-spend of £1.2m against the budget.

As at 22nd December 2020, the force ended the contract with Venson, this resulted in a payment to Venson largely off-set by a grant from the Home Office of (£6,500k). The revenue which is shown in income. The force has identified savings of (£353k) as a result of the change.

Communications & Computing

Costs were £10.1m for the year which was an over-spend of £1.2m against the budget.

The majority of the over-spend was due to an increase in contract charges especially from the Home Office for nationally managed projects (£645K).

£157k of orders were delayed from 2019-20 due to Covid-19 and impacted on the 2020/21 financial year.

£124k of costs in relation to an increase for consumables and breakages mainly related to airwave radios which are beyond end of life and have not been replaced as the Force awaits the implementation of the national ESN project (a replacement for the airwaves technology).

Cost has been incurred due to the increase in IT kit in respect of officer numbers, this will be offset by income from Uplift.

Efficiency savings of (£557k), in relation to over 40 separate negotiated contract renewals, have offset some of these increases.

FINANCIAL PERFORMANCE (continued)

Supplies & Services

Costs were £9.6m which was an under-spend of £0.2m against the budget, mainly due to a reduced requirement for contributions to the insurance reserve as claims reduced during the year as a result of the response to the pandemic.

Partnership & Collaboration

This was £13.8m for the year which was an over-spend of £1.0m against the budget.

A charge from the region for EMSOU collaboration of £1.7m was been received, this was mainly off-set by income, however a net charge of £264k remained representing the fact that less Police Officers were deployed to the collaboration than expected.

Multi Force Shared Service costs have reduced by (£703k) of this is a reduction in investment costs and lower inflation and relative growth (£171k) than expected.

Capital Financing

This was £16.0m for the year, which was an over-spend of £7.5m against the budget.

A transfer of £6.7m to reserves to offset the purchase of the vehicle fleet was made as a result of receiving £6.5m grant from Government towards the asset purchase following the exit of the vehicles PFI.

An additional £1.0m direct revenue financing charge was made, funded by income as a result of a performance award grant as the Force achieved its Uplift targets in respect of Police Officers.

The MRP has been increased by £332k to reflect the shorter lifetimes of assets that have been funded by borrowing, capital receipt contributions were also lower. This is offset by (£394k) transfer from general reserves.

Income

This was £27.2m for the year, which was an increase in income of £14.2m.

(£6,500k) relates to income from the Home Office to off-set the Vehicle PFI exit asset costs.

(£3,500k) reward grant income in respect of achieving Uplift targets.

(£529k) income off-set the EMSCU charges.

(£1,632k) income from EMSOU for officers in kind contributions.

(£1,571) reflects the new grant for Covid-19 Enforcement.

(£183k) off-sets costs of regional buildings.

(£161k) additional income generated from investment interest.

This is off-set by £273k loss of income for sporting events as a result of Covid-19 and a reduction in the PFI income of £317k.

FINANCIAL PERFORMANCE (continued)**2020-21 Efficiencies**

Net Expenditure Budget	Efficiencies Allocation £m	Outturn £m	Variance £m
Staff Pay & Allowances	1.8	3.1	+1.3
Overtime	-	0.4	+0.4
Communications & Computing	-	(0.8)	-0.8
Supplies & Services	-	0.2	+0.2
Procurement	0.2	0.6	+0.4
Capital Financing	-	-	-
Income	-	0.2	+0.2
Total	2.0	3.7	+1.7

FINANCIAL PERFORMANCE (continued)

2021-22 Budget Breakdown

The proposed revenue budget for 2021-22 is £233.2m as detailed below:-

Net Expenditure Budget	£m
Employee	189.7
Premises	7.3
Transport	6.7
Communications & Computing	9.7
Supplies & Services	10.7
Partnership & Collaborations	22.1
Capital Financing	10.2
Income	(20.7)
Efficiencies (not allocated in above)	(2.5)
Net use of reserves	-
Total Net Expenditure	233.2



Craig Guildford
Nottinghamshire Chief Constable

OUTLOOK

Due to the previous economic climate the Government had made significant reductions in public sector finances over many years with annual real term reductions of over £50m since 2010 for policing in Nottinghamshire. This has resulted in significant operational efficiencies with permanent new ways of working now embedded. The drive for efficiency in operations is at the heart of the Force management team, and new streamlined enabling services provide cost effective services, but with the focus on directing any available resources to the front line.

Financial settlements in 2018-19 and 2019-20 established a new baseline spend, but with a shift from central funding to local funding via Council Tax. This makes the Force more accountable to their local taxpayers, who are at the forefront for financing annual inflation and any additional expenditure.

Locally the Police & Crime Commissioner has fully supported maintaining policing resources and has used their council tax setting freedoms to the full. The Chief Constable has played his part in maximising the use of resources and has delivered efficiencies such that all additional Council

Tax funding has been used to increase police numbers; with 80 additional officers in 2018-19 and 147 more in 2019-20 (including 107 from the government uplift target being achieved one year in advance).

The Prime Minister then announced in November 2019 that by 2023-24 there will be 20,000 additional police officers across the country, of which 359 posts would be in Nottinghamshire.

This news was welcomed by both the PCC and Chief Constable and plans were immediately put in place to achieve this uplift as soon as was practical. This was achieved by 31 March 2020, a full year ahead of schedule, placing Nottinghamshire at the forefront of helping achieve the government's target.

This performance was maintained so that a further 150 Officers were recruited by March 2021. Plans are such that despite the Nov-20 announcement of a years delay in achieving national uplift Nottinghamshire will remain at least 12 months ahead of schedule.

The settlement announcement for 2020-21 provided additional resources to achieve the uplift target, mainstreamed the pensions funding gap grant and allowed for a £10 increase in precept to cover the cash impact of inflationary pressures, which the Commissioner supported.

This approach of using the precept to fund inflationary pressures was signalled as the likely way forward, with baseline grant being cash limited. It is assumed that this baseline will however be uplifted for the revenue costs of the uplift targets in the respective future years.

The increases needed to maintain resources in real terms will be funded by the local taxpayer via increased Council Tax precepts but in themselves are still insufficient to meet the increasing demands and investment required to maintain Police Services, even after allowing for the uplift numbers, therefore on-going efficiency targets will be required.

OUTLOOK (continued)

We continue to develop the future strategy for corporate IT services (Op Regain) and this will gather further pace in 2021-22 as we look to implement these new systems by April 2022. This project is to ensure future systems are fit for purpose and provide value for money in the area that the External Auditor has previously qualified our VFM judgement.

Efficiency savings will be required each year of the medium term plan but the level of savings required at £7.5m are considered to be well within the normal level of business efficiency that we would expect as part of our business as usual plans. The Force has outlined plans for the achievement of these efficiencies.

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 a sustainable policing level.

The Annual Budget, Operational Models, and this 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.

Covid-19:

The current restrictions in place within the United Kingdom in response to Covid19 have created issues for police forces in terms of policing the government lockdown policy in addition to continuing normal policing functions. This has given rise to additional costs in terms of overtime and providing personal protective equipment (PPE) to operational police officers and staff.

During the year the force has incurred additional costs of £1,381k and loss of income of £564k in relation to Covid-19. These costs have been off-set by specific Covid19 grants of £1,571k and by redeployment of resources from area positively affected by the pandemic. It is considered that the additional cost of the pandemic have been fully funded by Government and this funding will continue, if needed, into the next year.

Local district councils are anticipating a potential deficit on the Collection Fund for Council Tax moving forward and beyond 2021-22, we expect a reduction in council tax income as a result of reduced collection rates and a reduced growth in the number of properties paying council tax.

We recognise that there remains uncertainty over how long lockdown arrangements will remain and therefore the total costs which will be incurred as a result. However, we are confident that the impact can be managed going forward without the use of the Major Incident Reserve and that there will be minimal impact on the general reserve balance.

The assumptions contained within the current Medium Term Financial Plan will be reviewed and revised as necessary during the next budget setting round.

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (together with the Office of the Police and Crime Commissioner) employs approximately 2,188 police officers, 164 PCSOs, 140 specials and 1,416 staff in full-time and part-time positions.

Active recruitment plans for 2021-22 include positive action to continue 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.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,137	54.68
Female	1,771	45.32
Total	3,908	100.00

Age Band	Headcount	%
25 and under	498	12.74
26-40	1,552	39.72
41-55	1,532	39.20
56 or over	326	8.34
Total	3,098	100.00

Self-Declared Disability	Headcount	%
No/not specified	3,757	96.14
Yes	151	3.86
Total	3,908	100.00

Ethnicity	Headcount	%
Asian/Asian British	138	3.53
Black/Black British	46	1.18
Mixed	75	1.92
White/White British	3,622	92.68
Other	1	0.03
Not Stated	19	0.48
Not known/provided	7	0.18
Total	3,908	100.00

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 relevant to the statement of financial accounts are:

RISK		IMPACT	MITIGATION
1	New Command & Control software implementation (SAAB/NICE).	Impact on ability to effectively receive calls including 999's.	<p>Implementation board chaired by ACC.</p> <p>Specialist implementation team with additional resources.</p> <p>Detailed implementation and training programme developed.</p> <p>Post implementation review.</p>
2	Seized Property.	Potential loss of evidence, and prosecutions. Inconsistency in seizing, recording, handling and disposal of property.	<p>Audit report has been reviewed and a full and comprehensive Action Plan has been completed addressing all of the areas of risk identified. Each action has been prioritised and has specific timelines for completion.</p> <p>Ongoing oversight via Archives and Exhibits Projects Board chaired by Chief Superintendent Corporate Services.</p> <p>Quarterly reporting into Force Executive Board.</p>
3	Funding formula / Comprehensive Spending Review / Covid19 national cost impact.	Could result in a positive or negative impact on the amount of Force funding, although Covid19 impact increases the chance that the impact will be negative.	<p>Development of a scalable Medium Term operational plan.</p> <p>Identification of a minimum policing model.</p>

PRINCIPAL RISKS (continued)

	RISK	IMPACT	MITIGATION
4	Multi Force Shared Services (MFSS) contract expires November 2022.	<p>Could result in increased costs to Force in respect of redundancy and archiving of data.</p> <p>Lack of system developments as contract reaches end of life.</p>	<p>Project team well established and road map for new suppliers well developed.</p> <p>Interim additional in-house resources identified to mitigate any system / performance issues.</p>
5	Documentation retention, review and disposal risks associated with non compliance of Data Protection policies/ Non compliance with GDPR.	Reputation / public confidence-Delivery failure-Ineffective planning and problem solving-Government penalties.	<p>Alignment of regional approach with local practices. Assessment and development of RRD processes within Force legacy systems. Alignment of RRD requirements with retention schedules and Information Asset Register.</p> <p>GDPR was subject of a recent internal audit by Mazars and received Satisfactory Assurance. Updates on existing recommendations are fed into Information Management Meeting Chaired by Deputy Chief Constable.</p>
6	Changing demand of crime and policing activity.	Insufficient resources available to meet public expectations.	Improved demand management of increased officer numbers via national Operation Uplift Project.

Explanation of Accounting Statements	The Core Statements	The Supplementary Financial Statements
<p>The Statement of Accounts sets out the Chief Constable's income and expenditure for the year and its financial position at 31 March 2021. 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 2020-21; which in turn is underpinned by International Financial Reporting Standards.</p> <p>A glossary of terms can be found at the end of this publication.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The Notes to the Accounts These provide more detail about the accounting policies and individual transactions.













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 2021.

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 2021 and its income and expenditure for the year ended 31 March 2021.

M. Kimberley, 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 2020-21



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.

The Statement also identifies how any changes made to governance as a result of Covid-19 have been put in place and how this has impacted on governance arrangements during the year.

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
- The Annual Budget setting process

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 find expression in the Force PROUD values.
- The Force continually reinforces 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 The Standards of Professional Behaviour (SoPB) ethics and values. Throughout training many of the subjects are linked back to the Code of Ethics and the SoPB.
- 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. This is to be renewed in line with new regulatory reforms and is currently being rewritten (April 2021).

- 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 has been a reinvigoration of Integrity Messenger to ensure officers/staff feel able to report 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 reasonable and proportionate handlers (Sergeants) Complaints and Learning 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 latest (2018) 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’.
- The outcome of misconduct proceedings are published to reinforce standards and learning. The appointment of the new meetings and hearings officer will ensure this is published and all learning shared across the organisation.
- The Force has a Strategic Threat Assessment identifying the risks from corruption and control strategy plans underpin this. Specifically, the Force has a comprehensive plan in place to tackle Abuse of Position of Trust for a Sexual Purpose. Audited meetings take place to discuss the Counter Corruption Unit approach to Abuse of Position of Trust for a Sexual Purpose. A risk matrix exists with a cohort of individuals monitored within the organisation.
- An Ethics Board has been established to consider and discuss ethical issues in an advisory and consultative capacity. It considers 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 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's Neighbourhood Policing Priority Survey is Nottinghamshire Police's biggest public consultation exercise in a decade, giving the public an opportunity to help shape local policing priorities in their area. This is branded locally as *#NottsMatters*.
- Consultation and engagement are undertaken with local residents and business communities and forms part of key decision making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, the OPCC's quarterly crime survey, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement activity/meetings, Key Individual Networks (KINs) and Independent Advisory Groups (IAGs).
- The HMICFRS 2018 PEEL Report recommended that the Force should work with local people to improve its understanding of local communities, and demonstrate what action has taken place as a result of their concerns. In response, an external trainer provided a 2-day input on problem solving to all Neighbourhood staff (PCSO, Constable, Sergeant, Inspector and Chief Inspector) alongside partners from City, District and County Councils and Nottinghamshire Fire and Rescue Service (NFRS) in 2020. The training was enhanced in February 2021 when 40 Problem Solving Tactical Advisors were equipped with additional Problem-Solving training, who will be able to help mainstream the training.
- Nottinghamshire Police record and store our problem-solving plans on the Empowering Communities Inclusion and Neighbourhood Management System (ECINS) on purpose-built Scanning Analysis Response and Assessment (SARA) templates for all involved parties to contribute individually and record the work they do on specific problem.
- Being cognisant of the recommendations of the HMICFRS, sharing good examples of 'what works' will enable us to focus on tried and tested interventions and approaches to crime prevention and problem solving. Our Inspectors and Sergeants populate a 'what works' review document with examples of good practice reviewed by a quarterly 'what works' board. This evaluation explores effectiveness what learning the police and partners can adopt. Each successful submission is uploaded to the neighbourhood portal and promoted via a regular 'what works' digest to share good practice and support the force in planning its future activities. Case studies are shared via an agenda item on the quarterly neighbourhood Inspectors meetings, promoted as good news stories and considered for further acknowledgement through the force awards and recognition scheme. Successful submissions will also be shared with other forces, local partners and the College of Policing 'what works' website and Knowledge Hub. We recognise successes, identify best practice and actively share this locally and nationally. Promotion of the National Tilley Awards is already taking place.

- Recent investment has also taken place by launching the Neighbourhood Policing Hub (NPHub) which has essentially brought together key functions of problem solving and crime prevention under one umbrella. Formed with the support of our key partners, the NPHub will assist front line practitioners through learning and professional development and addressing issues in their particular area; from the provision of data and analysis, to the deployment of Crime Prevention and Designing out Crime specialists.
- The Force has a strategic 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 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 (Fol) Act, the website is updated pro-actively with force information in a Fol 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, is 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.

City

- 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 and governance and finance.
- The CDP Plan 2019-22 sets out the overall aims, 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.

County

- 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.

- An annual Extraordinary Force Executive Board (E-FEB) is held which is attended by senior internal and external stakeholders, including the Fire Service, 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 works 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 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 takes 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 quarterly 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 bi-monthly 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 2021-22 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- Regular Capital and Revenue reports are 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.

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 (ADA's) and review and update of the Medium Term Financial Strategy.
- 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 2018 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. In response the Force has created a Prioritisation Matrix which will report into the Futures Board. This will ensure ICT planning is closely aligned to future plans and wider change programmes, so current and future demand can be effectively managed.
- We are delivering the Digital Policing Strategy 2025 with work scheduled for 2021 to deliver the Digital Public Contact programme alongside Single Online Home. The Nottinghamshire Digital Evidence Management System is scheduled to go live in 2021 and our local Digital Strategy will be updated to include our Cloud Adoption Journey, capitalising on Cloud technology, with Digital Forensics as our first use case.
- 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 to 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.
- HMICFRS 2018 PEEL Report recommended that the Force should ensure that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings. The Force appointed a Business Benefits Officer in 2020 who has worked closely with Finance to formalise a process that captures savings and how they have been invested. This will be captured through the Annual Departmental Assessment (ADA) process. To align with every financial quarter savings from project delivery will be reported to the Strategic Futures Board on a quarterly basis by the Business Benefits Officer. This will identify any cashable savings that have been realised and will be re-directed from the area in which the saving occurred into the Futures Board budget to be

reinvested by the Force as per currently Force Policy. A financial tracking tool has been built alongside reporting dashboards that complement each other by structuring data in a smooth user experience enabling clear and accurate audit.

- 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. Generally, over time, the Force has moved from average/upper quartile to below average/lower quartile for many of our enabling services.
- 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 methodology 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 communicated to the organisation through VLOGs by the DCC. 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.

Area for improvement: The Force should ensure that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings.

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 regarding 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 in the 2018 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 through a training needs analysis, which is being undertaken on a departmental basis to ensure the workforce is adequately skilled and the appropriate training is scheduled.
- Our new talent management programme, 'Career Conversation' has been launched and this replaces the PDR process. This is stored locally, with HR maintaining a record of completion rates and individual career matrix grading. Career Conversations clearly captures talent across the force via a career matrix grading system. This will be reviewed at a meeting chaired by the ACC to ensure consistency across the organisation. Leadership and development training initiatives will become targeted around talent matching.

- For staff and transferees new to the organisation there is a one-day induction course, which is complemented by additional specialist training where required. A staff handbook has also been developed. Student officers go through initial training, including induction into the organisation.
- The Force has embedded the Competency Value Framework (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, recruitment processes and internal assessment procedures.
- The leadership development programme invests in first and second line supervisors; it is also complemented by coaching, mentoring and 360 degree feedback for staff and officers progressing to senior leadership.
- 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 their staff and delegation to the Chief Constable and their 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 recognise and promotes the benefits of collaborative working and continues to work in a number of regional collaborations as well as collaborations with Nottinghamshire Fire and Rescue.

Area for improvement: The Force should undertake appropriate activities to understand fully its workforce's capabilities, identify any gaps, and put plans in place to address these gaps.

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 bi-annually in order to keep the Board informed as to the level of strategic risk within the Force and NOPCC 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.

- Annual reporting is made to JASP on business continuity, this includes progress made against the business continuity testing timetable and notes on forthcoming testing.
- 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.
- Since 2019/20 all projects have been closed with a formal end project report from the Project Manager/Lead that includes the content of a post implementation review (PIR). PIRs have been introduced and are scheduled for medium and large projects and all staff restructures including the 2018 Force Restructure and 2018 Analytical Restructure PIRs that were completed during 2019/20.
- 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.
- 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 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.
- Budget monitoring reports are presented to the Strategic Resources and Performance meeting on a quarterly basis.
- 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 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 Joint Audit and Scrutiny Panel at every meeting.

- An internal audit on Core Financial System Assurance found the Force to have satisfactory assurance in relation to General Ledger, Cash, Bank and Treasury Management, Payments and Creditors, Income and Debtors but limited assurance in respect of Payroll.
- 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 decision was made in 2019/20, along with other partner forces (Northamptonshire, Cheshire and Civil Nuclear Constabulary), to exit from the Multi Force Shared Service (MFSS) arrangement before November 2022, which is when the contract concludes with Oracle and CapGemini. As a result, the Force established Project Regain to bring back in-house the services currently provided by MFSS. This has involved the procurement of new IT solutions for finance, payroll, human resources and learning and development. The procurement process, and due diligence, was undertaken during 2020/21, resulting in contracts being awarded in March 2021 to ABSS for the finance solution and Midland HR for payroll, human resources and learning & development. Work continues through the MFSS management board to ensure service levels are maintained during the transition to full local service delivery in April 2022. The DCC is taking an active role in the Regain Project as SRO for the Force and continues to chair the MFSS management board.
- Mazars undertook an internal audit on the Force's approach to risk management in February 2021 and the following recommendations were included in their report:

Recommendation 1: The Force should ensure that a thorough review is undertaken of the Force's departmental risk registers, so that risks that are inherent to the respective departments are identified and scored, as stated in the Risk Management Strategy.

Recommendation 2: The Force should ensure that all risk registers are complete and that appropriate controls are recorded for each risk. Where risk controls are being reviewed, the Force should ensure that interim controls are in place to effectively monitor risks.

Recommendation 3: The Force should ensure that further training is provided to users of the JCAD system to ensure that appropriate controls are recorded to mitigate the risks identified.

Recommendation 4: Furthermore, the Force should ensure that where controls and other risk mitigation activities are inserted that these are reviewed to ensure their appropriateness.

Recommendation 5: The Force could consider introducing guidance for users of the JCAD system, which outlines a criterion for controls and risk mitigation activities.

Recommendation 6: The Force should ensure the meeting minutes for the Organisational Risk, Learning, Standards and Integrity Board are well documented, which demonstrate at the very least:

- The registers presented;
- The risks discussed; and
- The decisions reached / action plans devised.

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 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 CFOs 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 scrutinise the actions and decisions 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 NOPCC 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.

2.8 Update on the recommendations from the Inspection Visit to Police Custody Suites

- All of the recommendations, and the areas for improvement, continue to be monitored by the ACC Local Policing and through the Custody HMICFRS Action Plan Review meeting, which is chaired by the DCC.
- HMICFRS conducted an unannounced custody inspection re-visit in September 2019 and found that the Force had made significant progress in relation to the above recommendations. HMICFRS have confirmed that when the new custody suite is complete, they will undertake a further re-inspection.

2.9 Update on the recommendations from the Crime Data Integrity Inspection 2018

- The Force has made significant improvements across all of the recommendations from the Crime Data Integrity Inspection 2018 and are monitored via the HMICFRS Portal.

2.10 Covid-19

Following the Government announcement on 23 March 2020 and recommended social distancing guidance, the operational focus and working practices of the police have been significantly affected.

Nottinghamshire has maintained business continuity as far as possible, and in response to Covid-19, have implemented a number of measures to enable this.

These new ways of working have enabled delivery across our critical areas. The caveat on these measures is that whilst they are benefitting the organisation in the current crisis, further evaluation, wider risk management and consideration will be required as the Force looks towards the recovery stage and if these measures can continue to improve efficiency beyond the current crisis.

Measures that have been to support different ways of working have been demonstrated in the following areas:

Use of technology: The force has been rolling out Microsoft Teams to enable conference facilities and meetings to continue to take place. We have also introduced Cisco Jabba, an internal interactive piece of software to allow greater communication across the organisation, reducing internal meetings and the requirement for attendees to travel. The greater use of technology has allowed home working for employees who have had to self-isolate. We have issued more laptops to staff enabling greater flexibility during lockdown. There is potential for the force to consider further agile working across the organisation to increase efficiency and reduce costs. This is of particular benefit to the Police travel plan outlined in the new joint Police and Fire Service headquarters plans.

Working with partners: We have continued our partnership working through the use of technology. Microsoft Teams and other forums have enabled these meetings to continue and the Force is looking to use this means of communication as a permanent arrangement.

Policies/procedures: In order to manage the challenges of the pandemic the Force reviewed a number of policies and procedures related to workforce wellbeing and amended these where appropriate.

Domestic Abuse Safe and Support: Introduced in May 2020 to ensure that victims who declined to engage with partner agencies were still safe and well with access to any support they need during lockdown restrictions. This process ensured a consistent, transparent and auditable process of engaging with medium risk domestic abuse victims. Due to the success of this programme, it will continue post lockdown alongside the usual domestic abuse victim satisfaction surveys.

HMICFRS Policing in the Pandemic report: The Force was inspected during 2020 on its response to Covid-19 and the thematic report was published in April 2021. Nottinghamshire Police is praised in the report for the use of VLOGs and the content about vulnerability to update staff and officers about how to identify concerns. The report also highlights the Force's redeployment of staff from other safeguarding teams to add to our online paedophile investigation capabilities.

Operation Bion Gold Group: A Gold group is chaired by the ACC Local Policing on a weekly basis to monitor the Force response to the pandemic. Departmental Heads provide updates on their areas of business in this context and business continuity testing and planning are discussed. Updates are also reported from the Strategic Coordinating Group (SCG) and the Tactical Coordination Group (TCG). Emerging issues are also raised through this forum.

2.11 Brexit

There are no significant risks or issues relating to Brexit for the organisation.

3.0 Chief Finance Officer Role

- As a key member of the leadership team, the Chief Financial Officer (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 encourages 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 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 Ernst Young 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.
- With effect from 1st January 2021 a new role of Head of Finance has been created to assist the CFO in the delivery of their duties. This role also acts as deputy to the CFO.

4.0 Review of Effectiveness/Internal Audit Opinion

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.

From the Internal Audit work undertaken in compliance with the Public Sector Internal Audit Standards (PSIAS) for the year ending 31st March 2021, our overall opinion is that generally effective processes are in place for Core Financials, Balance Transfers, Business Continuity, Data Quality, GDPR, Performance Management and Programme Management. We have, however, identified weaknesses in respect of Archive & Exhibits, Payroll, Wellbeing, Information Assurance and Risk Management that require addressing.

5.0 Improvement actions

The review process to support the production of the Annual Governance Statement in 2019-20 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 2019-20

URN	Identified improvement action(s):	Update	Lead Officer
1.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Constabulary and Fire and Rescue Services Integrated Peel Inspection 2018.	Cause of Concerns and Areas for Improvement continue to be addressed. The force is due a further inspection in 2020 to ensure all work is complete.	Various.
2.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services (Section 2.8).	All actions have been addressed and the force was revisited by HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services in November 2019. The force was found to have made significant progress.	Chief Inspector Emma Spencer.
3.0	Develop a plan to ensure there is improved understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty (Section 2.9).	All actions have been addressed and additional training given by the Force Crime Registrar. The force has taken a view it complies with its equality duty and, to collect further diversity information, would not be in compliance with GDPR.	Paul Cook, Force Crime Registrar.

Internal Audit Annual Assurance 2020-21 Report - Areas of Limited Assurance and No Assurance

Limited Assurance		Lead Officer
1	Information Assurance	Chief Superintendent Donna Lawton
2	Risk Management	Chief Superintendent Donna Lawton
3	Wellbeing	Claire Slater Head of People Services

No Assurance		Lead Officer
4	Archives & Exhibits	Chief Superintendent Donna Lawton

Nottinghamshire Police was inspected by HMICFRS during 2020/21 in the following areas:

Inspection Area	Type of Inspection	Outcome
Response to Covid-19	Force Inspection	Report issued April 21. 5 general recommendations – none Notts Force Specific
Fraud	Thematic Inspection	Report issued August 21. 16 general recommendations – none Notts Force Specific
Neurodiversity	CJS Prison, Probation, and Police	6 general recommendations – none Notts Force Specific

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 improvement that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

Signed:

Signed:

Craig Guildford
Chief Constable

Mark Kimberley
Chief Financial 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.

2019-20				2020-21		
Expenditure	Income (Note 13)	Net		Expenditure	Income (Note 14)	Net
£'000	£'000	£'000		£'000	£'000	£'000
242,180	(17,838)	224,342	Cost of Police Services	268,770	(29,234)	239,536
-	(239,312)	(239,312)	Funding from the Commissioner	-	(245,344)	(245,344)
242,180	(257,150)	(14,970)	Cost of Services	268,770	(274,578)	(5,808)
69,513	-	69,513	Financing and Investment (Income) and Expenditure	60,250	-	60,250
311,693	(257,150)	54,543	(Surplus) or Deficit on Provision of Services	329,020	(274,578)	54,442
		(229,564)	Other Comprehensive (Income) and Expenditure			229,802
		(175,021)	Total Comprehensive (Income) and Expenditure			284,244

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.

2020-21	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2020	-	2,670,457	2,670,457
Movement in reserves during year			
(Surplus) or deficit on the provision of services	54,442	-	54,442
Other Comprehensive (Income) / Expenditure	-	229,802	229,802
Total Comprehensive Income and Expenditure	54,442	229,802	284,244
Adjustments between accounting basis and funding basis under regulations	(54,442)	54,442	-
Decrease in year	-	284,244	284,244
Balance at 31 March 2021	-	2,954,701	2,954,701

2019-20	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2019	-	2,845,478	2,845,478
Movement in reserves during year			
(Surplus) or deficit on the provision of services	54,543	-	54,543
Other Comprehensive (Income) / Expenditure	-	(229,564)	(229,564)
Total Comprehensive Income and Expenditure	54,543	(229,564)	(175,021)
Adjustments between accounting basis and funding basis under regulations	(54,543)	54,543	-
Increase in year	-	(175,021)	(175,021)
Balance at 31 March 2020	-	2,670,457	2,670,457

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 2020 £000		31 March 2021 £000
(3,550)	Short-Term Creditors - Accumulated Absences	(4,260)
(3,550)	Current Liabilities	(4,260)
(2,666,907)	Other Long-Term Liabilities - Pension Liabilities	(2,950,441)
(2,666,907)	Long Term Liabilities	(2,950,441)
(2,670,457)	Net Assets	(2,954,701)
2,670,457	Unusable Reserves	2,954,701
2,670,457	Total Reserves	2,954,701

Cash Flow Statement

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

2019-20 £000		2020-21 £000
54,543	Net (surplus) or deficit on the provision of services	54,442
(54,543)	Adjustment to (surplus) or deficit on the provision of services for noncash movements	(54,442)
-	Net cash flows from activities	-



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 2020-21 (The Code) and the Best Value Accounting Code of Practice 2020-21, 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 – Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (Code Of Practice On Local Authority Accounting In The United Kingdom 2020-21) in respect of going concern reporting requirements reflect the economic and statutory environment in which Police and Crime Commissioners and police forces operate.

These provisions confirm that, as Police and Crime Commissioners and police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and Police and Crime Commissioners are revenue-raising bodies (with limits on revenue raising powers

arising only at the discretion of central government). If a Police and Crime Commissioner was in financial difficulty, the prospects are thus that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis.

Note 2 – Going Concern (continued)

Accounts drawn up under the Code therefore assume that a Police and Crime Commissioner will continue to operate for the foreseeable future.

The current restrictions in place within the United Kingdom in response to Covid-19 have created issues for police forces in terms of policing the government lockdown in addition to continuing normal policing functions. This has given rise to additional costs in terms of overtime and providing personal protective equipment (PPE) to operational police officers and staff.

The financial and social outcomes of Covid-19 are not yet fully understood, however, it is anticipated that the condition will exist for the short to medium future and that it will have a significant impact upon the UK and global economy.

The PCC and CC CFOs have carried out a detailed assessment of the likely impact of COVID-19 on the financial position and performance of the CC and PCC & Group during 2020-21 and beyond which has included modelling scenarios considering the impact on:

- Increased expenditure
- Reductions in income
- Cashflow and liquidity
- General fund balances and reserves

The review has considered known and expected government funding and determined that there is sufficient liquidity from the PCCs ability to access short term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the CC and PCC CFOs are satisfied that they can prepare their accounts on a going concern basis.

Increased Expenditure

The outturn report for 2020/21 shows a net minor overspend for the force of £65k and at the end of 2020/21 the force had incurred additional costs of £1,381k and loss of income of £564k in relation to Covid-19 as well as £300k in relation to orders that had been delayed, the cost of which should have been incurred during 2019/20. These costs along with additional overtime spends would have resulted in a larger overspend position than that being reported, however they are offset by additional government grants of £1.571k and considerable savings on vacant staff posts.

Reductions in income

The speed of recovery of council tax income for the PCC is dependent on external factors surrounding Covid-19 and how quickly activities return to normal or whatever the post Covid-19 normal is, but, in all cases, the PCC is taking a cautious approach to the recovery rate of council tax income.

Cashflow and Liquidity Risk Exposure:

The treasury function is administered by the PCC and ensures that cash flow is adequately planned and liquidity risk exposure is controlled in accordance with the relevant professional codes.

The Chief Constable does not hold cash or equivalent balances. Those are held by the PCC and are positive at the balance sheet date, have remained positive during 2020-21 and are estimated to be positive throughout 2021-22.

General Fund Balances and Reserves

The General Fund balance at 31st March 2021 remains at 2019-20 levels and there are no plans to reduce this within the 2021/22 budget. The Outturn shows that covid hasn't presented the financial challenge expected due to grants and lower costs and therefore it is unlikely this will directly have an impact on the Medium Term Financial Plan.

It is considered that there is sufficient headroom within these measures and the general balances to absorb the estimated financial impact of COVID-19 in the short to medium-term. For these reasons, the PCC and CC CFOS do not consider that there is material uncertainty in respect of their ability to continue as a going concern for the foreseeable future.

Notes to the Accounts including Accounting Policies

Note 3 – 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 4 – Exceptional Items

There are no exceptional items applicable in the year.

Note 5 – Prior Period Adjustments, Changes in Accounting Policies and Estimates and 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 6 – 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 7 – Government Grants and Contributions

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

Note 8 – Allocation of Costs

The charges to the Comprehensive Income and Expenditure Account reflect the way management decisions are made.

The basis of splitting costs between The Commissioner and the Chief Constable for revenue is based on operational activity of the Chief Constable.

All assets and liabilities belong to the Group apart from the provision for accumulated absences and pension liabilities that relate for the officers and staff that report to the Chief Constable.

The Chief Constable is therefore a single service entity.

Note 9 – Joint Operations & Associate Entities

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.

The OPCC's share of Joint Operations (JO's) is as follows:

Ownership %	Arrangement	2020-21		
		Expenditure £000	Income £000	Net £000
27.30%	EM Major Crime	236	(237)	(1)
27.30%	EM Legal Services	532	(527)	5
34.90%	EM Criminal Justice	191	(193)	(2)
27.30%	EM Serious Organised Crime	7,394	(7,383)	11
27.30%	EM Occupational Health Unit	491	(486)	5
31.42%	EM Learning & Development	547	(546)	1
27.30%	EM Forensics	2,476	(2,651)	(175)
22.60%	Emergency Services Network (ESN)	96	0	96
50.00%	EM Strategic Commercial Unit/MINT	681	(629)	52
31.04%	Multi Force Shared Service (MFSS)	2,377	(2,377)	0
		15,021	(15,029)	(8)

The OPCC does not have any Associate Entities in 2020-21.

Note 10 – 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 11 – 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 12 – 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 13 – 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.

2019-20				2020-21		
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
239,312	(14,970)	224,342	Cost of Police Services	245,344	(5,808)	239,536
(239,312)	-	(239,312)	Funding from the PCC	(245,344)	-	(245,344)
-	(14,970)	(14,970)	Net Cost of Services	-	(5,808)	(5,808)
-	69,513	69,513	Other (Income) and Expenditure	-	60,250	60,250
-	54,543	54,543	(Surplus) or Deficit on Provision of Service	-	54,442	54,442

Note 13 – Expenditure Funding Analysis (continued)

2020-21	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	(6,519)	711	(5,808)
Net Cost of Services	(6,519)	711	(5,808)
Other Income and Expenditure	60,250	-	60,250
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	53,731	711	54,442

2019-20	Net Pensions Statutory Instruments £000	Other Statutory Adjustments £000	Total Adjustments £000
Cost of Police Services	(15,749)	779	(14,970)
Net Cost of Police Services	(15,749)	779	(14,970)
Other Income and Expenditure	69,513	-	69,513
Difference between the Statutory Charge and the (Surplus) or Deficit in the Comprehensive Income and Expenditure Statement	53,764	779	54,543

The Net Change for the Pensions Adjustments in 2020-21 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 14 - Income

2019-20 £000	Credited to Services	2020-21 £000
(1,789)	Partnership and Joint Controlled Operations	(1,044)
(1,858)	PFI Grant	(1,540)
(1,640)	Recharge of Officers	(1,645)
(12,551)	Other Income	(25,005)
(17,838)	Total	(29,234)

Note 15 – Income and Expenditure Analysed by Nature

2019-20 £000	Nature of Expenditure or Income	2020-21 £000
(17,838)	Service Income	(29,234)
199,789	Employee Expenditure	223,407
42,392	Running Expenses	45,363
(239,312)	Income from Commissioner	(245,344)
-	Pension Interest Income	-
69,513	Pensions Interest Payment	60,250
54,543	(Surplus) or Deficit for Year	54,442

Note 16 – Adjustment between Accounting and Funding Basis under the regulations

2019-20 £000	Adjustment between Accounting and Funding Basis under the regulations	2020-21 £000
53,764	Pension Cost (transferred to/(from) the Pension Reserve	53,731
698	Pension Reserve Adjustment of PCC / CC b/f split	-
81	Holiday pay (adjustments to the Accumulated Absences Reserve)	710
54,543	Total	54,442

Note 17 – Unusable Reserves

31 March 2020	Type of Reserve	31 March 2021
£000		£000
2,666,907	Pensions	2,950,441
3,550	Accumulated Absences	4,261
2,670,457	Total	2,954,702

31 March 2020	Pensions Reserve	31 March 2021
£000		£000
2,842,009	Balance 1 April	2,666,907
698	Analysis adjustment between PCC and CC	-
(229,564)	Remeasurements of the net defined benefit liability/(asset)	229,802
125,032	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	128,502
(71,268)	Employer's contributions to pensions schemes	(74,771)
2,666,907	Balance 31 March	2,950,440

31 March 2020	Accumulated Absence Reserve	31 March 2021
£000		£000
(3,469)	Balance 1 April	3,550
3,550	Settlement or cancellation of accrual made at the end of the preceding year	(3,550)
	Amounts accrued at 31 March 2021	4,260
81	Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	710
3,550	Balance at 31 March	4,260

Note 18 – External Audit Costs

Ernst and Young LLP are the appointed external auditors. The cost was £0.069m (£0.039m in 2019-20).

Note 19 – 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 2019 for members receiving funded benefits and for any members receiving unfunded benefits. This has then been rolled forward to reflect the position as at 2021.

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 2020.

Note 19 – Defined Benefit Pension Scheme (continued)

When assessing the potential implications of McCloud on the IAS19 liabilities, the actuary has considered those members with benefits in the 2015 scheme who were former members of the 1987 and 2006 schemes. The actuary has calculated the additional liability arising had these members not ceased to accrue benefits in the 1987 and 2006 schemes on 1 April 2015 (or after this date if their start date in the 2015 Scheme was tapered) and had continued instead to accrue final salary benefits in the 1987 and 2006 Schemes. The actuary has also included the impact for those who retired after joining the 2015 Scheme. Whilst members who left the service over this period and took deferred benefits were considered, the actuary concluded the effects are not material.

The costs emerging are sensitive to the underlying assumptions. The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation took place in 2020 with implementation of the results planned for 2023-24 and forces will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through The Police Pension Fund Regulations 2007. These require a police authority to maintain a police pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have enough funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Note 19 – Defined Benefit Pension Scheme (continued)

2019-20		Pension Fund Comprehensive Income and Expenditure Statement	2020-21	
LGPS £000	Police £000		LGPS £000	Police £000
14,381	53,810	Current Service Cost	16,102	52,020
92	-	Admin Expense	92	-
356	(13,120)	Past Service Cost	38	-
-	-	(Gain) / loss from curtailments	-	-
3,333	66,180	Net interest expense / (income)	3,530	56,720
18,162	106,870	Total charged to (Surplus) and Deficit on Provision of Services	19,762	108,740
		Other Costs - Remeasurement of the defined benefit liability		
22,921	-	Return on Assets	(42,140)	-
15,503	(51,840)	Actuarial (gains) & losses – experience	(4,129)	(133,920)
(8,161)	(80,750)	Actuarial (gains) & losses arising on changes in demographic assumptions	(3,762)	-
(45,595)	(82,470)	Actuarial (gains) & losses arising on changes in financial assumptions	124,372	289,380
828	-	Return on plan assets (exc amount included in the net interest expense)	-	-
3,659	(108,190)	Total charged to the Comprehensive Income and Expenditure Statement	94,104	264,200

Note 19 – Defined Benefit Pension Scheme (continued)

2019-20		Pension Fund Movement in Reserves Statement	2020-21	
LGPS £000	Police £000		LGPS £000	Police £000
18,162	106,870	Reversal of net charges made to the (Surplus) or Deficit on the Provision of Services	19,762	108,740
(5,038)	-	Amount charged against the general fund balance for pensions in the year:	(7,451)	-
-	(66,230)	Employers' contributions payable to the scheme	-	(67,320)
		Retirement benefits payable to pensioners		

2019-20		Pensions Assets and Liabilities Recognised in the Balance Sheet	2020-21	
LGPS £000	Police £000		LGPS £000	Police £000
(351,600)	(2,528,140)	Present value of the defined obligation	(487,108)	(2,725,020)
212,833	-	Fair value of plan assets	261,688	-
(138,767)	(2,528,140)	Value of Assets / (Liabilities)	(225,421)	(2,725,020)
(138,767)	(2,528,140)	Net (liability) / assets arising from the defined benefit obligation	(225,421)	(2,725,020)

Note 19 – Defined Benefit Pension Scheme (continued)

2019-20		Pension Fund	2020-21	
LGPS £000	Police Officer Pension Scheme £000		LGPS £000	Police Officer Pension Scheme £000
231,694	-	Opening fair value of scheme assets	212,833	-
5,006	-	Interest income	4,350	-
(22,921)	-	Re-measurement gain / (loss):		
5,038	66,230	The return on plan assets, excluding the amount included in the net interest expense	42,140	-
2,300	10,090	Contributions from employer	7,451	67,320
(7,364)	(76,320)	Contributions from employees into the scheme	2,569	10,920
(828)	-	Benefits / transfers paid	(7,562)	(78,240)
(92)	-	Other actuarial gains(losses) on assets	-	-
	-	Admin Expense	(92)	-
212,833	0	Closing value of scheme assets	261,688	-

2019-20		Pension Fund	2020-21	
LGPS £000	Police Officer Pension Scheme £000		LGPS £000	Police Officer Pension Scheme £000
(371,143)	(2,702,560)	Opening balance at 1 April	(351,600)	(2,528,140)
(698)	-	Analysis adjustment between PCC and CC		
(14,381)	(53,810)	Current service cost	(16,102)	(52,020)
(8,339)	(66,180)	Interest cost	(7,880)	(56,720)
(2,300)	(10,090)	Contributions from scheme participants	-	(10,920)
-	-	Unusable Reserves	(2,569)	-
		Re-measurement gains and losses:		
(15,503)	51,840	- Actuarial gains / (losses) - experience	4,129	133,920
8,161	80,750	- Actuarial gains / (losses) from changes in demographic assumptions	3,762	-
45,595	82,470	- Actuarial gains / (losses) from changes in financial assumptions	(124,372)	(289,380)
(356)	13,120	Past service cost	(38)	-
-	-	Gains / (losses) on curtailments	-	-
7,364	76,320	Benefits / transfers paid	7,562	78,240
(351,600)	(2,528,140)	Balance as at 31 March	(487,108)	(2,725,020)

Note 19 – Defined Benefit Pension Scheme (continued)

The liabilities show the underlying commitments that the Force will eventually have for retirement benefits. The total liability of £2,940.4m has a substantial impact on the net worth of the Balance Sheet. Statutory accounting arrangements to fund the deficit neutralise the effect on taxpayers. Finance is only required when the pensions are actually paid.

The deficit on the local government scheme has been recovered by increased monetary contributions for three years until this year. The situation will be re-assessed for the next three years based on an actuarial valuation report.

The total contributions expected to be made to the Staff Pension Scheme and the Police Officer Pension Scheme in the year ending 31 March 2022 are £7.4m and £24.9m respectively.

The expected return on scheme assets is determined by considering the expected returns available on the assets with the current investment policy:

- Expected yields on fixed interest investments are based on gross.
- Redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £46.5m (2019-20, £-17.9m). The pension liability is sensitive to changes and the actuaries give an indication of this.

For the LGPS an increase of 0.1% on the discounting rate used decreases the pension liability by £11.8m and a decrease by the same amount increases the pension liability by £12.1m.

For the police officers scheme an extra 0.5% on the discounting rate used decreases the liability by £225m with a 0.5% decrease in the rate increasing the liability by the same amount.

Pension Assumptions	LGPS		Police	
	2019-20	2020-21	2019-20	2020-21
Mortality assumptions				
Longevity at 65 retiring today				
Men	21.8 yrs	21.6 yrs	21.9 yrs	22.0 yrs
Women	24.4 yrs	24.3 yrs	23.6 yrs	23.7 yrs
Longevity at 65 retiring in 20 years				
Men	23.2 yrs	22.9 yrs	23.6 yrs	23.7 yrs
Women	25.8 yrs	25.7 yrs	25.2 yrs	25.3 yrs
Rate of inflation				
CPI increases	1.85%	2.85%	2.00%	2.40%
Rate of increase in salaries	2.85%	3.85%	4.00%	4.15%
Rate of increase in pensions	1.85%	2.85%	2.00%	2.40%
Rate for discounting scheme liabilities	2.35%	2.05%	2.25%	2.00%

Note 19 – Defined Benefit Pension Scheme (continued)

Value of LGPS Assets at Bid Value	31 March 2020 £000	31 March 2020 %	31 March 2021 £000	31 March 2021 %
Equity Investments	136,105	64	166,730	64
Gilts	6,997	3	9,261	4
Other Bonds	18,462	9	19,560	7
Property	27,023	13	27,760	11
Cash	5,205	2	13,989	5
Inflation-linked pooled fund	7,749	4	10,202	4
Infrastructure	11,291	5	14,186	5
Unit Trust	-	-	-	-
	212,833	100	261,688	100

Note 20 – Officers' Remuneration

2020-21							
Officers Remuneration 2020-21	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Comp for Loss of Office £	Pension Contribution £	Total £
Chief Constable – C Guildford		178,425	-	9,639	-	54,038	242,102
Deputy Chief Constable		135,792	-	7,513	-	-	143,304
Assistant Chief Constable		118,009	-	6,725	-	36,583	161,316
Assistant Chief Constable – note 3		93,133	-	5,032	-	28,015	126,180
Assistant Chief Constable – note 4		94,316	300	1,851	-	29,111	125,578
Chief Finance Officer		65,772	-	386	-	10,852	77,011
TOTAL CHIEF CONSTABLE		685,446	300	31,145	-	158,600	875,491

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

Note 2: Expenses Allowances include taxable expenses such as mileage, car allowances and medical expenses.

Note 3: Left 10/01/21

Note 3: Promoted to ACC 11/01/21

Note 20 – Officers’ Remuneration (continued)

2019-20							
Officers Remuneration 2019-20	Note	Salary, Fees & Allowances (Note 1) £	Bonuses £	Expenses Allowances (Note 2) £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Constable – C Guildford		173,416	-	10,660	-	52,486	236,562
Deputy Chief Constable		134,153	-	9,248	-	-	143,401
Assistant Chief Constable		115,058	-	7,510	-	35,668	158,236
Assistant Chief Constable		112,929	-	7,029	-	33,906	153,864
Chief Finance Officer		64,172	-	614	-	8,599	73,385
TOTAL CHIEF CONSTABLE		599,728	-	35,061	-	130,659	765,448

Note 1: Salary, Fees and allowances includes Rent Allowance, Housing Allowance and Compensatory Grant.

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

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

Employees Remuneration over £50,000		
	2019-20	2020-21
£50,001 to £55,000	12	11
£55,001 to £60,000	3	4
£60,001 to £65,000	2	3
£65,001 to £70,000	-	0
£70,001 to £75,000	1	1
£75,001 to £80,000	2	2
£80,001 to £85,000	1	0
£85,001 to £90,000	1	1
£90,001 to £95,000	1	1
£95,001 to £100,000	-	0
£100,001 to £150,000	-	0
£150,001 to £200,000	-	0
Total	23	23

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 £4.3m (£3.6m 2019-20).

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.

7 contracts were terminated during the year (6 in 2019-20), incurring costs of £100k (£275k in 2019-20), of which £22k 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 2021.

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)	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
£0 - £20,000	1	-	3	6	4	6	27	71
£20,001 - £40,000	1	-	-	1	1	1	22	29
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Over £150,000	-	-	1	-	1	-	226	-
Total cost included in bandings all included within the CIES	2	-	4	7	6	7	275	100

Note 21 – 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 22 – Contingent Liabilities

A contingent liability arises where a past event gives a possible obligation which depends on the outcome of uncertain future events not wholly in the control of the Chief Constable/Group. As usable reserves/liabilities are met by the Group such liabilities are not recognised in the Chief Constables accounts.

Contingent liabilities also arise in circumstances where a provision or reserve would otherwise be made, but there is not the level of certainty on either likelihood or value. Contingent liabilities are not recognised in the Balance Sheet.

An earmarked reserve for Allard is held within the Group as the Chief Constable is wholly owed by the parent and does not have any useable reserves.

Any liabilities arising would be fully met by The Commissioner and Group.

Note 23 – Reserves

These accounts do show unusable reserves such as pensions and accumulated absences.

However, as all the assets are held solely in the Group accounts, where a useable reserve is recognised, hence are therefore only shown in the Group accounts. As such no useable reserves are held by the Chief Constable.

Note 24 – Accounting Standards Issued, Not Adopted

For 2020/21 new standards that have been issued but not adopted relate to;

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

These changes were issued after the new CIPFA Code Of Practice for Local Authority Accounts was published but the impact on the financial statements of the Chief Constable is either not applicable or not considered to be material.

Note 25 – Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date on which the Statement of Accounts are authorised for issue. Two types of events can be identified:

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

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

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

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	ACTUARIAL GAINS AND LOSSES	AUDIT OF ACCOUNTS
The Police Reform and Social Responsibilities Act 2011.	<p>For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:</p> <p>Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or the actuarial assumptions have changed.</p>	An independent examination of the Force's financial affairs.
BALANCE SHEET	BUDGET	CIPFA
A statement of the recorded assets, liabilities and other balances at the end of the accounting period.	The forecast of net revenue and capital expenditure over the accounting period.	The Chartered Institute of Public Finance and Accountancy.

CODE	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	CONSISTENCY
The CIPFA Code of Practice on Local Authority Accounting governs the content of these accounts.	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.
CREDITOR	CURRENT SERVICE COST (PENSIONS)	DEFINED BENEFIT PENSION SCHEME
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.	The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.	Pension schemes in which benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.
DEPRECIATION	DISCRETIONARY BENEFITS (PENSIONS)	EVENTS AFTER THE BALANCE SHEET DATE
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.	Retirement benefits, which the employer has not legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.	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.

EXPECTED RETURN ON PENSION ASSETS	GOING CONCERN	GOVERNMENT GRANTS
For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.	The concept that the statement of Accounts is prepared on the assumption that the Force will continue in operational existence for the foreseeable future.	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.
GROUP	IFRS	INTEREST COSTS (PENSION)
Nottinghamshire Office of the Police and Crime Commissioner and its Group.	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.	For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.
MATERIALITY	MINIMUM REVENUE PROVISION (MRP)	PAST COSTS (PENSIONS)
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.	For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to the employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PRIOR YEAR ADJUSTMENT	REMUNERATION	REVENUE EXPENDITURE
<p>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.</p>	<p>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.</p>	<p>The day-to-day expenses of providing services.</p>