



STAFFORDSHIRE  
**POLICE**

# **Audited Statement of Accounts 2023/24**

**Staffordshire Police**



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## Section 1

# Narrative Statement

## 1.1 Foreword by the Chief Constable of Staffordshire Police



I am pleased to report that over the last year Staffordshire Police has continued to deliver significant and sustained improvement in its service to the public. As I write, His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) has announced that the force will no longer be in its enhanced monitoring system, 'Engage', which reflects the hard work of our officers and staff over the last two years.

We have seen sustained improvement in many areas of our service. In June 2022, we were taking nearly 25 seconds to answer 999 calls. Now, 999 calls are consistently answered in less than 10 seconds, and we're one of the strongest performing forces in this area. Our control room staff are now routinely identifying the signs of vulnerability in our contact with the public, enabling us to help and respond more effectively to those most at risk. This is a result of increased investment in our control room, clear performance processes, enhanced leadership, and adopting best practice ways of working.

We've also seen a noticeable improvement in pursuing and bringing offenders to justice – moving from a 10 per cent outcome rate in 2022 to 18.5 per cent in the last three months (to April 2024), one of the best rates in the country. This has been achieved by our move back to a local policing approach, which has seen our stop and search rates increase by 18 per cent and arrest rates up by 20 per cent. This 'back-to-basics' approach has also seen our response times to Grade One (emergency) calls for service improve, meaning we're getting to the most urgent incidents more quickly, despite facing some 10,000 more emergency incidents than last year.

While HMICFRS's decision is welcome, I want to stress that this is not 'the end' of our improvement plans. Indeed, this is very much the beginning of our journey back to being an outstanding local police service. Over the coming months our focus will be on further improving our public contact through a better 101 service, continuing our investment in preventative and proactive policing across our rural and urban communities, protecting the most vulnerable through our investment in public protection, and continuing to exploit new technology to become more productive and effective.

We have continued to refresh our senior leadership team, too, with the appointment of Jon Roy as our new Deputy Chief Constable last November. Jon brings with him significant experience from Merseyside Police, where he was an assistant chief constable.

We have also implemented, earlier this year, the Right Care, Right Person (RCRP) initiative, along with many other police forces across the country. RCRP is a national programme that aims to ensure that health-related calls into police forces are responded to by the most appropriate agency, rather than the police, who in many cases are not the best organisation to respond. This particularly relates to calls made to police forces around concerns for welfare, be that mental health, medical or social care-related.

We have spent many months working closely with partners in health and social care, and training our Force Contact staff, before implementing the system. Initial results have been positive, and we continue to work closely with our partners to ensure that vulnerable people get the right response from the right emergency service.

Our plans would not be deliverable without the security of the sound financial footing on which the force has always been based. We continue to benefit from the strong financial performance of recent years. Overall, spending on Policing is £199.62 per person in the county per year, or 55p per day, while the county remains one of the safest places to live, work and visit in the United Kingdom.

Beyond 2023/24, financial challenges in line with the rest of the sector remain, and the uncertainty regarding future funding with a general election pending continues. To meet both the financial and operational challenges we will need to find further efficiencies to create the headroom to invest in operational policing.

Our investment plans will not be straightforward, given the forecasted financial pressures, and with one of the least experienced workforces in the country and the fifth lowest number of police officers compared to our population size. However, we are confident that our financial plans will support our continued improvement.

I want to conclude by thanking and recognising my officers and staff, who serve our communities every day, often putting themselves in harm's way and regularly putting the demands of 'the job' before friends and family. Recognition by HMICFRS of our improvement is their achievement, and reflects their desire to return the force to the outstanding local police service that Staffordshire needs and deserves.



**Chris Noble**  
**Chief Constable of Staffordshire Police**

# 1.2 Director of Resources Narrative Statement

The Narrative Statement is to provide the reader with a broad understanding of the Force's financial performance for the year end, by clearly explaining the Force's funding position, and how this funding is spent in order to deliver the Force's priorities. Within this is the context of the group position (Force and Police and Crime Commissioner) in which the Force sits.

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The objectives of the Statement of Accounts are to provide useful information to a wide range of stakeholders about the financial position of the Staffordshire Police. The accounts are; therefore, necessarily detailed and technical and explanatory notes are included where applicable. In addition, the narrative statement also provides further information to the reader about economy, efficiency and the effective use of resources by the Force during the financial year. It also looks to the future and considers some challenges faced by the Force.

This statement also reflects upon the current challenges faced both locally and nationally, as well as giving commentary around the future opportunities and challenges for Staffordshire Police. Staffordshire remains one of the safest places to live, work and visit in the United Kingdom.

**"I remain confident that the Force will become an outstanding local policing service whilst delivering value for money to the population of Staffordshire."**

**John Bloomer**

Director of Resources (Section 151 Officer)  
Staffordshire Police

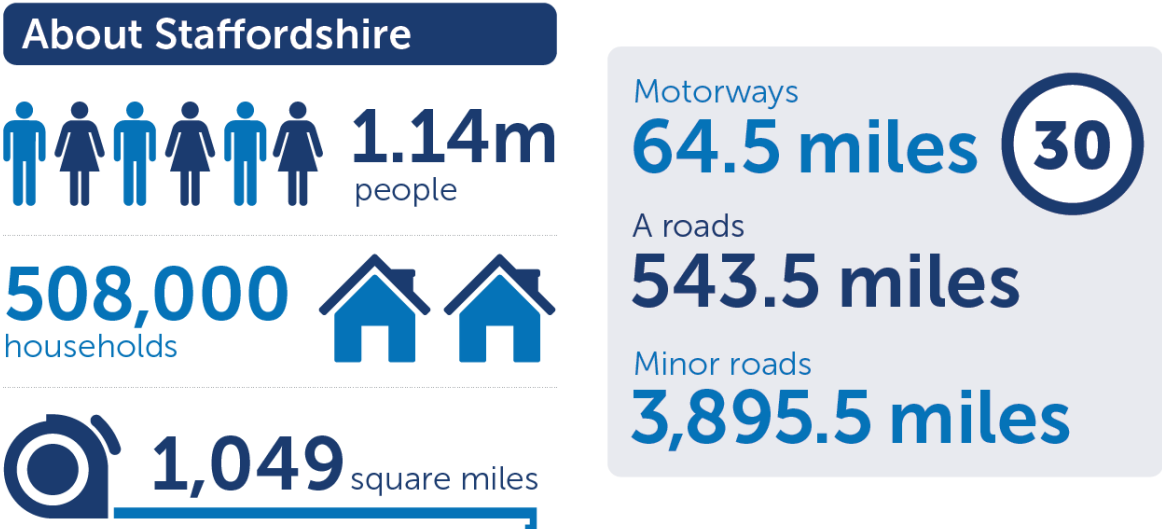
## Narrative Statement

- 1.2.1 About Staffordshire
- 1.2.2 Operational Performance
- 1.2.3 Organisation Overview
- 1.2.4 Risk
- 1.2.5 Basis of Preparation
- 1.2.6 Financial Performance
- 1.2.7 Future Outlook

# 1.2.1 About Staffordshire

Staffordshire Police provides policing services to 1.14m people living in 508,000 households on a daily basis across Staffordshire. Our vision is ‘**A safe and confident Staffordshire, secured by an outstanding local police service that is passionate about serving the public, caring for its people and working in partnership**’

Staffordshire has the largest total road length of any authority area of the West Midlands and has one of the largest in the country. There are 64 miles of motorway in Staffordshire and the West Coast Mainline connects the county by rail. The section of the motorway through Staffordshire has around 21 million vehicle movements per year.



## 1.2.2 Operational Performance

On 20th May 2024 the Force was discharged by its inspectorate, His Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS), from an enhanced level of monitoring referred to as 'Engaged'. This returned Staffordshire Police to a 'normal' level of monitoring following two years of enhanced monitoring. This external validation underpins the transformation journey the organisation has been on for the last two years under a new Chief constable and Executive team.

In addition to this the Force has seen the culmination of its latest police effectiveness, efficiency and legitimacy (PEEL) inspection in early May 2024. Whilst the results of this are not published until August 2024, early feedback from the inspectorate demonstrates the Force has made significant progress in the last two years. Our own public perception surveys show an increase in a positive view of Staffordshire Police over the last two years which is in contrast to national perceptions of Policing

Whilst we recognise there is more to do on our journey to becoming an outstanding local policing service strong progress has been made towards this. Looking forward there remains significant challenges in relation to a lack of investment in strategic infrastructure over the last 15 years which our financial plans aim to go some way to address over the next 4 years. We have reduced average working days lost by 40% in this period, with our working days lost being below economy wide national averages which given the inherent nature of policing is a significant achievement.

In addition, Staffordshire has the fifth lowest number of Police Officers per head of population in England and Wales but has the third highest percentage of full-time equivalent police officers employed in frontline roles at 95.0% vs an average of 91.1% in England and Wales underscoring the fact we use our resources well. This also re-enforces that in Staffordshire we have avoided using Police Officers to undertake roles that do not require warranted powers and have avoided reverse civilianisation as part of finding cashable savings over the last 4 years unlike many other Forces.

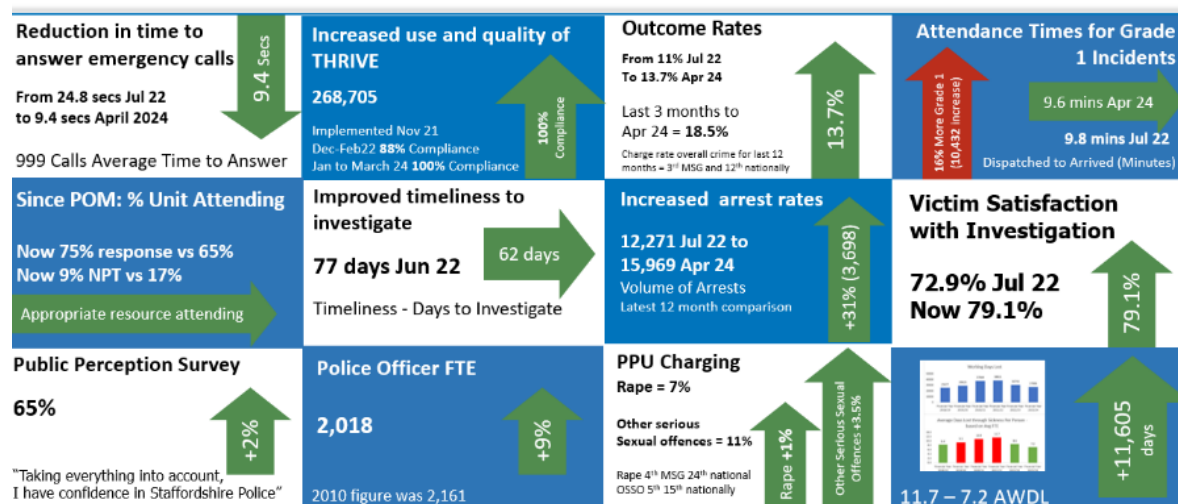
In relation to these improvements in operational performance financial health has not deteriorated. This improvement has, unlike many other public sector bodies, been sustainably achieved. This position is a real credit to all our Officers and Staff as well as a strong discipline around using public money.

The infographic below demonstrates some of our headline improvements since the Force entered enhanced monitoring via the Police Performance Oversight Group (PPOG).

### Key Organisational Indicators

Sustained and tangible improvement over last 2 years

The below highlights changes from when the force entered PPOG to where the force is today (Q1 2024/25)



The infographic below is intended to provide a snapshot of the demand faced over the past year by the Force



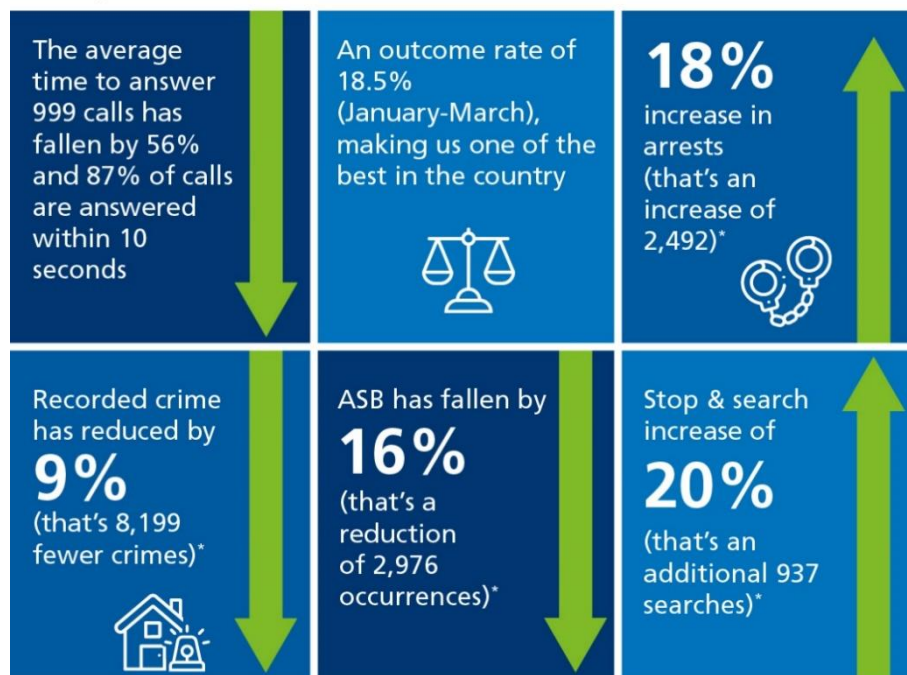
## What our communities are saying

Below are the results of a public perception survey, held in March 2024, compared to June 2022.

Question	Change (June 22 to March 24)
Do you feel you could rely on your local police team if you needed them? (Yes)	+1% ↑
Compared to the last 12 months do you feel there has been a change in the number of police officers or PCSOs in your local area? (Increase)	+6% ↑
To what extent do you agree or disagree that Staffordshire Police is dealing with crime and ASB? (Agree)	+2% ↑
To what extent do you agree or disagree that Staffordshire Police is <b>responding effectively to emergencies</b> ? (Agree)	+11% ↑
How safe do you feel in your local area during the day? (Safe)	+2% ↑
How safe do you feel in your local area after dark? (Safe)	+4% ↑
Taking everything into account, I have confidence in Staffordshire Police? (Agree)	+2% ↑
How confident are you that Staffordshire Police treat people fairly? (Confident)	+3% ↑
My local police <b>treat people from different backgrounds equally</b> ? (Agree)	+15% ↑
Overall, how well informed do you feel about what the police in your local area are doing? (Informed)	+2% ↑
To what extent do you agree or disagree that <b>Staffordshire Police is Supporting Victims &amp; Witnesses</b> (Agree)	+8% ↑
To what extent do you agree or disagree that Staffordshire Police is protecting children & vulnerable people (Agree)	+2% ↑
How likely do you think it is that you might become a victim of crime in your area? (Unlikely)	+5% ↑



### HMIC Out of Engage What does this mean for our communities?



\*compared to previous year (2022 – 2023)

## 1.2.3 Organisation Overview

The Chief Constable and PCC are separate legal entities. The legal transfer of operational policing to the Chief Constable, who also became the employer of police staff members, was completed on 1st April 2014.

This Statement of Accounts is produced in the context of the Police Reform and Social Responsibility Act 2011. The Police and Crime Commissioner (PCC) responsibility for the finances of the whole group in that he receives all external funding (from central government in particular) and sets the annual budget and precept. The Chief Constable is allocated an annual budget by the PCC and is responsible for operational policing within a scheme of consent and local arrangements.

The Chief Constable holds office as a servant of the crown and is not an employee. He has a statutory responsibility for the control over police officers and its staff, as well as direction and delivery of operational policing services in Staffordshire. The Office of the Chief Constable holds no property, assets or liabilities and is not allowed to borrow money. These powers are reserved for the Staffordshire Commissioner (Police and Crime Commissioner).

The PCC is elected by the public every four years. The PCC appoints the Chief Constable and holds the chief constable to account for the exercise of his functions and those of persons under his direction and control. The PCC holds all the assets and borrowing, as well as receiving all income from grants, precepts and charges.

This set of accounts explains how the resources provided by the PCC have been used to deliver operational policing services.

## 1.2.4 Risk

The Staffordshire Commissioner and Chief Constable both have risk registers both at strategic and operational level. The risk register is reviewed and challenged by the Ethics, Transparency Audit Panel (ETAP) on a regular basis. Both registers form a part of the Internal Audit programme delivered by our internal auditors, RSM and reported to ETAP. The force holds a regular review of all strategic risks and all risk owners are invited to the meeting to explain the risk and its mitigation along with how it is being pro-actively managed by the force.

## 1.2.5 Basis of Preparation

The Statement of Accounts are prepared using International Financial Reporting Standards (IFRS) on a going concern basis, assuming that Staffordshire Police will continue in operation for the foreseeable future. Additionally, the accounts have been prepared in accordance with the Accounts and Audit Regulations 2016 and the Code of Practice on Local Authority Accounting 2023/24.

The Chief Constable is required by statute to make funding decisions on a different basis from the way in which these decisions are reported within the Statement of Accounts. A number of adjustments are therefore made to the statement of accounts to incorporate accounting adjustments in the areas of pensions, employee benefits and depreciation.

It is the purpose of the statement of accounts consisting of the financial statements and notes to the accounts to demonstrate that the Chief Constable has accounted for public money properly and been economical, efficient and effective in the use of that public money. The accounts provide useful information to a wide range of users about the financial position, financial performance and cash flows of Staffordshire Police. The accounts are, therefore, necessarily detailed and technical with explanatory notes included where applicable.

The Statement of Accounts are a legal requirement under the Accounts and Audit Regulations 2015 and must comply with proper accounting practices. These practices are set out in the Code of Practice on Local

Authority Accounting in the United Kingdom 2023/24 (the Code) which is based on International Financial Reporting Standards and other supporting accounting standards.

**Statement of Responsibilities** for the Statement of Accounts which sets out the respective responsibilities of the Authority and the Treasurer for the accounts.

**Statement of Accounting Policies** which sets out the basis for recognising, measuring and disclosing transactions in the accounts;

**Movement in Reserves Statement (MIRS)** which reconciles the Income and Expenditure Account with General Fund Balances taking into account contributions to reserves committed for future expenditure;

**Comprehensive Income and Expenditure Statement (CIES)** which summaries the income and expenditure activity for the financial year. This statement analyses the income and expenditure by type of spend.

**Balance Sheet** which sets out statement of the financial position as at 31st March, showing the assets, liabilities and reserves as valued at that date.

**Cash Flow Statement** which summaries the changes in cash balances during the year and sets out whether the change is due to operating activities, new investment or financing activities.

**Auditors Report** gives the auditors opinion on whether the accounts provide a true and fair view of the financial position and operations for the year.

**Disclosure Notes** to these financial statements it provides more detail on the Group and PCC accounting policies and individual transactions.

**Police Pension Fund Account (Police Officers ONLY)** is to provide a basis for demonstrating the balance of cash-based transactions taking place over the year and for identifying the arrangements needed to close the balance for that year.

## 1.2.6 Financial Performance

Our financial performance in 2023/24 was strong, seeing an overall increase in reserves levels, delivery of 98% of planned savings and a reduction in group external debt. The Group's net core funding grew to £243m and operating surplus post contributions to reserves of £0.147m (0.1%) against the annual budget. This underspend will be added to our general reserves, providing additional support in future years in an increasingly uncertain external environment. We have excluded the statutory accounting adjustments.

This, the sixth year of underspending, coupled with the CIPFA police financial resilience index showing Staffordshire to be a financially resilient police Force places us in a strong position to meet future challenges. This has been achieved by the strong culture of financial management within the Force.

Home Office main grant funding increased by £0.450m compared to the year before. In addition to the core funding, the Group also received a Police Office Maintenance grant, which was to assist in the maintenance of officer numbers at their baseline plus full uplift allocation.

Achievements during the year:

- The Force delivered 98% of its planned £7.001m savings for the year.
- External debt, used to fund the capital programme, has reduced year on year as maturing loans were not refinanced but were paid off using internal cash balances, reducing the interest payable on loans thus providing better value for the taxpayer. The capital financing requirement (CFR)

which in essence is the outstanding amount to finance for historical capital expenditure fell for the third year in a row and down by £1.442mn 2023/24. This excludes the impact of accounting changes for the finance lease at Doxey.

- Cashable savings from better, smarter and more efficient procurement totalling £0.6m for the year based on Home Office returns. The outlook for procurement savings is becoming more challenging due to a generally higher outlook for future inflation than has been the historical norm as well as this being an area of focus locally and nationally for the last 5 years.
- National apprenticeship award winners, as part of our collaboration with West Mercia Police and Warwickshire Police and delivered through Staffordshire university, for our student officer training programmes
- Completion of successful upgrades to core IT systems both on time and within budget. Given the complex nature of these systems this is in stark contrast to other public sector bodies
- Over delivery against the Governments uplift programme target by 78 FTE. This resulted in an additional one-off grant from the Home Office for Staffordshire Police to pay for a number of these officers. Of these 78, 60 have been permanently funded through precept increases and the Forces efficiency programme.
- Spend on support services remains one of the lowest in the United Kingdom. This allows for greater resource allocation to front line functions in line with the Police and Crime plan.

## 1.2.7 Future Outlook

Staffordshire Police continues to deliver Value for Money. Funding received into the group is 15th lowest in the country, with that received from the Commissioner to the Force being the 9th lowest in the country on a per head of population basis. Spending on Policing is £199.62 per person in the county per year or 55p per day but continues to be one of the safest places to live, work and visit in the United Kingdom. This low funding position, relative to other areas, means that the scope for efficiencies is arguably lower than in other areas without impacting on the Policing model.

There remains a significant amount of uncertainty in relation to future financial settlements. However, in terms of being prepared for this Staffordshire Police is in a strong position through healthy reserves, a strong track record of delivering savings, a financially sustainable improvement journey and avoiding reverse civilianisation to date.

Beyond March 2025 the government has yet to undertake or set a comprehensive spending review. This review allocated funding to departments. Given a general election has now been called there remains a significant risk that funding settlements for the coming financial year will be unknown at the point of setting the 2025/26 budget. In addition to this, the Institute for Fiscal Studies estimates that due to constrained public finances and more recently cuts to National Insurance, for unprotected departments real terms cuts of around half the rate experienced between 2010 to 2015 under the coalition government are anticipated. This has been reflected in the MTFS position. Our overall assumption is for a real term's reduction in funding of 6.6% over 4 years; noting that a number of Forces have delivered these levels of savings in one year not four which underpins our financial strength.

Work is already underway to further strengthen financial resilience in light of the uncertainty for 2025/26. With the national ringfencing of Police Officer numbers inevitably this means that savings will come from non-pay budgets and Police Staff roles and whilst to date we have seen growth in Police staff numbers of 5.7% over the last year this is unlikely to continue. A continuation of the high interest rate environment is

proving short term benefit to the Force with cash investments, coupled with no need to borrow for capital spend, providing significant income generation. Longer term as cash balances are consumed for capital expenditure there will be a need to borrow and given the continuation of a higher interest rate environment will necessitate greater discipline on capital expenditure – this however given it is budgeted for represents an opportunity for savings.

As at 31st May 2024 the Statutory Accounts for 2022/23 have not been formally concluded and the reader should note that this may impact upon the 2023/24 Statements should any material matters arise from the final areas of outstanding work being undertaken by our external auditor Ernst & Young. Due to ongoing delays in external auditing it is unlikely that this draft Statement of Accounts will be audited until Mid-2024, with the back-stop date for issuing audit opinions potentially being required.

These Accounts are due to be approved by the Chief Constable for Staffordshire Police following detailed review and recommendation by the Ethics, Transparency and Audit Panel.

A handwritten signature in black ink that reads "J Bloomer". The signature is written in a cursive, slightly stylized font.

**John Bloomer CPFA**  
**Director of Resources**  
**Assistant Chief Officer**  
(Section 151 Officer)  
**Staffordshire Police**

## Section 2

# Audit Certificate

### 2.1 Independent Auditor's Report to the members of The Chief Constable of Staffordshire Police

#### Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of the Chief Constable of Staffordshire Police (the 'Chief Constable') for the year ended 31 March 2024, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and include the Staffordshire Police Officer pension fund financial statements comprising the Police Pension Fund Account and notes to the Police Pension Fund Account. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24.

We do not express an opinion on the financial statements of the Chief Constable. Due to the significance of the matter described in the 'Basis for disclaimer of opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Chief Constable to publish its Accountability Statements, which include the financial statements and auditor's opinion, by certain specified dates ('the backstop dates'), which have been put in law with the purpose of clearing the backlog of historical financial statements in English local government. The specified backstop dates include:

- 28 February 2025 for the Accountability Statements for 2023/24; and
- 13 December 2024 for any outstanding Accountability Statements for prior years.

The Chief Constable published its outstanding Accountability Statements for 2022/23 on 10 December 2024. However, these Accountability Statements included a disclaimer of opinion issued by the Chief Constable's predecessor auditor.

The 2023/24 backstop date introduced by the Amendment Regulations, and its proximity to the previous backstop date, has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements for 2023/24 and to rebuild the missing assurance arising from the disclaimer of opinions for the previous financial year. There has been insufficient time for us to perform all necessary audit procedures. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

#### Opinion on other matters required by the Code of Audit Practice

The Director of Resources is responsible for the other information. The other information comprises the Annual Governance Statement and information included in the Statement of Accounts other than the financial statements and our auditor's report thereon.

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") we are required to consider, based on the work undertaken in the course of the audit of the financial statements, whether the other information published together with the audited financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Because of the significance of the matters described in the 'Basis for disclaimer of opinion' section of our report, we have been unable to form an opinion whether the other information published together with the financial statements in the Statement of Accounts and Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception under the Code of Audit Practice**

Under the Code of Audit Practice we are also required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Because of the significance of the matter described in the 'Basis for disclaimer of opinion' section of our report, we have been unable to consider the form and content of the Annual Governance Statement.

### **Responsibilities of the Chief Constable and the Director of Resources**

As explained in the Statement of Responsibilities for the statement of accounts, the Chief Constable is required to make arrangements for the proper administration of the Chief Constable's financial affairs and to secure that one of the Chief Constable's officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Director of Resources. The Director of Resources is responsible for the preparation of the Chief Constable's Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Director of Resources is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government to cease the provision of the services provided by the Chief Constable. The Director of Resources is required to comply with the requirements set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24.

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit of the Chief Constable's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the 'Basis for disclaimer of opinion' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the 'Basis for disclaimer of opinion' section of our report.

## **Report on other legal and regulatory matters**

### **Reports in the public interest or use of other statutory powers**

Under the Code of Audit Practice, we are required to report to you if, in the course of or at the conclusion of the audit, we:

- issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014;
- make a written recommendation to the Chief Constable under section 24 of the Local Audit and Accountability Act 2014;
- make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of the above matters.

## **Report on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in this respect except on 10 February 2025 we reported to the Chief Constable a significant weakness in the Chief Constable's arrangements. Following the Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection as part of the 2021-22 cycle by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), Staffordshire Police were placed into the 'Engage' phase of monitoring by HMICFRS in June 2022 and remained in the Engage phase throughout the 2023/24 financial year. HMICFRS raised serious concerns about how the force was responding to the public, investigating crime and managing its offenders and suspects.

These issues raised in the report are evidence of significant weaknesses in proper arrangements for the year ended 31 March 2024 for

- a) Governance, including how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- b) Improving economy, efficiency and effectiveness, including how the body evaluates the services it provides to assess performance and identify areas for improvement.

As HMICFRS confirmed that Staffordshire Police had moved out of the Engage phase in May 2024 we have not made any recommendations in respect of these significant weaknesses.

### **Responsibilities of the Chief Constable**

As explained in the Statement of responsibilities, the Chief Constable is required to manage the Chief Constable's affairs to secure economic, efficient and effective use of resources and safeguard the Chief Constable's assets. The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the Chief Constable's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### **Auditor's responsibilities for the review of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements.' When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Chief Constable plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Chief Constable ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Chief Constable has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary which will be included] in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

**Delayed certificate**

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Staffordshire Police for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice 2024 (the “Code”) until we have completed all our responsibilities mandated by the Code.

- Our Whole of Government Accounts (WGA) work for the year ended 31 March 2024, as mandated under the National Audit Office’s group instructions, is currently outstanding. We cannot issue our certificate of closure until the NAO have confirmed whether any additional testing is required for WGA.

We are satisfied that this work does not have a material effect on the financial statements, or on our conclusion on the Chief Constable’s arrangements for securing economy, efficiency, and effectiveness in its use of resources for the year ended 31 March 2024.

**Use of our report**

This report is made solely to the Chief Constable for Staffordshire Police in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Staffordshire Police, for our audit work, for this report, or for the opinions we have formed.

*Paul Grady*

**Paul Grady, Key Audit Partner**

for and on behalf of Azets Audit Services, Local Auditor

London

27 February 2025

## Section 3

# Statement of Responsibilities

### Responsibilities of the Chief Constable of Staffordshire Police

The Chief Constable is required to:

- Make arrangements for the proper administration of the financial affairs of Staffordshire Police Force and to ensure that one of its officers (Section 151 Officer) has responsibility for the administration of those affairs. In this organisation the Director of Resources is the Section 151 Officer;
- Manage Staffordshire Police's affairs to secure the economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

I accept the above responsibilities and approve these Statement of Accounts for 2023/24.



**Chris Noble**  
**Chief Constable**  
**Staffordshire Police**  
**Date 27<sup>th</sup> February 2025**

### **Responsibilities of the Director of Resources to the Chief Constable**

The Director of Resources is required to:

- Ensure that the financial affairs of the force are properly administered and that financial regulations are observed and kept up to date;
- Report to the Chief Constable, the PCC and the external auditor, any unlawful, or potentially unlawful expenditure by the Chief Constable or officers of the Chief Constable;
- Provide information to the CFO to the PCC as required to enable production of group accounts.

The Director of Resources is responsible for the preparation of the Statement of Accounts for the Chief Constable in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom (the Code)*.

In preparing these Statement of Accounts the Director of Resources has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Local Authority Code.

The Director of Resources has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Director of Resources Certificate**

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Corporation Sole of the Chief Constable of Staffordshire Police as at 31<sup>st</sup> March 2024 and its income and expenditure for the year ended 31<sup>st</sup> March 2024.



**John Bloomer**  
**Director of Resources (S151 Officer)**  
**Staffordshire Police**  
**Date 27<sup>th</sup> February 2025**

## Section 4

# Accounting Policies

This section explains the accounting policies applied in producing the Statement of Accounts. The accounting policies apply to all of the Group, OPCC and CC single entity transactions and statements unless stated otherwise. Where the term “Group” is used below this refers to both the individual statements as well.

### 1. General Principles (IAS 8)

The Statement of Accounts have been prepared in accordance with proper accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the International Financial Reporting Standards (IFRS).

### 2. Group Accounts

Following the passing of the Police Reform and Social Responsibility Act 2011, Staffordshire Police Authority was replaced with two ‘corporation sole’ bodies, the Police and Crime Commissioner for Staffordshire Police (PCC) and the Chief Constable of Staffordshire Police (CC). Both bodies are required to prepare separate Statement of Accounts. However, the Act also recognises that the Chief Constable is a wholly owned subsidiary of the PCC and proper accounting practices require group accounts to be produced.

### 3. Income and Cost Recognition and Intra-group Adjustment

The OPCC is responsible for the Police Fund into which all income is received including the main funding streams of Police Grant, Revenue Support Grant, National Non-Domestic Rates and Council Tax as well as income from charges and from which all costs are met.

The OPCC holds a bank account along with the Chief Constable: the OPCC transfers money to the Chief Constable bank account from where those payments can be made.

The Chief Constable’s Accounts show the cost of undertaking day to day operational policing under the direction and control of the Chief Constable. Expenditure shown in the CIES include the salaries of police officers, PCSOs and police staff as well as the cost of purchases. In addition, a charge is shown for the Chief Constable’s use of assets, which are strategically controlled by the PCC. The capital charge is equal to depreciation of property, plant and equipment and amortisation of intangible assets plus any charge for impairment through obsolescence or physical damage. To fund the operational expenditure, the Chief Constable’s Accounts show income by way of funding or financial guarantee provided by the OPCC to the Chief Constable. This treatment forms the basis of the intra-group adjustment between the Accounts of the OPCC and the CC.

The cost of post-employment benefits accrued by serving and ex-police officers and police staff and the cost of accrued absences are shown in both set of accounts.

### 4. Revenue from Contracts with Customers (IFRS 15)

IFRS 15 determines that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

- Revenue recognised from contracts with customers, including the disaggregation of revenue into appropriate categories
- Contract balances, including the opening and closing balances of receivables, contract assets and contract liabilities

- Performance obligations, including when the entity typically satisfies its performance obligations and the amount of the transaction price that is allocated to the remaining performance obligations in a contract
- Significant judgements, and changes in judgements, made in applying the requirements, and
- Assets recognised from the costs to obtain or fulfil a contract with a customer.

## 5. Accruals of Income and Expenditure

The revenue and capital accounts of the Group are maintained on an accrual basis. This means that income and expenditure are recognised in the accounts in the period in which they are earned or incurred and not when money is received or paid. The exception to the accruals basis is where the amounts involved are not material. Further details are given below:

- Where income and expenditure has been recognised but cash has not yet been received or paid; a debtors or creditor for the relevant amount is included in the Balance Sheet;
- Fees, charges and rents due from customers are accounted for as income at the date that the associated goods or services are provided;

Accruals have been made on the basis of the known value of the transaction wherever possible. Where estimates have been required to be made, they are based on appropriate and consistently applied methods. Where there has been a change to an estimation method from that applied in previous years and the effect is material, a description of the change and if practicable, the effect on the results for the current period is separately disclosed.

## 6. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the group's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy has always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## 7. Events after the Balance Sheet Date (IAS 10)

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 when the Statement of Accounts is authorised for issue.

Two types of events can be identified as:

- Adjusting Events – Those events that provide evidence of conditions that existed at the year end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Non-adjusting Events- Those events that are indicative of conditions that arose after the reporting period – the statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

## **8. Government Grants and Contributions (IAS 20)**

Government's grant and contributions are recognised in the CIES when conditions attached to the grant or contributions has been satisfied. Government grants and contributions that have been satisfied are carried in the Balance Sheet as creditors.

## **9. Leases (IAS 17)**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other Leases are classified as operating leases. The PCC has full responsibility of all finance leases and non are in control of the Chief Constable.

Operating lease, the annual rentals are charged to revenue. The value of assets and related liability for future rentals are not shown on the Balance Sheet.

## **10. Employee Benefits (IAS 19)**

### **Benefits Payable during Employment**

Under IAS19 short term employee benefits are those to be settled within 12 months of the year end. They include such benefits as salaries and wages, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for the service in the year in which employees render service to the Group. An accrual is made for the cost of holiday entitlements, flexi leave and time off in lieu earned by employees but not taken before the year end, which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable at year end. The accrual is charged to the Surplus or Deficit on the Provision of Services but then reversed out through the MIRS so that such benefits are charged to revenue in the financial year in which the benefit occurs. The accumulated cost is carried to the Chief Constable's Balance Sheet where it is held as a liability and is matched by an unusable reserve.

### **Termination Benefits**

This policy only applies to members of police staff including PCSOs. Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accruals basis to the Non Distributed Costs line in the Group's CIES. They are charged when the Group is demonstrably committed to the termination of the employment of an employee or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Police Fund Balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

### **Defined Benefit Schemes (Post-Employment Benefits)**

Employees of the Group are members of one of two separate defined benefit pension schemes which provide lump sums and pensions upon retirement:

- Police Officers – Police Pension Scheme (PPS)

From 1 April 2015 the Police Pension Scheme 2015 was introduced which changed accrued pension entitlements from a final salary basis to career average. All new police recruits will join this scheme from April 2015. Police Officers in post before this date will be members of the previous 1987 and 2006 schemes or may have transferred to the 2015 scheme dependent upon protection and transitional arrangements for the previous schemes.

Under the Police Pensions Regulations 1987 (as amended) the schemes have no investment assets and the Pension Fund is balanced to nil each year by a transfer from the Police Fund. The Home Office then pay a top-up grant, not exceeding the amount of the transfer, back into the Police Fund. In accordance with

IAS19, the charge to the CIES represents the increase in the benefits earned by officers in the current period, including the related finance costs and any changes in the value of the unfunded liabilities.

International Accounting Standard (IAS) 19 requires the nominal discount rate to be set by reference to market yields on high quality corporate bonds or where there is no deep market in such bonds then by reference to government bonds. The PPS liabilities are discounted using the nominal discount rate based on government bond yield of appropriate duration plus an additional margin. Discount rates used by the actuaries and other assumptions are set out in section 7.3.7 in the accounts.

• Police Staff - the Local Government Pension Scheme (LGPS), Administered by Staffordshire County Council

In accordance with IAS19 the charge to the CIES represents the increase in the benefits earned by employees in the current period, including the related finance costs and any changes in the value of the assets and liabilities of the scheme.

The liabilities of the pension fund attributable to the Group are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of anticipated earnings for current employees.

Liabilities are discounted to their value at current prices in line with the actuary's agreed discount rate as stated in the relevant Note to the Accounts. The assets attributable to the Group are also included in the Balance Sheet at fair value:

- Quoted securities – current bid price
- Unquoted securities – professional valuation
- Utilised securities – current bid price
- Property – market value

The change in the net pensions' liability is analysed as follows:

**Current service cost** – the increase in liabilities as a result of years of service earned this year. This is charged to the CIES and is apportioned across service headings according to numbers of employees.

**Past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years and charged to the CIES as part of the Non-Distributed Costs.

**Net Interest** – on the net defined benefit liability (asset), i.e. the net interest expense for the Group – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

The re-measurements comprise of:

**The return on plan assets** – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

**Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

**Contributions paid to the pension fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Group to the pension fund or directly to pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, this means that there are appropriations to and from the IAS19 Pension Reserve to remove the notional debits and credits for the retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and

any such amounts payable but unpaid at the year-end. The negative balance that arises on the IAS19 Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for the retirement benefits on the basis of cash flows rather than as benefits that are earned by employees.

### **Discretionary Benefits**

The Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **Injury Awards**

Injury awards under The Police (Injury Benefits) Regulations 2006 are not part of the Police Pensions Scheme and are funded direct from the CIES. However, liabilities in respect of injury awards are disclosed in the Statement of Accounts as part of the Group overall liability and are measured on an actuarial basis, using the projected unit method.

### **11. Charges to Service Revenue Accounts for Non-Current Assets**

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses attributable to the clear consumption of economic benefits on tangible fixed assets used by the service, and other losses where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

### **12. Jointly Controlled Operations (IAS 31)**

Jointly controlled operations are activities undertaken by the Group in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Group recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation. Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Group and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Group accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

### **13. Exceptional Items**

Normally any material exceptional items are separately identified on the face of the CIES, in order to give a fair presentation of the accounts. Where these items are less significant they are included within the relevant line of the CIES, however, details of all exceptional items are given in the Explanatory Foreword.

### **14. Cash and Cash Equivalent (IAS 39)**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **15. Provisions (IAS 37)**

Provisions have only been recognised in the accounts where there is a legal or constructive obligation to transfer economic benefits as a result of a past event and where such an amount can be reliably estimated. Provisions are charged to the CIES and, depending on their materiality, are either disclosed as a separate item on the Balance Sheet or added to the carrying balance of an appropriate current liability. When expenditure is eventually incurred, it is charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it is apparent that the provision is not required or is lower than originally anticipated, the provision is reversed and credited back to the relevant part of the CIES.

The insurance provision was established to meet liability claims which are not covered by external insurers. The balance reflects the Group's independent external insurance advisor's assessment of the level of outstanding liabilities. The provision represents non-current amounts which are expected to be recovered or settled over more than 12 months. No amounts are expected within one year.

#### **16. Contingent Liabilities**

Where a potential provision cannot be accurately estimated or an event is not considered sufficiently certain, it has not been included in the accounts but is instead disclosed in the notes as a contingent liability. A contingent liability also occurs where a liability may arise but is dependent upon the outcome of future events before it can be confirmed.

#### **17. Contingent Assets**

A contingent asset occurs where a possible asset may arise but is dependent upon the outcome of future events before it can be confirmed. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts.

#### **18. Value Added Tax**

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

#### **19. Accounting Policies not relevant or not material**

The accounting policies are reviewed each year to assess whether it is appropriate for individual policies to be included. There are a number of accounting policies that have not been included above, because the statements are not materially affected by their implementation. These policies include:

- Acquisitions and Discontinued Operations
- Restructuring of loan portfolios and treatment of bonds
- Use of capital receipts to fund disposal costs
- Foreign Currency Translation
- Intangible Assets – Recognition of website development and other internally generated assets
- Long term contracts
- Interests in companies and other entities
- Investment properties (IAS 40)
- Private Finance Initiatives and Similar Contracts.
- Heritage Assets
- Financial Instruments (IFRS 9)
- Finance Leases (IAS 17)
- Property, Plant and Equipment (PPE) (IAS 16) and Intangible Assets (IAS 38)
- Gains and Losses on Sale of Assets and Disposals
- Assets Held for Sale (IFRS 5)
- Inventories/Stocks (IAS 2)
- Revenue Expenditure Funded from Capital under Statute (REFCUS)
- Impairment (IAS 39) and Depreciation and Amortisation (IAS 16/38)

**20. Assumptions about the Future and other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The assumptions made about future and other major sources of estimation and uncertainty are in the following table:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Insurance Provisions	The insurance provision is based on estimates for all claims/liabilities known to the Group. Each claim is assessed and estimated based on experience and knowledge from previous similar claims and from information provided by the insurance company. These insurance provisions are updated for any known changes as and when required internally and on a monthly basis by the insurance company.	It is difficult to predict the actual outcome of most claims until they are finalised, however for these items the risk is clearly identified to the Group. A bigger risk is for any unforeseen, unusual insurance claims successfully made against the force. However, the Group has a £100,000 limit on each and every incident before the insurance company will then cover all other costs. Therefore, this is the maximum risk for every incident.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Group with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured.

**21. Accounting Standards Issued, Not Adopted**

The standards that may be relevant for additional disclosure that will be required for the financial statements in respect of accounting changes that are introduced in the 2023/24 code are:

- IFRS 16 Leases
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

**22. The statement of Accounts was authorised for issue by John Bloomer, Director of Resources to the Chief Constable of Staffordshire Police.**

## Section 5

# Single Entity Financial Statements

## 5.1 Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The statement does not show any usable reserves as these are held on behalf of the group by the PCC.

	Notes	General Fund Balance £'000	Earmarked Reserves £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL RESERVES £'000
<b>Balance as at 01 April 2022</b>		0	0	0	(2,261,910)	<b>(2,261,910)</b>
<b><u>Movement in reserves during 2022/23</u></b>						
Total Comprehensive Income and Expenditure	5.2	(6,229)	0	(6,229)	876,946	<b>870,717</b>
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	6,229	0	6,229	(6,229)	<b>0</b>
<b>Net increase/(decrease) before Transfers to Earmarked Reserves</b>		0	0	0	870,717	<b>870,717</b>
Transfers To/From Earmarked Reserves		0	0	0	0	<b>0</b>
<b>Increase or (Decrease) in 2022/23</b>		0	0	0	870,717	<b>870,717</b>
<b>Balance as at 31 March 2023</b>		0	0	0	(1,391,192)	<b>(1,391,192)</b>
<b>Balance as at 01 April 2023</b>		0	0	0	(1,391,192)	<b>(1,391,192)</b>
<b><u>Movement in reserves during 2023/24</u></b>						
Total Comprehensive Income and Expenditure	5.2	24,730	0	24,730	60,678	<b>85,408</b>
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(24,730)	0	(24,730)	24,730	<b>0</b>
<b>Net increase/(decrease) before Transfers to Earmarked Reserves</b>		0	0	0	85,408	<b>85,408</b>
Transfers To/From Earmarked Reserves		0	0	0	0	<b>0</b>
<b>Increase or (Decrease) in 2023/24</b>		0	0	0	85,408	<b>85,408</b>
<b>Balance as at 31 March 2024</b>		0	0	0	(1,305,785)	<b>(1,305,785)</b>

## 5.2 Comprehensive Income and Expenditure Statement (CIES)

This Statement reflects the resource of the Office of the Staffordshire Commissioner (Police and Crime Commissioner Staffordshire) that is consumed at the request of the Chief Constable (i.e. funding passed on to Staffordshire Police once the PCC has retained the funding they require). Government funding and other grant income belongs to the PCC, therefore all expenditure is funded by the PCC through an intra-group adjustment.

2022/23			2023/24
Net Expenditure £'000		Notes	Net Expenditure £'000
(5,012)	Grants and Contributions	6.2.3	(13,024)
(7,427)	Reimbursements		(7,728)
(1,110)	Sales, Fees and Charges		(1,494)
(558)	Other Income		(381)
<b>(14,107)</b>	<b>Total Income</b>		<b>(22,627)</b>
78,130	Police Officer Pay and Allowances		60,305
81,441	Police Staff Pay and Allowances		74,396
4,003	Other Employee Expenses		4,428
3,785	Police Pensions		3,843
6,099	Premises		7,354
4,886	Transport		4,908
20,466	Supplies and Services		21,786
5,555	Agency and Contracted Services		7,875
7,672	Depreciation, Amortisation and Impairment		9,708
1,733	Non Distributed Costs		814
<b>213,771</b>	<b>Total Expenditure</b>		<b>195,417</b>
199,664	<b>Cost of Services Before Intra-group Funding</b>		172,791
(218,561)	Intra-group Funding	6.2.1	(235,551)
<b>(18,897)</b>	<b>Cost of Services</b>		<b>(62,760)</b>
70,828	Financing and Investment Income and Expenditure	6.2.2	84,551
(45,702)	Grant Received From Home Office in respect of the pension fund account	7.1	(46,521)
<b>6,229</b>	<b>(Surplus) or deficit on Provision of Services</b>		<b>(24,730)</b>
(876,946)	Re-measurement of the net defined benefit liabilities	7.3.1	(60,678)
<b>(876,946)</b>	<b>Other Comprehensive (Income) and Expenditure</b>		<b>(60,678)</b>
<b>(870,717)</b>	<b>Total Comprehensive (Income) and Expenditure</b>		<b>(85,408)</b>

### 5.3 Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets of the CC (assets less liabilities) are matched by the reserves held by the CC. The CC only holds unusable reserves, i.e. reserves that the CC is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statements line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2023 £'000		Notes	31 March 2024 £'000
<b>0</b>	<b>Long Term Assets</b>		<b>0</b>
0	Short Term Debtors	6.3.1	0
8,275	Intra Group Debtors	6.3.1	8,911
<b>8,275</b>	<b>Current Assets</b>		<b>8,911</b>
0	Intra Group Short Term Creditors	6.3.2	0
(11,341)	Short Term Creditors	6.3.2	(11,051)
<b>(11,341)</b>	<b>Current Liabilities</b>		<b>(11,051)</b>
(4,030)	Provisions	6.3.3	(4,614)
(1,348,154)	Liability Related to Defined Benefit Pension Scheme	7.3.3	(1,299,031)
<b>(1,352,184)</b>	<b>Long Term Liabilities</b>		<b>(1,303,645)</b>
<b>(1,355,250)</b>	<b>Net Liabilities</b>		<b>(1,305,785)</b>
	<b>Financed by:</b>		
	Usable Reserves		
0	General Fund		0
0	Earmarked Reserves		0
<b>1,355,250</b>	Unusable Reserves	6.3.4	<b>1,305,785</b>
<b>1,355,250</b>	<b>Total Reserve</b>		<b>1,305,785</b>

I confirm that the Staffordshire Police have approved these accounts as at 31<sup>st</sup> March 2024.



**John Bloomer,**  
**Director of Resources**  
**Assistant Chief Officer**  
 (Section 151 Officer)  
**Chief Constable for Staffordshire Police**  
**Date 27<sup>th</sup> February 2025**

## 5.4 Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. The statement shows how the Chief Constable generates and uses cash and cash equivalents by classifying cash flows as; operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Chief Constable are funded by the PCC.

2022/23 £'000		Notes	2023/24 £'000
(6,229)	<b>Net Surplus or (Deficit) on the provision of services</b>	5.2	<b>24,730</b>
6,229	Adjustments to net Surplus or (Deficit) on the provision of services for non-cash movements	6.4.1	(24,730)
0	Adjustment for items included in the net Surplus or (Deficit) on the provision of services that are investing and financing activities.		0
<b>0</b>	<b>Net cash flow Operating Activities</b>		<b>0</b>
0	Net cash flows from Investing Activities		0
0	Net cash flows from Financing Activities		0
<b>0</b>	<b>Net Increase or (decrease) in cash and cash equivalents</b>		<b>0</b>
0	Cash and cash equivalents at the beginning of the reporting period		0
0	Cash and cash equivalent at the end of the reporting period		0

## Section 6

# Notes to the Core Financial Statements

These notes provide information that supports and helps in interpreting the financial statements.

### **6.1 Movement in Reserves Statements (MIRS) notes**

- 6.1.1 Adjustment between accounting basis and funding basis
- 6.1.2 Expenditure and Funding Analysis
- 6.1.3 Notes to Expenditure and Funding Analysis

### **6.2 Comprehensive Income and Expenditure Statement (CIES) notes**

- 6.2.1 Intra-group Funding
- 6.2.2 Financing and investment net expenditure
- 6.2.3 Specific grants
- 6.2.4 Taxation and non-specific grant income
- 6.2.5 External Audit Fees
- 6.2.6 Material items of income and expenditure

### **6.3 Balance Sheet Statement notes**

- 6.3.1 Short term debtors
- 6.3.2 Short term creditors
- 6.3.3 Provisions
- 6.3.4 Unusable reserves

### **6.4 Cash Flow Statement notes**

- 6.4.1 Operating activities

### **6.5 Other notes**

- 6.5.1 Termination benefits and exit packages
- 6.5.2 Officers remuneration
- 6.5.3 Disclosure of remuneration for senior executives
- 6.5.4 Related party transactions
- 6.5.5 Pooled budgets and joint operations
- 6.5.6 Contingent liabilities
- 6.5.7 Events after the Balance Sheet date

## 6.1 Movement in Reserves (MIRS) Notes

### 6.1.1 Adjustment between Accounting Basis and Funding Basis

This note details the adjustments that are made to the Comprehensive Income & Expenditure recognised by the CC in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the CC to meet future capital and revenue expenditure.

2023/24	General Fund Balance	Movement in Unusable Reserves
	£'000	£'000
<b>Adjustments to the Revenue Resources</b>		
<i>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</i>		
Pension Costs (transferred to or from pension reserve)	24,388	(24,388)
Holiday pay (transfer to the Accumulated Absences Account)	343	(343)
<b>Total Chief Constable Adjustments</b>	<b>24,730</b>	<b>(24,730)</b>

2022/23	General Fund Balance	Movement in Unusable Reserves
	£'000	£'000
<b>Adjustments to the Revenue Resources</b>		
<i>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</i>		
Pension Costs (transferred to or from pension reserve)	(6,447)	6,477
Holiday pay (transfer to the Accumulated Absences Account)	219	(219)
<b>Total Chief Constable Adjustments</b>	<b>(6,228)</b>	<b>6,228</b>

### 6.1.2 Expenditure and Funding Analysis (EFA)

Local Authorities are required by statute to make their funding decisions on a different basis from the Statement of Accounts, which is required to follow International Financial Reporting Standards (IFRS). The accounts used for resource allocation and budget management are shown on a funding basis and a number of adjustments are, therefore, required to produce the Statement of Accounts on an IFRS basis. The adjustments required to the CIES are generally offset by adjustments to unusable reserves. The impact on the CIES is shown in section 5 and the movements in reserves are shown in section 5.

The Expenditure and Funding Analysis (EFA) brings together both the fiscal/ funding framework and the accounting framework by the service. It takes the net expenditure that is chargeable to taxation and reconciles it to the CIES Surplus or Deficit on the Provision of Services.

	2023/24		
	Net Expenditure Chargeable to General Fund £'000	Adjustments between funding and IFRS Basis £'000	CIES Net Expenditure £'000
Police Officer Pay and Allowances	122,290	61,985	60,305
Police Staff Pay and Allowances	75,401	1,005	74,396
Other Employee Expenses	4,428	0	4,428
Police Pensions	3,843	0	3,843
Premises	7,354	0	7,354
Transport	4,908	0	4,908
Supplies and Services	21,786	0	21,786
Agency and Contracted Services	7,875	0	7,875
Depreciation, Amortisation and Impairment	0	(9,708)	9,708
Non Distributed Costs	584	(230)	814
<b>Total Expenditure</b>	<b>248,470</b>	<b>53,052</b>	<b>195,417</b>
Grants and Contributions	(13,024)	0	(13,024)
Reimbursements	(7,728)	0	(7,728)
Sales, Fees and Charges	(1,494)	0	(1,494)
Other Income	(381)	0	(381)
<b>Income</b>	<b>(22,627)</b>	<b>0</b>	<b>(22,627)</b>
Intra-group Funding	(225,843)	9,708	(235,551)
<b>Net Cost of Services</b>	<b>0</b>	<b>62,760</b>	<b>(62,760)</b>
Financing and Investment Income and Expenditure	0	(84,551)	84,551
Grant Received From Home Office in respect of the pension fund account	0	46,521	(46,521)
<b>(Surplus) or deficit on Provision of Services</b>	<b>0</b>	<b>24,730</b>	<b>(24,730)</b>
Re-measurement of the net defined benefit liabilities	0	60,678	(60,678)
<b>Net (Surplus) / Deficit funded from General Fund</b>	<b>0</b>	<b>85,408</b>	<b>(85,408)</b>
<b>Opening General Fund</b>	0		
Transfers in / (out)	0		
Net surplus / (Deficit) for the year	0		
<b>Closing General Fund</b>	<b>0</b>		

	2022/23		
	Net Expenditure Chargeable to General Fund £'000	Adjustments between funding and IFRS Basis £'000	CIES Net Expenditure £'000
Police Officer Pay and Allowances	110,995	32,864	78,130
Police Staff Pay and Allowances	66,097	(15,345)	81,441
Other Employee Expenses	4,003	0	4,003
Police Pensions	3,785	0	3,785
Premises	6,099	0	6,099
Transport	4,886	0	4,886
Supplies and Services	20,466	0	20,466
Agency and Contracted Services	5,555	0	5,555
Depreciation, Amortisation and Impairment	0	(7,672)	7,672
Non Distributed Costs	3,110	1,377	1,733
<b>Total Expenditure</b>	<b>224,996</b>	<b>11,225</b>	<b>213,771</b>
Grants and Contributions	(5,012)	0	(5,012)
Reimbursements	(7,427)	0	(7,427)
Sales, Fees and Charges	(1,110)	0	(1,110)
Other Income	(558)	0	(558)
<b>Income</b>	<b>(14,107)</b>	<b>0</b>	<b>(14,107)</b>
Intra-group Funding	(210,890)	7,672	(218,561)
<b>Net Cost of Services</b>	<b>0</b>	<b>18,897</b>	<b>(18,897)</b>
Financing and Investment Income and Expenditure	0	(70,828)	70,828
Grant Received From Home Office in respect of the pension fund account	0	45,702	(45,702)
<b>(Surplus) or deficit on Provision of Services</b>	<b>0</b>	<b>(6,229)</b>	<b>6,229</b>
Re-measurement of the net defined benefit liabilities	0	876,946	(876,946)
<b>Net (Surplus) / Deficit funded from General Fund</b>	<b>0</b>	<b>870,717</b>	<b>(870,717)</b>
<b>Opening General Fund</b>	0		
Transfers in / (out)	0		
Net surplus / (Deficit) for the year	0		
<b>Closing General Fund</b>	<b>0</b>		

## 6.1.3 Analysis of EFA adjustments

	Adjustments for Capital Purpose £'000	2023/24 Net Changes for Pensions IAS19 £'000	Other Differences £'000	Total £'000
Police Officer Pay and Allowances	0	61,530	455	61,985
Police Staff Pay and Allowances	0	1,117	(112)	1,005
Other Employee Expenses	0	0	0	0
Depreciation, Amortisation and Impairment	(9,708)	0	0	(9,708)
Non Distributed Costs	0	(230)	0	(230)
<b>Net Cost of Services</b>	<b>(9,708)</b>	<b>62,417</b>	<b>343</b>	<b>53,052</b>
Intra-group Funding	9,708	0	0	9,708
Financing and Investment Income and Expenditure	0	(84,551)	0	(84,551)
Grant Received From Home Office in respect of the pension fund account	0	46,521	0	46,521
<b>Surplus or (deficit) on Provision of Services</b>	<b>0</b>	<b>24,387</b>	<b>343</b>	<b>24,730</b>
Re-measurement of the net defined benefit liabilities	0	60,678	0	60,678
<b>Difference between General Fund and CIES Surplus or Deficit on the Provision Of Services</b>	<b>0</b>	<b>85,065</b>	<b>343</b>	<b>85,408</b>

	Adjustments for Capital Purpose £'000	2022/23 Net Changes for Pensions IAS19 £'000	Other Differences £'000	Total £'000
Police Officer Pay and Allowances	0	32,870	(6)	32,864
Police Staff Pay and Allowances	0	(15,568)	223	(15,345)
Other Employee Expenses	0	0	0	0
Depreciation, Amortisation and Impairment	(7,672)	0	0	(7,672)
Non Distributed Costs	0	1,377	0	1,377
<b>Net Cost of Services</b>	<b>(7,672)</b>	<b>18,679</b>	<b>218</b>	<b>11,225</b>
Intra-group Funding	7,672	0	0	7,672
Financing and Investment Income and Expenditure	0	(70,828)	0	(70,828)
Grant Received From Home Office in respect of the pension fund account	0	45,702	0	45,702
<b>Surplus or (deficit) on Provision of Services</b>	<b>0</b>	<b>(6,447)</b>	<b>218</b>	<b>(6,229)</b>
Re-measurement of the net defined benefit liabilities	0	876,946	0	876,946
<b>Difference between General Fund and CIES Surplus or Deficit on the Provision Of Services</b>	<b>0</b>	<b>870,499</b>	<b>218</b>	<b>870,717</b>

**Note (i) Net Change for Pensions Adjustments**

This column reflects the net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Group as allowed by statute and the replacement with current service costs and past service costs;
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.
- Grant Received from Home Office in respect of the Police pension fund account.

**Note (ii) Financing and Investment Income and Expenditure Adjustments**

This column adjusts for investment income and borrowing costs that are charged to the Police Fund but are not included in the Net Costs of Policing Services.

**Note (iii) Other Adjustments**

This column reflects the timing differences relating to accruing for compensated absences earned but not taken in the year (absorbed by the Accumulated Absences Account).

## 6.2 Comprehensive income and expenditure statements (CIES) notes

### 6.2.1 Intra-Group Funding Arrangements between the PCC and the Chief Constable

The Intra-Group funding arrangement is eliminated on consolidation of the Group Accounts, a treatment adopted for any transactions between the PCC and Chief Constable. The guarantee from the PCC in respect of the resources consumed by the Chief Constable in 2023/24 amounts to £235.551m (£218.561m in 2022/23). This has been re-presented in the CIES and is now included within the Net Cost of Policing Services, in line with current best practice for the preparation of Police Accounts.

2022/23 £'000		2023/24 £'000
199,664	Chief Constable's cost of service	172,791
70,828	Interest on the net defined benefit liability	84,551
(45,702)	Home Office grant towards cost of retirement	(46,521)
(876,946)	Re-measurement of the net defined benefit liability	(60,678)
<b>(652,156)</b>	<b>Resources consumed</b>	<b>150,143</b>
	<b>Items removed through the MIRS</b>	
870,499	Movement in pension liability	85,065
218	Movement in accumulated absences liability	343
<b>218,561</b>	<b>Total resources consumed for the year by the Chief Constable and funded by the PCC</b>	<b>235,551</b>

### 6.2.2 Financing and Investment Net Expenditure

Financing and Investment includes the following items:-

2022/23 £'000		2023/24 £'000
70,828	Pension Net Interest Costs	84,551
<b>70,828</b>	<b>Total</b>	<b>84,551</b>

### 6.2.3 Specific Grants

Included within the Gross Income figure in the Net Cost of Services in the CIES for the CC are contributions of £5.351m. There are specific grants included £7.673m 2023/24.

### 6.2.4 Taxation and Non-Specific Grant Income

The only non-specific grant shown on the CC's CIES relates to the Police Pensions Top-up Grant that is paid from the Home Office to the Pension Fund via the OPCC to meet the shortfall for the year where income to the Fund is less than its expenditure. Further information about this Grant is contained within the Supplementary Financial Statement and associated notes.

### 6.2.5 Audit Fees

The audit fees payable in 2023/24 to the Auditors in relation to the audit of CC accounts were as follows:

The external audit fees are the PSAA Ltd scale fees for the CC opted-in authority are normally based on the scale fee for the previous year, reflecting the auditor's assessment of audit risk and complexity.

2022/23 £'000		2023/24 £'000
17	External Audit Fees	65
<b>17</b>	<b>Sub Total</b>	<b>65</b>
4	Additional External Audit Fees 2020/21	0
16	Additional External Audit Fees 2021/22	0
<b>37</b>	<b>Total</b>	<b>65</b>

### 6.2.6 Material Items of Income and Expenditure

There are no material items of Income or Expenditure in 2023/24 that require specific disclosure.

## 6.3 Balance Sheet Notes

### 6.3.1 Debtors

A breakdown of the Debtors figure in the balance sheet is provided below. The balance per debtor category is shown net of any impairment. The Intra-Group Funding amount relates to the balances of the insurance provision £4.613m in 2023/24 (£4.029m in 2022/23) and the PAYE / NI and Pension Tax creditor £4.298m (£4.246m in 2022/23) that are shown on the CC's Balance Sheet. No cash funding has been paid over from the PCC to the CC for these as at 31<sup>st</sup> March 2024 and an equal and opposite entry is included within Creditors in the PCC's Single Entity Accounts.

31 March 2023 £'000		31 March 2024 £'000
8,275	Intra-Group Funding not yet paid over from the PCC in cash	8,911
<b>8,275</b>	<b>Total short term debtors</b>	<b>8,911</b>

### 6.3.2 Creditors

A breakdown of the Creditors figure in the Balance Sheet is provided below. Where cash funding has been paid over from the PCC to the CC for these as at 31<sup>st</sup> March 2024 and an equal and opposite entry is included within Debtors in the PCC's Single Entity Accounts.

31 March 2023 £'000		31 March 2024 £'000
4,245	Central government bodies	4,298
0	Other Local authorities	0
7,096	Other entities and individuals	6,753
<b>11,341</b>	<b>Sub-Total</b>	<b>11,051</b>
0	Intra-Group Funding	0
<b>11,341</b>	<b>Total short term creditors</b>	<b>11,051</b>

### 6.3.3 Provisions

Provisions fall into two categories depending on when the related payments are expected to be made. Provisions with expected pay outs within one year are classed as current liabilities and those expected to be paid out in excess of one year are long term liabilities. Provisions are now under the control of the Chief Constable and as such have moved from the Balance Sheet of the PCC to the Balance Sheet of the Chief Constable.

#### Insurance Provision

This provision was established to meet liability claims which are not covered by external insurers. The balance reflects the Group's independent external insurance advisor's assessment of the level of outstanding liabilities. The provision represents non-current amounts which are expected to be recovered or settled over more than 12 months. No amounts are expected within one year.

31 March 2023 £'000		31 March 2024 £'000
2,769	<b>Group and CC Balance as at 1 April</b>	4,030
2,427	Contributions to provision in year	1,685
(1,166)	Net expenditure in year	(1,101)
<b>4,030</b>	<b>Group and CC Balance as at 31 March</b>	<b>4,614</b>

#### 6.3.4 Unusable Reserves

Unusable reserves have been created as result of the difference between accounting under IFRS and statutory provisions for meeting expenditure from the General Fund. These reserves represent differences due to timing of funding certain items of expenditure and are, therefore not available as a source of general funding.

31 March 2023 £'000		31 March 2024 £'000
1,348,155	Pension Reserve	1,299,031
7,095	Accumulated Absences Account	6,753
<b>1,355,250</b>	<b>Total Unusable Reserves</b>	<b>1,305,785</b>

#### Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for the funding of benefits in accordance with statutory provisions. The Chief Constable accounts for post-employment in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resource set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the CC makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the CC has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time benefits come to be paid.

31 March 2023 £'000		31 March 2024 £'000
(2,254,597)	<b>Balance as at 1 April</b>	(1,348,155)
912,888	Re-measurement of the net defined benefit liability	60,678
(142,380)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(120,186)
88,383	Employer's pensions contribution and direct payments to pensioners payable in year	98,052
1,849	LGPS deficit contribution prepayment	0
45,702	Additional contribution to the pension fund balance the deficit on the fund account	46,521
<b>(1,348,155)</b>	<b>Total Balance as at 31 March</b>	<b>(1,299,033)</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31<sup>st</sup> March.

Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the Account.

The Reserve relates to Police Officers and Staff who are under the direction and control of the Chief Constable. The opening balance of the reserve as at 1<sup>st</sup> April 2012 was transferred to the CC Single Entity with effect from that date. The entries for the CC Single Entity below relate to the balances on the Reserve that relate to those staff that were under the direct control of the CC as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024.

31 March 2023 £'000		31 March 2024 £'000
(7,313)	<b>Balance as at 1 April</b>	(7,095)
7,313	Settlement of cancellation of accrual made at the end of the preceding year	7,095
(7,095)	Amount accrued at the end of the current year	(6,753)
219	Amount by which office remuneration charged to the CIES on accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	343
<b>(7,095)</b>	<b>Total Balance as at 31 March</b>	<b>(6,753)</b>

## 6.4 Cash Flow Notes

### 6.4.1 Operating Activities

31 March 2023 £'000		31 March 2024 £'000
(1,262)	Increase/(decrease) in revenue creditors	(289)
(2,067)	(Increase)/decrease in revenue debtors	(636)
6,447	Movement in pension liability	(24,388)
1,262	Movement in provisions	584
1,849	Prepayment of Pension Contribution	0
0	Other non-cash items charged to the net surplus or deficit on the provision of services	0
<b>6,229</b>	<b>Adjustment to net surplus or (deficit) on the provision of services for non-cash movements</b>	<b>(24,730)</b>

## 6.5 Other Notes

### 6.5.1 Termination Benefits and Exit Packages

During 2023/24 the Force approved 2 voluntary redundancies and early retirements (0 in 2022/23) at a total cost of £0.133m (£0). A breakdown of the total cost and number of exit packages are shown below:

Exit Package Cost Band	Number of exit packages		Total cost of exit packages in	
	2022/23	2023/24	2022/23	2023/24
			£	£
£0- £20,000	0	0	0	0
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	0	1	0	57,587
£60,001 - £80,000	0	1	0	74,990
£80,001 - £100,000	0	0	0	0
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	0	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>132,576</b>

### 6.5.2 Officers Remuneration

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

Chief Constable 2022/23 Number of employees	Remuneration Band	Chief Constable 2023/24 Number of employees
0	£50,000 - £54,999	1
0	£55,000 - £59,999	0
0	£60,000 - £64,999	0
0	£65,000 - £69,999	1
0	£70,000 - £74,999	0
1	£75,000 - £79,999	0
0	£80,000 - £84,999	0
1	£85,000 - £89,999	1
3	£90,000 - £94,999	0
1	£95,000 - £99,999	2
0	£100,000 - £104,999	3
0	£105,000 - £109,999	1
1	£110,000 - £114,999	0
1	£115,000 - £119,999	1
0	£120,000 - £124,999	2
0	£125,000 - £129,999	0
0	£130,000 - £134,999	0
0	£135,000 - £139,999	0
1	£140,000 - £144,999	0
0	£145,000 - £149,999	0
0	£150,000 - £154,999	0
0	£155,000 - £159,999	0
0	£160,000 - £164,999	0
1	£165,000 - £169,999	1
<b>10</b>	<b>Total</b>	<b>13</b>

The banding includes the remuneration of employees and relevant police officers who have been disclosed individually; rank of Chief Superintendent and above.

**6.5.3 Disclosure of Remuneration for Senior Executives 2023/24**

Post Holder Information	Notes	Salary £	Bonuses, Fees and Allowances £	Expenses allowances £	Pension Contribution £	Total Remuneration £
<b>Senior Executives of the Chief Constable</b>						
Chief Constable- Chris Noble		165,072	2,072	0	51,172	218,316
Deputy Chief Constable (A)	1	98,708	10,083	0	29,808	138,599
Deputy Chief Constable (B)	2	53,800	1,093	0	16,678	71,571
Assistant Chief Constable (A)		120,502	3,510	0	37,356	161,369
Assistant Chief Constable (B)		113,000	3,510	0	35,030	151,540
Chief Officer of Resources (S151 Officer)		116,732	1,075	0	25,097	142,904
<b>Sub Total Chief Constable</b>		<b>667,815</b>	<b>21,345</b>	<b>0</b>	<b>195,141</b>	<b>884,300</b>
<b>Total- Group</b>		<b>927,500</b>	<b>22,584</b>	<b>0</b>	<b>250,974</b>	<b>1,201,058</b>

**Notes**

1. Deputy Chief Constable (A) retired from the organisation as at 17<sup>th</sup> December 2023.
2. Deputy Chief Constable (B) was appointed to the Force on the 13<sup>th</sup> December 2023.

**6.5.4 Disclosure of Remuneration for Senior Executives 2022/23(Continued)**

Post Holder Information	Notes	Salary £	Bonuses, Fees and Allowances £	Expenses allowances £	Pension Contribution £	Total Remuneration £
<b>Senior Executives of the Chief Constable</b>						
Chief Constable- Chris Noble		157,803	8,239	0	48,919	214,961
Deputy Chief Constable		130,374	9,635	0	40,416	180,425
Assistant Chief Constable (A)	1	82,566	7,446	0	25,595	115,607
Assistant Chief Constable (B)	2	16,317	533	0	5,058	21,908
Assistant Chief Constable (C)	3	93,124	6,970	0	23,472	123,566
Assistant Chief Constable (D)	4	23,967	2,204	0	7,430	33,601
Director of Enabling Services	5	47,451	1,750	0	4,424	53,625
Assistant Chief Officer – Director of Resources (S151 Officer)	6	57,190	3,500	0	8,865	69,555
Temporary Director of Enabling Services (S151 Officer)	6	52,283	3,500	0	8,104	63,887
<b>Sub Total Chief Constable</b>		<b>661,075</b>	<b>43,777</b>	<b>0</b>	<b>172,283</b>	<b>877,135</b>
<b>Total- Chief Constable</b>		<b>661,075</b>	<b>43,777</b>	<b>0</b>	<b>172,283</b>	<b>877,135</b>

**Notes**

1. Assistant Chief Constable (A) retired from the organisation as at 11th December 2022.
2. Assistant Chief Constable (B) was appointed to the Force on 6th February 2023.
3. Temporary Assistant Chief Constable (C) reverted back to the role of Chief Superintendent on the 5th February 2023.
4. Assistant Chief Constable (D) was appointed to the Force on 16th January 2023.
5. Director of Enabling Services had left the organisation as at 29th June 2022.
6. Temporary Director of Enabling Services (Section 151 Officer) was appointed to the role of Assistant Chief Officer – Director of Resources on 19th September 2022

**6.5.5 Related Party Transactions**

The Chief Constable is required to disclose material transactions with related parties; that is bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable.

The Chief Constable, senior officers and departmental heads were contacted to obtain the required declarations. The Chief Constable also has business relationships with Central Government and a number of other public organisations, such as Staffordshire County Council.

Details of our related party transactions are as follows:

- Police and Crime Commissioner – all funding for operational police services is effectively controlled by the Staffordshire Commissioner (Police and Crime Commissioner for Staffordshire) and recharged to reflect the resources consumed by the CC on the PCC's behalf to deliver the Police and Crime Plan. The PCC for Staffordshire can hold the Chief Constable to account for the performance of the Force. The PCC, in consultation with the CC, decides on the level of funding that the CC receives and sets a budget for the force each year.
- Senior officers and other employees – there are no known related party transactions.

**6.5.6 Pooled Budgets and Joint Operations**

The Group actively works with other police forces to deliver areas of operational policing and back office functions. Some arrangements have financial implications and these are explained below:

**Central Counties' Air Operations Unit (CCAOU) with West Mercia Police**

As from 1<sup>st</sup> October 2013, the joint arrangement with West Mercia Police for the provision of air support ceased to exist. This service is now provided by NPAS the National Police Aviation Service. The charges for the service in 2023/24 amounted to £634k (2022/23 £581k).

**Staffordshire Fire and Rescue Service Collaboration**

The PCC became the Police, Fire and Crime Commissioner (PFCC) on the 1<sup>st</sup> August 2018. The PFCC and the PFCC staff pay and associated costs relating to their work at Staffordshire Fire and Rescue Service are recharged on a direct basis. In addition to this, there is a joint arrangement for joint projects which is run by a joint Collaboration Board programme and Strategic Governance Board. The costs for providing the service in 2023/24 were £1,541,873 (2022/23 £1,350,855).

**Legal Services**

During 2011/12 a Section 22a collaboration agreement was signed with West Midlands Police for the joint delivery of a Legal Services Department. The collaborative working arrangement began in 2011/12. In 2023/24 a contribution of £0.305m (£0.204m in 2022/23) was made to West Midlands Police towards the cost of legal services and this figure is included in the Comprehensive Income and Expenditure Statement of the Group.

**Joint Emergency Transport Service (JETS)**

The Joint Emergency Transport Service delivers all aspects of fleet services for Fire and Police vehicles in Staffordshire. JETS was established in April 2016 and is located at the Staffordshire Fire Workshop's at Trentham Lakes. Some overheads costs are shared at a 51:49 split Police: Fire respectively. Other

costs are direct to each Service. All the stock is held separately with identifiable stock control. The cost to Staffordshire Police for the transport service in 2023/24 £3,783,660 (2022/23 £3,573,219).

### Firearms Licensing

On 1<sup>st</sup> August 2013 a collaborative working arrangement commenced with West Midlands Police for the joint delivery of a Firearms Licensing Department based in Staffordshire and with all Police Staff being employed by Staffordshire Police. A contribution of £0.286m has been made by West Midlands Police towards the cost of the service during 2023/24 (£0.247m in 2022/23). This figure is included in the CIES of the Group. A formal agreement is in place.

### Central Motorway Police Group with West Midlands Police

The Police and Crime Commissioner for the West Midlands (PCCWM) is engaged in a jointly controlled operation with Staffordshire PCC for the Policing of the Motorway network in the West Midlands area known as the Central Motorway Police Group. PCCWM provides the financial administration service for this joint unit.

The assets of the unit in respect of police vehicles, equipment and land and buildings are held individually by each PCC and are shown on each force's balance sheet.

The two police forces have an agreement in place for funding this unit with contributions to the agreed budget of 70% from PCCWM and 30% from Staffordshire PCC. The same proportions are used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year.

The revenue account for the Unit covers all operating costs. The details for 2023/24 are as follows:

2022/23 £'000		2023/24 £'000
<b>Contributions to the Pooled Budget</b>		
(5,121)	West Midlands PCC	(4,881)
(2,468)	Staffordshire PCC	(2,500)
0	Other Income	0
<b>(7,589)</b>	<b>Total Income</b>	<b>(7,381)</b>
Expenditure met from Pooled Budget		
6,882	Pay and Allowances	6,692
461	Transport Costs	503
246	Supplies and Services and Communications and Computing	186
<b>7,589</b>	<b>Total Expenditure</b>	<b>7,381</b>
<b>0</b>	<b>Net Surplus/(Deficit) arising during the year</b>	<b>0</b>
0	Staffordshire PCC share (30%) of (Surplus)/Deficit	0
<b>191</b>	<b>Reimbursement to Staffordshire PCC</b>	<b>247</b>

### Regional Organised Crime Unit (ROCU) with West Midlands Police

The West Midlands Regional Organised Crime Unit (WMROCU) is a collaboration between the police forces of Staffordshire, Warwickshire, West Midlands and West Mercia to fight organised crime across the region.

The aim of WMROCU is to reduce the impact and increase the disruption of serious and organised crime with the region and beyond. West Midlands Police acts as the lead force this joint arrangement and provides the financial management service for the unit.

The unit is funded in part by force contributions and also by grants from the Home Office and the National Cyber Security Programme (NCSP). The revenue account for this unit cover all operating costs. The details are as follows.

2022/23 £'000		2023/24 £'000
	<b>Funding provided to West Midlands ROCU</b>	
(16,284)	Contribution from West Midlands Police	(16,545)
(4,683)	Contribution from West Mercia Police	(5,080)
(4,549)	Contribution from Staffordshire Police	(4,935)
(2,274)	Contribution from Warwickshire Police	(2,467)
(2,399)	WMROCU Grant	(2,399)
(280)	National Cyber Security Programme funding	(280)
(238)	Asset Confiscation Enforcement grant (ACE)	(242)
(26)	ROCU Reserves	(275)
(1,096)	UCOL funding	(1,096)
(122)	ROCTA funding	(153)
(72)	Disruption Team Funding	(256)
(250)	Dark Web Funding	(250)
(129)	OPSY income	(0)
(164)	Fraud Investigation	(153)
(442)	Illicit Crash Team	(0)
<b>(33,008)</b>	<b>Total Income</b>	<b>(34,131)</b>
	<b>WM ROCU Expenditure</b>	
1,415	Regional Asset Recovery Team (RART)	1,792
244	RART- ACE team	243
696	Regional Cyber Crime Unit	880
292	Regional Fraud Team	797
1,301	Regional Prisons Intelligence Unit	1,429
91	Operational Security (OPSY)	78
45	Regional Government Agency Intelligence Network (GAIN)	22
1,417	Command Team	1,429
6,596	Regional Confidential Unit	6,699
275	Posts created from underspend	0
781	TIDU- Technical Intelligence	694
417	Enabling Services	456
5,791	SOCU	6,553
8,421	Regional Surveillance Unit (FSU)	8,657
4,167	Other Regional Operations	3,730
0	Additional Contribution to Reserves	0
283	Threat Assessment Team (ROCTA)	336
72	Disruption Team	288
262	Dark Web	48
442	Illicit Crash Team	0
<b>33,008</b>	<b>Total Expenditure</b>	<b>34,131</b>
<b>0</b>	<b>Total Net Expenditure</b>	<b>0</b>

#### 6.5.7 Contingent Liabilities

During the year 2023/24 there was no contingent liabilities.

#### 6.5.8 Events after the Balance Sheet date

Events after the balance sheet date have been considered for inclusion in the accounts up to the date of authorised for issue. No adjusting events have taken place to date.

## Section 7

### PENSION FUND ACCOUNTS

#### 7.1 Police Pension Scheme for England and Wales- Pension Fund Accounts

Fund Account 2022/23 £'000		Fund Account 2023/24 £'000	
		<b>Contributions Receivable:</b>	
		From employer	
(21,407)		Contributions at 31%	(23,785)
(448)		Early retirements	(422)
(4)		Other- Pre-1974 recharge receipts	(2)
(9,185)		Officers contributions	(10,283)
	(31,044)		(34,492)
	(398)	<b>Transfers in from Other Schemes</b>	(231)
		<b>Benefits Payable:</b>	
60,742		Pensions	67,485
16,092		Commutations and lump sum retirement benefits	13,190
0		Repayments to HO following Ombudsman decision Milne v GAD	0
157		Lump sum death benefits	461
	76,991		81,136
		<b>Payment to and on Account of Leavers</b>	
153		Refund of contributions	107
0		Individual transfers out to other schemes	0
	153		107
	45,702	<b>Sub-total for the year before transfer from the Group of amounts equal to the deficit</b>	46,520
	(45,702)	<b>Net Amount payable/ receivable for the year</b>	(46,520)
	<b>(45,702)</b>	<b>Actual Home Office top up funding</b>	<b>(46,520)</b>

The Chief Constable administers the Police Pension Fund Account on behalf of the PCC; amounts debited and credited to the Account are specified by legislation, the Police Pension Fund Regulations 2007 (Statutory Regulations 2007 No 1932). In relation to the Account the use of the word 'Fund' should not be taken to mean the Police Pension Scheme is a funded scheme, as there are no assets or investments associated with the Account to provide for future benefits. Instead the purpose of the Account is to provide a basis for demonstrating the balance of cash-based transactions taking place over the year and for identifying the arrangements needed to balance the account for that year.

## 7.2 Notes to Supplementary Financial Statements

### Note 1

The annual cost of police pensions is met, in part, by contributions from the employer and serving police officers and other minor sources of income. Under the Police Pension Fund Regulations 2007. Due to the fact that the Chief Constable does not hold assets or liabilities, no cash is transacted by the Chief Constable. The fund is be balanced to nil at the end of each financial year either by paying over any surplus to the Home Office or by receiving cash in the form of pension top-up grant from the Home Office to make up any deficit. The OPCC acts as intermediary where grant payment/receipt takes place – the grant is therefore shown on the OPCC's CIES (Intra-group funding) but is transferred to the Chief Constable through the Intra-Group funding. The fund does not hold any investment assets and follows the accounting policies of the Group.

### Note 2

The Account collects the costs and income relating to retired police officers that are in receipt of pensions and income associated with serving police officers that are members of the Police Pension Scheme 1987 (OPPS), the New Police Pension Scheme 2006 (NPPS) or the Police Pension Scheme 2015 (PPS). There are certain exceptions to this arrangement, such as pension's payable under the Police Injury Pension Regulations, which are charged directly to the Cost of Services in the CIES;

### Note 3

This Account does not take account of long-term liabilities to pay future pension benefits after the year end, details of the Chief Constables pension liability can be found in 7.3.3.

### Note 4

Employers' contributions, which are set by the Home Office subject to the Government Actuary's Department triennial valuation, are calculated at 31%.

## Accounting Policies

### (a) Transfer values

The OPCC uses the receipts and payments basis for transfer values it has received or paid and for refunds of contributions. This means the accounts do not include amounts the OPCC owe or amounts which are owed to the OPCC.

### (b) Debtors and creditors

The OPCC include debtors and creditors at the end of the financial year for employer's pension contributions paid in advance, top-up grant due but not received and for commuted lump sum payments to retiring police officers that have been paid but not processed through the payroll. The pension scheme financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

### (c) IAS 19

Relevant information from the pension accounts has been supplied to the Government Actuary Department (GAD), so the necessary information is available to help us meet IAS19. Further details of the long-term pension obligations are contained in 7.3.3 the Financial Statements.

## 7.3 Pensions Scheme

### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the CC offers retirement benefits. Although these benefits will not actually be payable until employees retire, the CC has a commitment to make the payments, and that needs to be disclosed at the time that employees earn their future entitlement.

- The Police Pension Scheme for Police Officers (PPS), which is an unfunded defined benefit scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Further details of this scheme are given in the Supplementary Financial Statement.

### Transactions Relating to Retirement Benefits

The CC recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the CC is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund via the Movement in Reserves Statement during the year:

#### 7.3.1 Comprehensive Income and Expenditure Statement

	LGPS		PPS	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
<b>Cost of Services:</b>				
Current service costs (Inc. employee contribution)	(23,650)	(12,245)	(47,430)	(23,160)
Past service costs (Inc. curtailments)	(72)	0	0	0
Pension transfer in	0	0	(400)	(230)
Effect of business combinations and disposals	0	0	0	0
<b>Financing and Investment income and expenditure</b>				
Interest cost on defined benefit obligation	(13,096)	(15,345)	(66,800)	(84,860)
Interest income on plan assets	9,068	15,654	0	0
<b>Total post-employment benefit charges to the surplus or deficit on provision of services</b>	<b>(27,750)</b>	<b>(11,936)</b>	<b>(114,630)</b>	<b>(108,250)</b>
<b>Re-measurement of the net defined benefit liability</b>				
Return on plan assets (excluding the amount included in the net interest expense)	(15,136)	29,487	0	0
Re-measurement of the net defined benefit liability- demographic assumptions	2,427	22,942	34,620	0
Re-measurement of the net defined benefit liability- financial assumptions	203,001	1,871	823,470	38,750
Actuarial gains and losses on liabilities experience	(25,833)	(10,057)	(145,320)	(22,300)
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	(283)	(15)		0
<b>Total Post Employment Benefit Charged to the CIES</b>	<b>164,176</b>	<b>44,228</b>	<b>712,770</b>	<b>16,450</b>

#### 7.3.2 Movement in Reserves Statement

	LGPS		PPS	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for the Post-Employment Benefits in Accordance with the Code	27,750	11,936	114,630	108,250
Employers Contributions Payable to Scheme	(8,082)	(13,362)	(80,300)	(84,690)
Retirement Benefits Payable to Pensioners	0	0		0
<b>Total</b>	<b>19,668</b>	<b>(1,426)</b>	<b>34,330</b>	<b>23,560</b>

### 7.3.3 Pension Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the CC obligation in respect of its defined benefit plans is as follows:

	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000
Present Value of the Defined Benefit Obligations				
PPS	(1,350,680)	(1,390,091)	(2,114,233)	(2,128,800)
LGPS	(327,515)	(320,219)	(473,590)	(492,155)
Fair Value of LGPS Assets	379,164	326,214	332,680	307,702
Deficit in the Scheme				
PPS	(1,350,680)	(1,390,091)	(2,114,233)	(2,128,800)
LGPS	51,649	5,995	(140,910)	(184,453)
<b>Total</b>	<b>(1,299,031)</b>	<b>(1,384,096)</b>	<b>(2,255,143)</b>	<b>(2,313,253)</b>

### 7.3.4 Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

	2022/23 £'000	LGPS 2023/24 £'000	2022/23 £'000	PPS 2023/24 £'000
<b>Opening Balance at 1 April</b>	(465,538)	(320,219)	(2,114,233)	(1,390,091)
Current Service Cost	(23,650)	(12,245)	(38,250)	(12,880)
Interest Cost	(13,096)	(15,345)	(66,800)	(84,860)
Contributions by Scheme Participants	(3,402)	(4,062)	(9,180)	(10,280)
Re-measurement Gain/(Loss)	179,595	14,756	749,740	16,450
Pension Transfers In	0	0	(400)	(230)
Benefits Paid	6,894	8,622	80,300	84,690
Past Service Costs (including curtailments)	(72)	0	0	0
Business combinations and disposals	0	0	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	(950)	978	0	0
Top-up-Grant	0	0	45,702	46,521
<b>Closing Balance at 31 March</b>	<b>(320,219)</b>	<b>(327,515)</b>	<b>(1,353,121)</b>	<b>(1,350,680)</b>

### 7.3.5 Reconciliation of the Movement in the Fair Value of the Scheme Assets

	2022/23 £'000	LGPS 2023/24 £'000
<b>Opening Balance at 1 April</b>	327,025	326,214
Interest Income	9,068	15,654
<i>Re-measurement gain/(loss)</i>		
The Return on the plan assets, excluding the amount included in the net interest expense	(15,136)	29,487
Other experiences	0	0
Employer Contributions	8,082	13,362
Contributions by Scheme Participants	3,402	4,062
Benefits Paid	(6,894)	(8,622)
Business combinations and disposals	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	667	(993)
<b>Closing Balance at 31 March</b>	<b>326,214</b>	<b>379,164</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying 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 net liabilities show the underlying commitments that the CC has in the long term to pay post-employment (retirement) benefits. In assessing the liabilities for retirement benefits, the actuaries use a set of assumptions including a discount rate set by reference to long term gilt yields. The assumptions used by the actuaries in 2023/24 and the potential effect of changes in these assumptions are set out below.

However, statutory arrangements for funding the deficit mean that the financial position of the CC remains healthy. The deficit on the local government scheme will be made good by increased contributions over the working life of employees (i.e. before payments fall due), as assessed by the scheme actuary. Finance is only required to be raised to cover police officer pensions when the pensions are actually paid.

In March 2011, Lord Hutton published his report into public sector pension provision which set out recommendations for the Government on how to ensure public service pensions were sustainable and affordable in the long term. As a result, negotiations between unions, employers and government took place and a new style LGPS was agreed, the core principle of which was the move away from a final salaried scheme towards a career average scheme (CARE).

The majority of public sector pension schemes became CARE schemes from 1<sup>st</sup> April 2015 (including the Police Pension Scheme). However, the Local Government Pension Scheme was selected to make the transition 12 months earlier, on 1<sup>st</sup> April 2014.

The rate of employer contributions payable by the CC for LGPS members remained constant at 21.5%.

**7.3.6 The Local Government Pension Scheme assets comprised:**

Asset Category	31 March 2023		31 March 2024	
	Fair Value of Scheme Assets £m	% age of Total Assets	Fair Value of Scheme Assets £m	% age of Total Assets
<b>Equity Securities:</b>				
Consumer	10.91820	3%	10.45560	3%
Manufacturing	8.91020	3%	5.20960	1%
Energy and Utilities	2.44720	1%	2.37760	1%
Financial Institutions	11.62170	4%	14.18600	4%
Health and Care	12.27200	4%	10.69120	3%
IT	14.11390	4%	17.07590	4%
Other	0.00000	0%	0.00000	0%
<b>Debt Securities:</b>				
Corporate Bonds (investment grade)	19.05150	6%	28.74230	7%
Corporate Bonds (non-investment grade)	0.00000	0%	0.00000	0%
UK Government	0.00000	0%	0.00000	0%
Other	0.00000	0%	0.00000	0%
<b>Private Equity:</b>				
All	16.06880	5%	20.32060	5%
<b>Real Estate:</b>				
UK Property	25.97170	8%	28.50140	7%
Overseas Property	0.00000	0%	0.00000	0%
<b>Investment Funds and Unit Trusts:</b>				
Equities	154.05890	48%	174.96500	46%
Bonds	20.29700	6%	30.30090	8%
Hedge Funds	0.11920	0%	0.00000	0%
Commodities	0.00000	0%	0.00000	0%
Infrastructure	0.86380	0%	16.77980	4%
Other	14.88300	5%	20.22730	5%
<b>Derivatives:</b>				
Inflation	0.00000	0%	0.00000	0%
Interest Rate	0.00000	0%	0.00000	0%
Foreign Exchange	0.00000	0%	0.00000	0%
Other	0.00000	0%	0.00000	0%
<b>Cash and Cash Equivalents:</b>				
All	12.71150	4%	6.27800	2%
<b>Totals:</b>	<b>324.30860</b>	<b>100%</b>	<b>386.11200</b>	<b>100%</b>

Approximately 1.8% of the value of these Assets relates to the PCC Single Entity and 98.2% relates to the Chief Constable.

The breakdown of assets in monetary terms in the above table have been shown to the nearest £100. The additional precision in the presentation of the figures has been included because the sum of the values rounded to the nearest £1,000 will not equal the total values due to rounding. Source: Hymans Robertson LLP

### 7.3.7 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Police Pension Scheme liabilities have been assessed by the Government Actuary Department (GAD) using their pension model. The Local Government Pension Scheme assets and liabilities have been assessed by Hymans Robertson, an independent firm of actuaries.

The principal assumptions used by the actuary have been:

	2022/23	LGPS 2023/24	2022/23	PPS 2023/24
Mortality Assumptions				
<u>Longevity at 65 for Current Pensioners</u>				
Men	20.8yrs	20.8yrs	21.9yrs	21.9yrs
Women	24.3yrs	24.0yrs	23.5yrs	23.6yrs
<u>Longevity at 65 for Future Pensioners</u>				
Men	22.0yrs	22.0yrs	23.5yrs	23.6yrs
Women	25.9yrs	25.6yrs	25.0yrs	25.1yrs
Rate of Inflation			2.60%pa	2.60%pa
Rate of Increases in Salaries	3.45%pa	3.25%pa	3.85%pa	3.85%pa
CARE Revaluation Rate			3.85%pa	3.85%pa
Rate of Increases in Pensions	2.95%pa	2.75%pa	2.60%pa	2.60%pa
Rate for Discounting Scheme Liabilities	4.75%pa	4.85%pa	4.65%pa	4.75%pa
Take Up of Option to Convert Annual Pension into Retirement Grant:				
Pre-April 2008 Service	50%	50%	N/A	N/A
Post-April 2008 Service	75%	75%	N/A	N/A

### 7.3.8 Sensitivity Analysis

IAS19 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The tables below shows the sensitivities regarding the principal assumptions used to measure the schemes liabilities.

	Approximate % Increase in Employer Liability	Approximate monetary amount (000's)
<b>LGPS Change in assumption 31 March 24</b>		
0.1% decrease in Real Discount Rate	2.00%	7,301
1 year increase in member life expectancy	4.00%	13,341
0.1% increase in the salary Increase rate	0.00%	939
0.1% increase in the pension Increase Rate	2.00%	6,490
<b>PPS Change in assumption 31 March 24</b>		
0.5% increase in Real Discount Rate	(7.50%)	(142,000)
1 year increase in member life expectancy	1.00%	16,000
0.5% increase in the salary Increase rate	7.50%	141,000
0.5% increase in the pension Increase rate	2.50%	46,000

## Section 8

### ABBREVIATIONS/GLOSSARY

#### 8.1 Abbreviations

<b>OPCC</b>	-	Office of the Police and Crime Commissioner for Staffordshire
<b>CC</b>	-	Chief Constable
<b>PCC</b>	-	Police and Crime Commissioner
<b>CIES</b>	-	Comprehensive Income and Expenditure Statement
<b>IAS</b>	-	International Accounting Standard
<b>IFRS</b>	-	International Financial Reporting Standards
<b>LGPS</b>	-	Local Government Pension Scheme
<b>GAD</b>	-	Government Actuary Department
<b>NPAS</b>	-	National Police Aviation
<b>MIRS</b>	-	Movement in Reserves Statement
<b>MTFO</b>	-	Medium Term Financial Outlook
<b>MTFS</b>	-	Medium Term Financial Strategy
<b>ROCU</b>	-	Regional Organised Crime Unit
<b>PCCWM</b>	-	Police and Crime Commissioner West Midlands
<b>CCAOU</b>	-	Central Counties' Air Operations Unit
<b>VFM</b>	-	Value for Money
<b>PCSO</b>	-	Police Community Support Officer
<b>OPCC</b>	-	Office for the Police and Crime Commissioner
<b>CMPG</b>	-	Central Motorway Patrol Group
<b>HMIC</b>	-	His Majesty's Inspectorate of Constabulary
<b>CFO</b>	-	Chief Finance Officer
<b>CIPFA</b>	-	Chartered Institute of Public Finance & Accountancy
<b>EFA</b>	-	Expenditure and Funding Analysis

## 8.2 Glossary of Financial Terms

Items in **bold** are described further within the glossary.

### Accounting Period

The period of time covered by the OPCC accounts. Normally twelve months, beginning on 1 April. Also known as the Financial Year.

### Accounting Policies

The principles, bases, conventions, rules and practices applied by an organisation that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, measuring and presenting **assets**, **liabilities**, gains, losses and changes to **reserves**.

### Accrual

Income and expenditure are recognised as they are earned or incurred, not as money is received or paid. Accruals are made for **revenue** and **capital expenditure** and income (see **debtors** and **creditors**).

### Actuarial gains and losses

The changes in the net pension's **liability** that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions.

### Agency Services

Services that are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

### Amortisation

The writing down of an **intangible asset** reflecting its diminution in value as its useful life expires over time.

### Appropriations

Amounts transferred to or from revenue or capital reserves.

### Assets

Items having measurable value in monetary terms. Assets can be defined as fixed or current. A fixed asset has use and value for more than one year e.g. land, buildings, plant, vehicles and equipment. Current assets can be readily converted into cash.

### Bad (and doubtful) Debts

Debts which may be uneconomical to collect or unrecoverable.

### Balance Sheet

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

### Budget

A statement of the PCC's plans in financial terms. A budget is prepared and approved by the PCC prior to the start of each financial year.

### Capital Adjustment Account

This account contains the balances previously held on the Capital Financing Account. The movements in year relate to the amount of capital expenditure financed from revenue, grants and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans.

### Capital Expenditure

Expenditure on an acquisition or enhancement of fixed **assets**. Enhancement would include increases in value, lengthening the life of the **asset** or increasing the usage of the **asset**.

### Capital Financing Requirement

An amount calculated from the value of Fixed Assets less the balances on Capital Adjustment Account. The sum represents the “underlying” need to borrow of the OPCC. The OPCC is required to set aside some for its revenue budget each year as provision for debt repayment. This is known as the Minimum Revenue Provision

### Capital Receipt

Money received from the disposal of land and other **assets**, and from the repayment of capital grants and loans made by the OPCC.

### Cash and Cash Equivalents

Cash in hand, cash overdrawn and short term investments that are readily convertible into known amounts of cash

### Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services. It draws up the Accounting Code of Practices and issues professional guidance that is used to compile these accounts. CIPFA advises central government and other bodies on local government and public sector finance matters.

### Code of Practice on Local Authority Accounting (UK)

Publication produced by **CIPFA** that provides detailed guidance on the proper accounting treatment to be used in the preparation of local authority statement of accounts.

### Commuted Lump Sums

These are the amounts paid to officers when they retire, if they choose to have a lower pension.

### Componentisation

The objective of component accounting is to follow proper accounting practice by ensuring that the plant property and equipment is accurately and fairly included in the PCC and OPCC Group's balance sheet, and that the PCC and OPCC Group's Income and Expenditure Statement properly reflects the cost of their use over their individual useful lives through depreciation charges. Authorities are required to implement this with effect from 1 April 2010 with no retrospective adjustments, although the PCC for Staffordshire started to operate component accounting during the last financial year, obtaining a full valuation of all property split down to their component parts in order to fully comply with IFRS.

### Consolidated

Added together with adjustments to avoid double counting of income, expenditure or to avoid exaggeration e.g. debtors.

### Contingency

A sum included in the revenue budget to cover unexpected expenditure during the **accounting period**. An example of such an event would be an exceptional price increase not anticipated at the time the budget was constructed.

### Contingent Liabilities

A contingent liability is defined as either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control or a present obligation that arises from past events but is not recognised because either it is not probable that a transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### Corporate and Democratic Core

Defined elements of support service costs which are not chargeable to services, sub-divided into Democratic Representation and Corporate Management.

### Creditors

Amounts owed by an authority for works done, goods received or services rendered before the end of an **accounting period**, but for which actual payments had not been made by the end of that accounting period.

### Current Service Cost

The increase in present value of a defined benefit pension scheme's **liabilities** expected to arise from employee service in the current financial year.

### Current Value

The current value of an **asset** is a measurement of the assets service potential and can be measured at:

- Existing Use Value – where an active market exists,
- Depreciated Replacement Cost– for assets where there is no market and / or the assets are specialised.

### Debtors

Amounts due to an authority for works done, goods supplied or service rendered before the end of an **accounting period**, but for which actual payments had not been received by the end of that accounting period.

### Deferred Liabilities

Fees Liabilities which by arrangement are payable beyond the next year at some point in the future or paid off by an annual sum over a period of time.

### Defined Benefit Pension Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

### Depreciation

The measure of the cost or revalued amount of the benefits of the non-current asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a non-current asset whether arising from use, the passage of time or obsolescence through either changes in technology or the demand for the service produced by the asset.

### **Exceptional Items**

Material items which derive from events or transactions that fall within the ordinary activities of the OPCC and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

### **External Audit**

The auditor is required to verify that all statutory and regulatory requirements have been met during the production of the OPCC accounts. There is also a requirement to review the arrangements in place to ensure the economic and effective use of resources.

### **Fair Value**

The fair value of an **asset** is the price at which assets or liability could be exchanged in an orderly transaction between market participants at the measurement date under current market conditions.

### **Finance Lease**

A lease, which transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance. Asset held under Finance Leases are recognised on the Balance Sheet as Assets.

### **Financial Instrument**

Any contract giving rise to a financial **asset** in one entity and a financial **liability** or equity instrument in another. Examples include the treasury management activity of the OPCC, including the borrowing and lending of money and the making of investments.

### **Financial Regulations**

A written code of procedures approved by the PCC and intended to provide a framework for the proper financial management of the Group. The financial regulations are supported by detailed financial instructions.

### **Fixed Assets**

Tangible assets which have value to the OPCC for more than one year.

### **General Fund**

The common name for the account which accumulates balances for all services except the **Collection Fund**.

### **Going Concern**

The concept that the Group will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

### **Group Financial Statements**

Where the OPCC has an interest in another organisation (e.g. a **subsidiary** organisation) group accounts have to be produced. These accounts report the financial position of the OPCC and all organisations in which it has an interest.

### **Historical Cost**

This represents the original cost of acquisition, construction or purchase of a fixed **asset**.

### **IAS19**

The objective of International Accounting Standard (IAS) 19, *Accounting for Retirement Benefits in Financial Statements of Employers* is to prescribe the accounting and Disclosure for employee

Benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

### **Impairment**

A reduction in the value of a fixed **asset**, resulting from financial loss, damage or obsolescence. In order to comply with accounting standards, the OPCC undertakes annual reviews of its assets to identify any that are impaired.

### **Intangible Assets**

**Assets** that do not have physical substance but are identifiable and controlled by the OPCC through custom or legal rights.

### **International Financial Reporting Standards**

International Financial Reporting Standards are standards and interpretations adopted by the International Accounting Standards Board (IASB). Many of the standards forming part of the IFRS were previously known as International Accounting Standards.

### **Joint Ventures**

An organisation in which the OPCC is involved where decisions require the consent of all participants.

### **Liability**

Amounts due to individuals or organisations that will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

### **Liquid Resources**

Current asset investments that are readily disposable by the Group without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount or traded in an active market.

### **Medium Term Financial Strategy (MTFS)**

A plan detailing projected expenditure and available resources over a period of more than one year. The OPCC MTFS currently covers four years.

### **Minimum Revenue Provision**

The statutory minimum amount that authorities must set aside each year as provision for debt repayment. The Commissioner's MRP Policy is set out within the Capital Strategy.

### **National Non-Domestic Rates**

The means by which local businesses contribute to the cost of providing local authority services. All Non-Domestic Rates are paid into a central pool and then divided between all authorities depending on the number of residents each authority has.

### **Net Revenue Expenditure**

This represents the OPCC budget requirement and use of **reserves**.

### **Non Distributed Costs**

This is where overheads are not charged or apportioned to activities within the service expenditure analysis in the OPCC and OPC Group's Comprehensive Income and Expenditure Statement.

### **Non-Cancellable Lease**

A lease that is cancellable only:

- Upon the occurrence of some remote contingency.
- With the permission on the lessor.
- If the lessee enters into a new lease for the same or an equivalent asset with the same lessor
- Upon payment by the lessee of such an additional amount that, at the inception of the lease, continuation of the lease is reasonably certain.

### **Outturn**

Actual income and expenditure in an **accounting period**.

### **Past Service Cost**

The increase in **liabilities** arising from current year decisions whose effect relates to years of service earned in earlier years.

### **Post Balance Sheet Events**

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.

### **Precepts**

The method by which the OPCC obtains the income it requires from the Council Tax via the appropriate authorities

### **Prior Year Adjustments**

These are material adjustments relating to prior year accounts that are reported in subsequent years and arise from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates in prior years.

### **Provision**

An amount set aside to cover a **liability** that will almost certainly occur, but where the amounts or dates on which the cost will arise are uncertain.

### **Prudential Code**

The Prudential Code ensures, within a clear framework, that the capital investment plans of the OPCC are affordable, prudent and sustainable.

### **Public Works Loans Board (PWLB)**

A Government agency which provides loans, for terms of one year and above, to local authorities. The interest rates applied are only slightly higher than those at which the Government can borrow.

### **Relevant Police Officer**

The Chief Constable (England and Wales) and Commissioners of the Metropolitan or City of London Police (England). Any other senior police officer whose salary is £150,000 per year or more.

### **Remuneration**

All amounts paid to or receivable by a person, and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash (e.g. benefits in kind).

### **Reserves**

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. A distinction is drawn between reserves and **provisions** which are set up to meet known liabilities.

### **Residual Value**

The net realisable value of an **asset** at the end of its useful life.

### **Revaluation Reserve**

This represents the non-distributable increase/decrease in the valuation of fixed **assets**.

### **Revenue Expenditure**

Expenditure on day-to-day running costs such as salaries, heating, printing and stationery and debt charges. Revenue items will either be expended immediately, like salaries, or within one year of purchase.

### **Revenue Expenditure Funded From Capital under Statute (REFCUS)**

This is expenditure that can be deemed capital expenditure under Statute but does not result in an **asset** for the OPCC. Such expenditure is written off to the Income and Expenditure Account in the year it is incurred.

### **Revenue Support Grant (RSG)**

Government financial support to aid local authority services generally. It is based on the Government's assessment of how much an authority needs to spend in order to provide a standard level of service.

**Service Reporting Code of Practice**

Published by **CIPFA** the Service Reporting Code of Practice establishes “proper practice” with regard to consistent financial reporting to enhance the comparability of local authority financial information and is given statutory force in England by regulations under the Local Government Act 2011.

**Senior Employee**

A senior employee is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 per year (to be calculated pro rata for a part-time employee) and who is:

- (a) The designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989 ; or
- (b) The head of staff for a relevant body which does not have a designated head of paid service

**Single Entity Financial Statements**

The main financial statements for the Chief Constable as shown in section 5 of the Group Account.

**Specific Grant**

Government financial support for a specific purpose or service that cannot be spent on anything else.

**Work in Progress**

Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.