STAFFORDSHIRE COMMISSIONER
Police | Fire and Rescue | Crime

STAFFORDSHIRE
POLICE

Audited Group Statement of Accounts 2023/24

Staffordshire and Stoke on Trent

Our Vision

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'

Contents

Section 1

Introduction

Policing in Staffordshire and Stoke-on-Trent continues to evolve as the nature of crime continues to change. With fewer neighbourhood crimes such as burglary and theft but more crimes against the person, there is a greater focus on protecting people from harm. Complex issues such as child sexual exploitation, modern slavery, online fraud and managing public protests have become 'business as usual' for our police service with local police teams increasingly addressing issues caused by societal problems such as domestic abuse, missing persons, mental health concerns and substance misuse.

Protecting people from harm is an absolute priority and it is important that everyone in Staffordshire knows that this is being done well. However, people also expect their police service to understand their local concerns and to provide a high quality service. People expect their calls to be answered quickly, for the police to respond rapidly and to deal effectively with problems in their area. I will be working with Staffordshire Police to ensure that more people's experience, and perception, of the service is positive.

Having been re-elected to this role in May 2024, I have taken the opportunity to consider the messages I received during my election campaign and I have continued to listen to and consult with people across Staffordshire and Stoke-on-Trent. Your concerns, along with feedback from victims and the positive and negative experiences of those in touch with Staffordshire Police will be foremost in my mind when developing my next Local Police & Crime Plan which will be published in the later part of 2024.

I am committed to working closely with our Chief Constable Chris Noble as he continues to lead Staffordshire Police on its journey to become an outstanding force. In May the force was discharged from the Engage process (special measures) by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and I expect their PEEL report, due for publication in August, to further demonstrate improvement across the service. I continue to closely monitoring the force's performance over the coming months, and beyond.

In terms of ongoing collaboration work, Police and Fire & Rescue teams are co-located in stations at Hanley in Stoke-on-Trent, Tamworth, Chase Terrace and Abbots Bromley with more to come this year – estates is just one element in a programme of collaboration which has seen shared services developed in Procurement, Human Resources, Finance and Corporate Communications. I will continue to look for further areas of collaboration that will help reduce costs and increase effectiveness and efficiency as this means more resources can be deployed on the frontline.

The overall financial position for Staffordshire Police has continued to improve in recent years, resulting in a more robust level of reserves that is more in line with reserve levels held nationally but is not excessive. The outturn for 2023/24 is a small underspend of £0.147m and nearly all of the £7.001m MTFS savings required being delivered. Both of these demonstrate strong financial management of the budget through the past financial year.

The budget for 2024/25 was set in February 2024 and allows for significant investment into the force that will allow more pro-active policing, enhancing the force's capacity to target organised criminals dealing drugs, stealing vehicles and targeting rural businesses. Staffing in technology services and change capacity is set to increase along with continued investment in call handlers. This is alongside capital investment in infrastructure across Staffordshire in estates and technology improvements to improve contact systems to better meet public expectation as well as meeting the increasingly complex needs around digital forensics to ensure justice is received for victims of crime.

I will continue to review the ongoing investment requirements of Staffordshire Police when considering future council tax proposals and how much the residents of Staffordshire will have to pay as I recognise that these are challenging financial times for everyone. With this, inflation and wage pressures in mind, I increased the council tax precept by 4.99% in 2024/25, equivalent to £13 per year. The Council Tax increase is below the referendum limit, below the increase to state pension (8.5% increase), working age benefits (6.7% increase) and below the ONS data for wage growth (7.2% increase in December). I will always aim to keep council tax as low as possible without compromising safety.

Due to national delays in external auditing, the previous year's Statement of Accounts has yet to receive an audit opinion and it is likely this will follow a nationally agreed modified opinion as a result of the capacity issues the external auditor, Ernst & Young, have faced. This is likely to have an impact on the audit opinion for 2023/24 Statement of Accounts.

I am responsible for approving the Statement of Accounts for 2023/24 and will do so giving due consideration to the recommendations made by the Ethics Transparency and Audit Panel (ETAP).

Ben Adams

Staffordshire Commissioner

Director of Finance Narrative Statement

We are continually seeking to improve and develop our approach to reporting and to provide information on the Group main objectives and strategies and the principal risks that it faces. The Narrative Report should provide commentary on how the Group has used its resources to achieve its desired outcomes in line with its objectives and strategies.

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 Commissioner's Office and Staffordshire Police. The information provided also allows for an assessment of the Staffordshire Commissioner's performance in terms of stewardship and the management of the resources entrusted to him. The accounts are, therefore, necessarily detailed and technical and explanatory notes are included where applicable.

This statement also reflects upon the impact of events during the year and discusses how the Staffordshire Commissioner's Office and Staffordshire Police are doing even more to support the communities served during a very challenging time. The narrative report contains.

"I remain confident that the Office of the Police and Crime Commissioner has a solid financial platform to enable the Force to deliver the key priorities of the Police and Crime Plan"

Heather Lees
Director of Finance
Staffordshire Commissioner Office

Narrative Statement

- Our priorities
- Our approach
- About Staffordshire
- Performance
- Partnership collaboration
- Organisation overview
- Financial Review

Our Priorities

A flexible and responsive service

Understand and deal with what matters to communities, respond promptly to incidents and work with partners to solve problems and prevent them from getting worse. This will mean that crime and ASB reduces, our roads are safer and confidence in Staffordshire Police increases.

Prevent harm and protect people

Prevent harm and protect people (particularly children and those that are vulnerable) by ensuring they are appropriately safeguarded and receive the help and support they need.

Support victims and witnesses

Ensure victims and witnesses are provided with exceptional specialist support services so they feel able to cope and recover from the impact of crime and ASB.

Reduce offending and reoffending

Ensure people are challenged and supported to make life choices that will prevent them from offending and perpetrators don't reoffend. Doing so will mean fewer victims of crime.

A more effective criminal justice system

Ensure Staffordshire Police, the Crown Prosecution Service, Courts, the National Probation Service and HM Prison Service all work seamlessly so that effective justice is delivered more quickly.

Our approach

Community focused

Understanding communities and recognising their different needs is essential to delivering a style of policing and related services in their local area that builds relationships, tackles the right problems and increases public confidence. It's therefore important to give people a voice so that they feel they are being heard and are confident to report crime and ASB and provide information that can help to prevent crime. I will also encourage people to get more involved through shaping priorities and services, volunteering, scrutinising policing services and helping to solve problems in their community.

Prevention and early intervention

Preventing crime and ASB from happening in the first place is more cost effective, reduces demand on our police and other services, and is less damaging for children, young people, adults, families, communities and businesses. By intelligently targeting interventions at those more vulnerable to crime and ASB and intervening as early as possible, we can prevent issues from happening in the first place or escalating so that they become even more damaging, complex and costly. So, prevention and early intervention will be central to delivering all aspects of this plan.

Supported and equipped

Our police service must have the equipment, vehicles, buildings and technology it needs to be able to improve services, help protect the public and deliver real value for money. Staffordshire Police's most valuable resource is its people, and officers and staff must have the right leadership, management, training and wellbeing support, underpinned by the right organisational culture. Recognising the Government's climate change commitment, we will also do everything we can to reduce our impact on the environment without compromising operational effectiveness.

Solving problems together

The issues affecting individuals, families and communities are often complex and rarely solved by one organisation alone so we need to bring organisations together to prevent problems from escalating and protect people from harm. This means sharing resources and knowledge and aligning services to deliver more efficient and comprehensive solutions. Even better collaboration between partners including neighbouring police forces, other blue light services, councils and health authorities, criminal justice partners and the voluntary and community sector is essential. I will work with communities to address their local safety concerns and ensure that partners have the skills to intervene early, recognise and address vulnerability.

Value for money

Wherever possible, every penny in policing should be directed at keeping people safe by preventing and reducing crime. We can use our resources efficiently and continuously improve by listening to the people doing the job, learning from best practice in other organisations and listening to those who receive our services, remembering that government grants and the police share of council tax are not just to cover policing; PCCs have broader statutory responsibilities to prevent crime and support victims with services which cannot be delivered by Staffordshire Police alone.

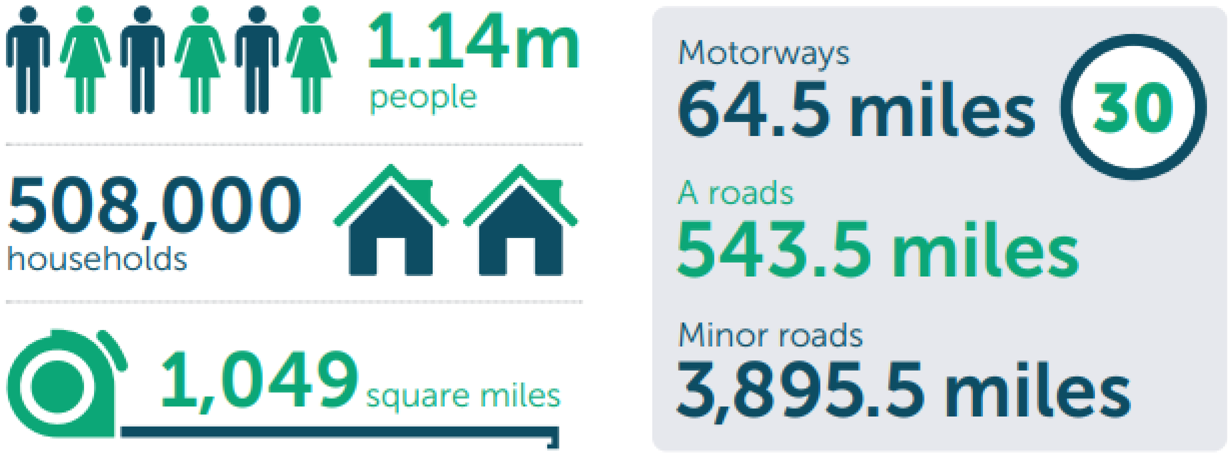
Open and transparent

I will listen, act on public concerns, explain what we are doing to address them and treat people fairly and I expect Staffordshire Police to do the same. I will challenge, scrutinise and share performance data publicly to demonstrate my expectation of the highest standards of public service and to increase trust and confidence.

About Staffordshire

Staffordshire Police provides policing services across the County of Staffordshire and the City of Stoke-on-Trent. Our purpose is keeping our communities safe and reassured through preventing crime, protecting the public and bringing offenders to justice.

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 and Cheshire has around 21 million vehicle movements per year.



Our Workforce

Officers and staff

Officers
2,023
Police Staff
1,543
PCSO’s
194
Specials
132
Volunteers
34

Performance

What our people deal with **every day**

We will record **680** incidents

We will record **255** crimes

166 will be crimes

72 will be domestic abuse incidents

We will make **37** arrests

19 will be linked to mental health issues

We will deal with **four** crimes against businesses, **eight** residential burglaries, **seven** thefts of vehicles, **six** serious violent crimes, **two** personal robberies, **27 assaults** and **four sexual assaults**, amongst other crimes.

2 will relate to child sexual exploitation

197 incidents will require additional emergency response

We will receive **1,727** calls, including **620 to 999**

We will record **55** counts of anti-social behaviour

We will issue **21** charges and **9** cautions

We will receive **155** enquiries via digital platforms

14 people will be reported missing; most are high/medium risk

We will carry out **12** stop and searches → **7** will relate to drugs

In a **typical year**

We deal with **6,914** mental health issues

We make **13,433** arrests

We record **93,200** crimes

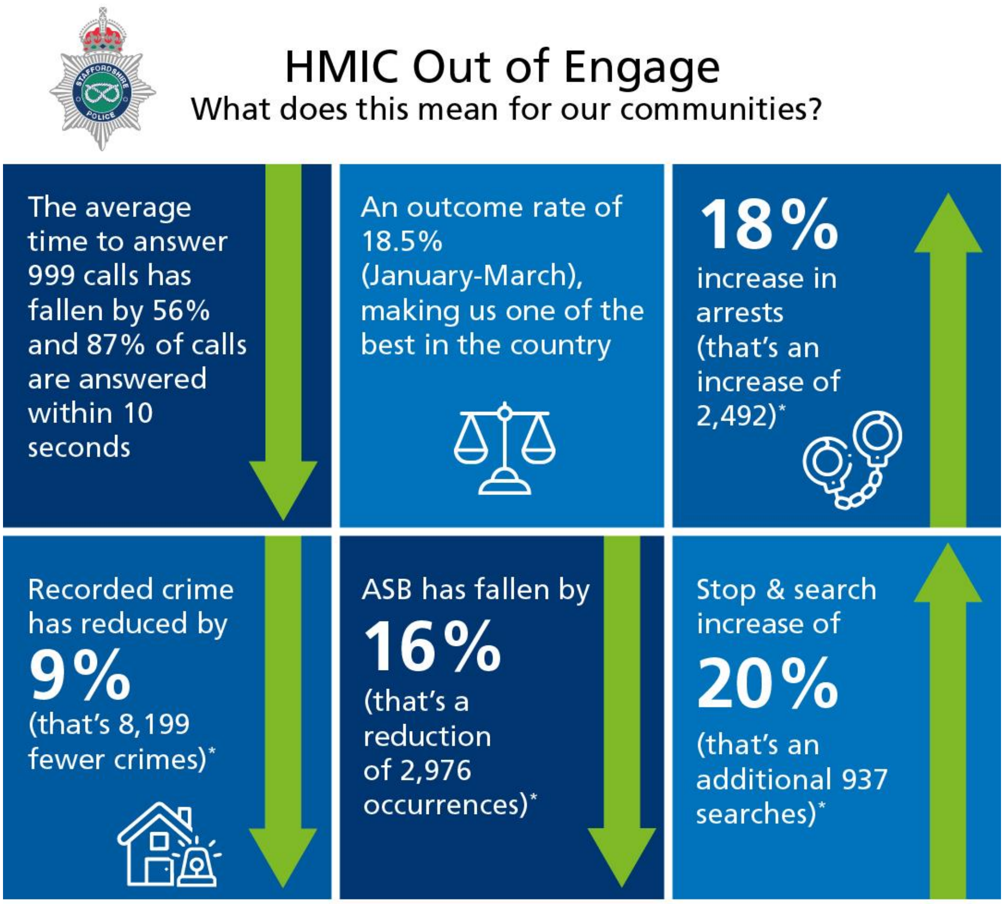
We receive **5,123** reports of missing persons

We recieve **630,614** calls; **226,393** of those are to **999**

What are 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 there 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 **responding effectively to emergencies**? (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 **treat people from different backgrounds equally**? (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 **Staffordshire Police is Supporting Victims & Witnesses** (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% ↑



*compared to previous year (2022 – 2023)

Partnership collaboration

Regional Policing

Regional Policing Criminals don't recognise borders so it is important that Staffordshire Police works effectively with our neighbouring forces. It also means that more specialised services can be provided on a larger scale to tackle the most acute problems across a broader geography in a way that would not be affordable locally.

The **Regional Organised Crime Unit** comprises officers from Staffordshire, West Midlands, Warwickshire and West Mercia forces and delivers a cohesive and coordinated response to serious organised crime across the region.

The **West Midlands Counter Terrorism Unit** is part of the national counter terrorism network that leads the response to international terrorism and domestic extremism. Its team of specialist officers provides a coordinated response in support to Staffordshire, West Midlands, Warwickshire and West Mercia forces and supports the national network as required.

Central Motorway Policing Group is made up of officers from Staffordshire and West Midlands Police forces and aims to stop crime on the region's roads and make them safer. The team covers all motorways across the area and the A500, keeping some of the busiest roads in Europe moving. Staffordshire and West Midlands also have joint teams for Legal Services and Firearms Licencing.

Police/Fire Collaboration Staffordshire

Staffordshire was only the second area in England where governance of fire and rescue was transferred to an elected Police, Fire and Crime Commissioner in 2018. Collaborative work has brought real benefits to how fire and police work together to keep communities safe, and delivered significant financial benefits. A forward-looking joint estates plan has seen fire and police teams brought together in modern facilities in Hanley, and Tamworth, with public money no longer spent on separate buildings for each team.

Furthermore, the new local policing model introduced this financial year has seen the on-call fire stations in Kinver and Penkridge become combined police and fire facilities for a small number of police officers and PCSOs to use during their working day.

There are plans for similar arrangements in other locations across Staffordshire. Staffordshire Police and Staffordshire Fire & Rescue Service now share a number of vital support services including vehicle fleet management, estates management, corporate communications, financial services, supplies and logistics, HR and occupational health. This saves money that is redirected to front line services. In additional to financial savings, closer working between police and fire is bringing benefits such as joined-up approaches to protecting vulnerable people, and missing persons searches that take advantage of both services' resources and skills.

Organisation Overview

The Police Reform and Social Responsibility Act 2011 established the Police and Crime Commissioner and the Chief Constable as 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 PCC will mainly be referred to throughout this document as the Staffordshire Commissioner. The Staffordshire Commissioner includes the responsibilities as the Police and Crime Commissioner and governance of the Staffordshire Commissioner Fire and Rescue Authority.

Financial Review

Headline figures for the year

Our financial performance in 2023/24 was positive. The Group's core funding grew to £242.9m and operating surplus of £0.147m (0.06%) against the annual budget. This underspend will be added to our general reserve, providing additional support in future years in an increasingly uncertain external environment. We have excluded the statutory accounting adjustments.

	2024 £'000	2023 £'000
Income	(29,643)	(20,602)
Expenditure	272,416	254,003
Total	**242,773**	**233,401**
Core Funding	(242,920)	(234,381)
Operating surplus	**(147)**	**(980)**

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 Officer Maintenance grant, which was to assist in the maintenance of officer numbers at their baseline plus full uplift allocation.

Achievements during the year:

- The Group delivered 98% of its planned savings for the year. This is set against the context of the year's budget and savings requirement being set in the MTFS.
- 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.
- Cashable savings from better, smarter and more efficient procurement totalling £0.6m for the year based on Home Office returns.
- General reserves as at 31st March grew to £9.6m which equates to 3.97% of the 2023/24 net revenue budget.

Reserves

Reserves	General Fund Actual £000	Earmarked Reserves Actual £000
General Reserve		
General Reserves Balance at 1st April 2023	9,489	33,825
(Over)/Underspend against Budget	147	0
Transfers In/(Out)	0	2,059
General Reserve at 31st March 2024	**9,636**	**35,884**

The general reserve balance at 31st March 2024 as shown in the above table is £9.636m and is held to cover any unexpected or emergency events that are to be considered to be a medium or high risk by the Group.

As set out in the Reserves Strategy, the Staffordshire Commissioner has indicated that the level of the general reserves is set at a minimum of 3% of the annual revenue budget. This is considered to be a reasonable provision for an emergency events that may occur and in line with the commissioners reserves strategy. The balance includes the underspend in year of £0.147m.

There are a number of transfers to earmarked reserves in 2023/24 taking the total value of earmarked reserves to £35.884m as at 31st March 2024.

Reserves are not held without good reason and are fully supported by a detailed Reserves Strategy that is updated annually. Whilst reserves are held to support know and future liabilities and commitments, reserves are also earmarked to support future capital investment resulting in lower capital financing costs into the medium term.

Capital Investment

During 2023/24, £9.626m was invested in capital projects, summarised as follows.

Capital Expenditure Outturn	Revised Budget £000	Actual £000	Actual %
Land and Buildings	4,150	3,070	32%
Information Technology	4,623	2,563	27%
Vehicles	4,763	3,631	38%
Plant and Equipment	419	362	4%
Total Capital Expenditure	**13,955**	**9,626**	**100%**

The table above shows the net capital position against budget for 2023/24. The shortfall against budget is attributable to some project slippage mainly due to large complex capital projects, where a full detailed business cases are being developed.

The capital programme is supported mainly by external borrowing and planned capital receipts, with no capital grant funding from the government being available.

Depending on the project, business case and life expectancy the Staffordshire Commissioner may borrow to fund the longer life assets. Any decision to borrow will be made, like all decisions, with value for money for the taxpayer in mind and only be done when it is the most cost-effective way of delivering a project.

During the financial year additional revenue contributions to capital in year were made, which has resulted in no requirement to borrow to finance expenditure on short-life assets (IT, Fleet and Equipment) for the 2023/24 programme. The capital financing requirement (net debt) has fallen by c.£1.1m in year.

The capital programme spend of £9.626 million in year has been funded as follows:

Capital Financing	31st March 2024 £000
Capital Grants	0
Capital Receipts	2,379
Revenue Contribution to Capital	5,312
Internal Borrowing	1,935
Total Capital Funding	**9,626**

(This does exclude revenue contribution to capital which has funded assets under construction which have become operational during the year).

Balance Sheet

The Balance sheet is a snapshot of the Group's assets and liabilities, cash balances and reserves at the balance sheet date. A table summary is provided below.

	31st March 2023 £000	31st March 2024 £000
Long Term Assets	88,812	90,153
Current Assets	68,450	68,510
Current Liabilities	(31,731)	(31,214)
Long Term Pension Liabilities	(1,384,004)	(1,298,085)
Other Long Term Liabilities	(67,250)	(66,495)
Net Liabilities	**(1,325,723)**	**(1,237,131)**
Usable Reserves	(45,921)	(45,850)
Unusable Reserves	1,371,644	1,282,981
Total Reserves	**1,325,723**	**1,237,131**

As at 31st March the balance sheet shows the group had negative assets, fortunately this is not the case. The sole reason for this is the unfunded Police Pension Scheme and the funded Local Government Pension Scheme (LGPS) pension scheme. Excluding these pension labilities, the Group Balance sheet has net assets of £60.954m including usable reserves of £45.850m.

Treasury Management

The Staffordshire Commissioner approves a Treasury Management and Investment Strategy before the start of each financial year and receives regular updates on treasury performance during the year.

Cash Flow

	31st March 2023 £000	31st March 2024 £000
Cash and Cash Equivalents	297	283
Short Term Deposits	22,100	20,475
Total	**22,397**	**20,758**

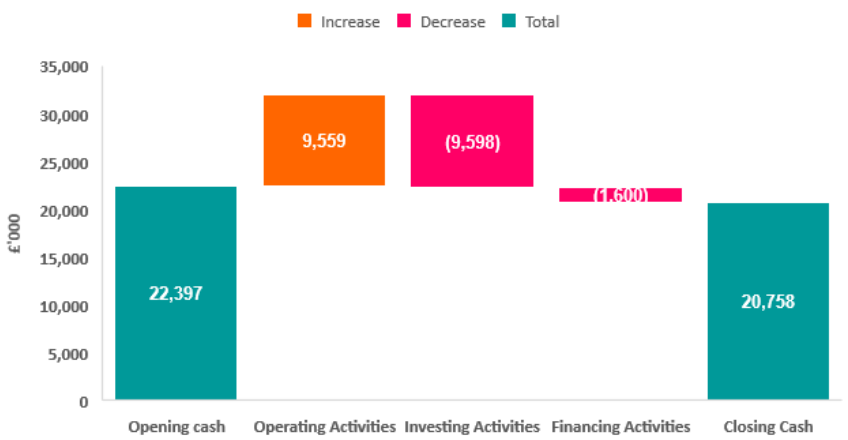
Overall, group cash flow has slightly fallen during the year with £20.8m of cash held in bank and deposits as at 31 March 2024, but still remains in a strong financial position.

External Debt

Historically long-term borrowing has been utilised to finance part of the overall capital programme. As at 31st March 2024 the Group had total external borrowing of £63.100m (£64.700m 2022/23). This is still under the Authorised limit for external debt.

Cash flow statement 2023/24

The organisation cash flow is very positive and has remained very consistent over the year, even reducing its total external debt by £1.6m.



1. Inflow from operating activities reflects operating surplus generated in the year.
2. Other investing activities outflow is due to investment acquisitions and disposals.
3. Outflow on financing activities is largely loan repayments made on debt.

Pensions

Accounting standards require the full cost of pension benefits as they are earned to be reported in the accounts. The impact of this requirement on the accounts is significant with the total balance sheet liability for pensions amounting to £1,298m. The amounts included within the balance sheet reflects an estimate of the total pension liability and incorporates a number of assumptions that change over time. This liability does not affect the ability to continue as a going concern as it refers to future liabilities that will be met by future contributions. Excluding the pension liability, the balance sheet shows net assets of £60.954m.

Police Pension Scheme (PPS)

The Police Pension Schemes are unfunded defined benefit schemes and any deficit on the scheme is met by Central Government through the Home Office and a top-up payment is received annually to cover any shortfall. Contributions to the scheme at the rate of 31% (31% in 2022/23) of pay for current officers are funded from the current revenue budget which includes council tax funding. The cost of pension payments to pensioners is largely met from the Home Office top-up grant and is therefore not funded by Council Tax. The assessed liability overall of Staffordshire in the Police Pension Scheme as at 31st March 2024 was:

	31 March 2024 £'000	31 March 2023 £'000
Police Pension Scheme Obligation	(1,350,680)	(1,390,091)
Total Deficit	**(1,350,680)**	**(1,390,091)**

The Police Pension Scheme liability has decreased by £39 million in year as incorporated into the Statement of Accounts for 2023/24. This is primarily associated with the impact of fund valuation mainly through changes in financial assumptions between 31 March 2023 and 31 March 2024 markets moved in way which produced a slight increase in discount rate (4.75% from 4.65%). The discount rate is main reason for the movement in the pension liability as the rate increased by 0.1% which leads to a reduction in pension liability. Additionally, the inflation assumption 2.60% (2.60% in 2023) and salary assumption has remained the same between 2023 (2.60%) and 2024 (2.60%) which further reduces the liability.

Changes to the mortality assumptions due to a slowing to expected future mortality improvements also leads to lower pension liabilities.

McCloud vs Sargeant judgement

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case and the Court of Appeal handed down its judgment on this claim on 20th December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

The treatment of the deferred choice underpins as members cost for cap purposes, along with the 4-year spreading period, was challenged in a judicial review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgement handed down Friday 10th March 2023. No allowance has therefore been in our statement of accounts as at 31st March 2024.

Now that the remedy window is closed all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme we expect benefits to be paid from. This had led to a past service cost of £26m added to the 1987 schemes and a past service cost of £2m in the 2006 scheme. As these liabilities are no longer held within the 2015 scheme we have a past service gain of £28m. The past service costs were included in the 2018/19, 2019/20 and 2020/21 accounts.

Police Staff Pensions, Local Government Pension scheme (LGPS)

Staff working for Staffordshire Police, the Staffordshire Commissioner's Office and PCSOs are eligible to be members of the Local Government Pension Scheme (LGPS) administered by Staffordshire County Council and is a funded scheme: The current contribution rate for employees is 21.5% of pay, and this is met from the current revenue budget which includes council tax funds.

	31 March 2024 £'000	31 March 2023 £'000
LGPS Defined Benefit Obligations	(333,517)	(325,093)
Fair Value of LGPS Assets	386,112	331,180
Total	**52,595**	**6,087**

The impact of the change is in the closing balance sheet position has been largely driven by changes in the assumptions. The demographic assumptions have been updated this year which leads to a gain on the balance sheet (reduction in liabilities) £1.905m, but the main driver of the improved balance sheet is the strong investment performance of the Fund's assets.

The total investment achieved by the fund over the accounting period was £30.028m gain on the balance sheet. Any excess return over and above the expected accounting return, (i.e. the discount rate at the start of the accounting period) is recognised in the OCI. The total investment return achieved by the Fund over the accounting period was 13.7%, compared to an expected accounting return of 4.75%, which leads to the gain on the balance sheet.

Other comprehensive income (Re-measurement of the net defined benefit liabilities) the impact of the change in the closing balance sheet position is driven by changes in the OCI (on both the obligations and assets).

The assumptions adopted for preparing the latest accounting disclosures are summarised below:

	31 March 2024 £'000	31 March 2023 £'000
Pension Increase Rate (CPI)	2.75%	2.95%
Salary Increase Rate	3.25%	3.45%
Discount Rate	4.85%	4.75%

Market derived CPI inflation has fallen over the period, which has led to a 0.20% reduction in this assumption. The change in the CPI inflation assumption is a result of underlying changes in market implied RPI (after allowance for the inflation risk premium adjustment), coupled with any changes in the RPI-CPI gap from the previous year and the adjustment to CPI to reflect observed inflation since 30th September 2023. This has served to reduce the Employer's obligations and led to a gain of around £13.775m.

The salary increase assumption has fallen over the period by 0.20%. This has served to reduce the Employer's obligations and led to a gain of around £1.960m on the balance sheet.

The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.10% increase in this assumption. This has served to reduce the Employer's obligations and led to a gain of around £7.630m on the balance sheet.

Outlook

The Staffordshire Police and Commissioner's Office budget considers the current and emerging operational challenges; both nationally, regionally and locally, with a continued focus on those areas included within the force's Strategic Assessment and the inspection from His Majesty's Inspectorate of Constabulary, Fire & Rescue Services (HMICFRS). It has been welcome to see HMICFRS discharge both of the two accelerated cause of concern notices and see the force move out of 'Engage' monitoring.

Staffordshire Police continues to deliver Value for Money. In the latest HMICFRS Value for Money profiles, Staffordshire Police is in the lowest third for funding per head of population when compared to the rest of Police forces in England and Wales 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.

Staffordshire Police are now more local, visible and responsive. 999 and 101 call times have improved and crucially the force is set to have 2,000 officers for the start of the new financial year. The number of Staffordshire officers in 'front line' roles is the third highest in the United Kingdom. Whilst this will further strengthen over the medium term the capability of Staffordshire Police, this is building from a position of having the fourth lowest officer headcount in England and Wales, albeit a position that is in line with the relatively low overall funding position. The investment in additional officers will not have an instantaneous impact, given the need to recruit and train as well as for these new officers to gain valuable operational experience. This very much is an investment being made now to deliver medium- and long-term benefits.

Due to a desire to recruit experienced officers alongside the normal intakes of student officers, the force has recruited a significant number of transferee officers from other forces. This has resulted in a budget pressure (as they are paid more than student officers) which has been captured in the 2024/25 MTFS.

Pay and inflationary pressures were higher in 2023/24 than forecast in the MTFS, with the average pay award of 7% being announced. These inflationary increases, against a backdrop of tighter public and personal finances, have made setting the 2024/25 MTFS more challenging than it has been recent years. The current external environment, seen through inflationary pressures, is more volatile than previously, increasing the likelihood of budget assumptions being materially challenged in year. However, over the medium term it is anticipated inflation and wage growth will fall back to the Bank of England target inflation rate of 2%.

The Commissioner has considered the adequacy and level of reserves and the impacting of future financial challenges and opportunities in the MTFS. The MTFS assumes a net drawn on reserves of £5.226m to support the MTFS revenue budget over the four years.

The Home Office has provided a one-year local settlement only as part of the last year of the current spending review, making longer-term planning challenging. This pattern is in line with the one-year local settlements received by strategic partners in fire and councils.

The Commissioner has approved a precept increase of 25 pence per week for a band D property from April 2024. The proposed precept enables the Commissioner to provide an increase in funding raised from the precept of £4.756m in 2024/25 (excluding the collection fund positions and council tax base changes). This increase is in order to make a number of investments that will allow more pro-active policing, freeing up the force to target criminals. These include;

- Increasing staffing within technology services (IT) by c.30fte,
- Increasing change capacity by c.15fte,
- Funding the over recruitment of 25fte in call handling for 2024/25 and 2025/26 in addition to the 20fte permanent growth in numbers agreed in the last two years,
- Capital funding to invest in infrastructure across Staffordshire including refurbishment of Police stations and custody facilities, EV infrastructure and sustainability schemes to reduce running costs and meet the government's net zero ambition
- Capital funding to invest in technology improvements to improve contact systems to better meet public expectation as well as meeting the increasingly complex needs around digital forensics to ensure justice is received for victims of crime.

To balance this MTFS, £19m of savings will be required by 2028, however crucially given the need to have a strong focus on operational improvement in the near term, a balanced position has been set for 24/25 through using some of the budget support reserve. There is already, and will continue to be, a strong focus on identifying and delivering these savings and the process is already underway in the early part of 2024. It is crucial that work to implement identified savings starts early to enable their full value to be achieved.

Whilst the MTFS incorporates and clearly shows the funding assumptions included and the sensitivities around these assumptions, the following factors must be noted:

1. It is unclear what approach the Government will take as part of the next comprehensive spending review particularly in the context of a pending general election.
2. The on-going lobbying for police officer pay to be increased above inflation to compensate for years of below inflation increases. The pay awards for police officers and police staff are all negotiated nationally with little influence at a local level.
3. The uncertainty of a review of Police Funding Formula

When considering the existing turbulent economic factors and significant uncertainty surrounding costs, this leads to a very challenging financial landscape into the medium term and beyond for the Staffordshire Commissioner and Staffordshire Police.

As at 31 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.

There is a national issue around public sector external audit delays that is affecting nearly all local councils, Fire & Rescue services and Police forces. This is likely to mean the 2022/23 and 2023/24 statement of accounts will have a disclaimed audit opinion. This is hugely disappointing as it is out of our control and the impact of this is likely to be felt for future Statements. Our new external auditors, Azets, have started their background work on the 2023/24 accounts, but as mentioned there is likely to be difficulties in agreeing opening balances as a result of the delay and lack of formal conclusion from Ernst & Young on the 2022/23 closing balances.

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

Section 2

Independent auditors report to the Police and Crime Commissioner of Staffordshire

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of the Police and Crime Commissioner for Staffordshire (the 'Police and Crime Commissioner' or the 'PCC') and its subsidiary the Chief Constable of Staffordshire Police (the 'Group') for the year ended 31 March 2024, which comprise the Group and PCC Movement in Reserves Statement, the Group and PCC Comprehensive Income and Expenditure Statement, the Group and PCC Balance Sheet, the Group and PCC Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the PCC 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 Police and Crime Commissioner or the Group. 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 Police and Crime Commissioner 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 Police and Crime Commissioner published its outstanding Accountability Statements for 2022/23 on 10 December 2024. However, these Accountability Statements included a disclaimer of opinion issued by the Police and Crime Commissioner'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 Finance 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 Police and Crime Commissioner and the Director of Finance

As explained in the Statement of Responsibilities for the statement of accounts the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Director of Finance. The Director of Finance is responsible for the preparation of the Police and Crime Commissioner's and Group's Statements 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 Finance 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 Finance is responsible for assessing the Police and Crime Commissioner's and Group'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 Police and Crime Commissioner. The Director of Finance 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 Police and Crime Commissioner's and the Group'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 Police and Crime Commissioner and Group 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 Police and Crime Commissioner 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 Police and Crime Commissioner'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 Police and Crime Commissioner 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 Police and Crime Commissioner a significant weakness in the Police and Crime Commissioner'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.

The 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 Police and Crime Commissioner

As explained in the Statement of responsibilities, the Police and Crime Commissioner is required to manage the Police and Crime Commissioner's affairs to secure economic, efficient and effective use of resources and safeguard the Police and Crime Commissioner's assets. The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the Police and Crime Commissioner'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 Police and Crime Commissioner'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 Police and Crime Commissioner 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 Police and Crime Commissioner'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 Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner 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 Police and Crime Commissioner 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 Police and Crime Commissioner for Staffordshire 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 Police and Crime Commissioner’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 Police and Crime Commissioner for Staffordshire, 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 Police and Crime Commissioner 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 Police and Crime Commissioner for Staffordshire, 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

The Police and Crime Commissioner Responsibilities

The commissioner is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this authority, the responsibility rests with the Director of Finance.

- Manage the PCC's affairs to secure economic, efficient and effective use of resources and safeguard its assets.

- Approve the Statement of Accounts.

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

Ben Adams
Police, Fire and Crime Commissioner for Staffordshire
Date 27th February 2025

The Director of Finance Responsibilities

The Director of Finance is responsible for the preparation of the PCC single entity and OPCC Group Statement of Accounts, 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 this Statement of Accounts, I have:

- Selected suitable accounting policies and then applied them consistently.
- Made judgments and estimates that were reasonable and prudent.
- Complied with the local authority code.

I have also

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

These financial statements give a true and fair view of the financial position of the authority at the reporting date and of its income and expenditure for the year ended 31st March 2024.

Heather Lees
Director of Finance, Staffordshire Commissioner's Office / S151 Officer
Date 27th 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.

The Statement of Accounts are prepared on a going concern basis, assuming that Staffordshire Police will continue in operation for the foreseeable future, and using International Financial Reporting Standards (IFRS). Additionally, the accounts have been prepared in accordance with the Accounts and Audit Regulations 2022 and the Code of Practice on Local Authority Accounting.

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 considering 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. 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 Financing Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical costs, modified by the revaluation of certain categories of non-current assets and financial instruments.

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;

- Interest due to or from third parties in relation to loans and investment, is accrued in full at the year-end;

- Supplies are recorded as expenditure when they are consumed. Supplies received but not yet consumed are held as inventories in the Balance Sheet;

- Provision id made for Impairments of debts in the General Fund;

Specifically the Council Tax precept on billing authorities is accounted for on an accruals basis. As a preceptor the Group recognises its share of collection fund debtors and creditors with each billing authority. Entries are therefore included within the Balance Sheet to represent the Group's share of the following:

  - Council Tax arrears (debtor)
  - Impairment allowance for bad/doubtful debts (debtor)
  - Council tax overpayments and prepayments (creditor)
  - Cash Balances (debtor or creditor as appropriate)

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)

Grants and contributions are recognised in the CIES when conditions attached to the grant or contributions has be satisfied. Government's grants and contributions that have been satisfied are carried in the Balance Sheet as creditors. Where capital grants are credited to the CIES they are reversed out of the General Fund Balance in the Movements in Reserves Statement (MIRS). Where the grant is yet to be used to finance capital it is held on the Capital Grant unapplied reserve. Where it has been used it is transferred to the Capital Adjustment Account (CAA).

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.

Property, Plant and Equipment held under finance lease are initially recognised at the inception of lease at fair value or, if lower, present value of minimum lease payments, with a matching liability for the lease obligation to the lessor.

Finance lease payments are apportioned between-

- A charge for the acquisition of the interest in the property applied to the writing down of the lease liability; and
- A finance charge debited to the CIES

Where leases are classified as 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.

Operating Lease - Receivable (Group as lessor)

Where the Group has granted an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease and any direct costs incurred in negotiating and arranging the lease are added to the carrying amount and charged as an expense over the lease term on the same basis as rental income.

Operating Lease - Payable (Group as lessee)

Rentals paid under operating leases are charged to the service benefiting from use of the leased asset in the CIES. Charges are made on a straight-line basis over the life of the lease, regardless of the pattern of payments.

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 is it 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 or government bond yield of appropriate duration plus an additional margin. Discount rates used by the actuaries and other assumptions are sent out in Appendix 8.2.7 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 – considering 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.

The Group is not required to raise council tax (via precept) to fund depreciation, revaluation and impairment losses or amortisation. However, he is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement in accordance with the Local Authorities (Capital Finance & Accounting) (England) Regulations 2003, as amended, known as the Minimum Revenue Provision.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the Minimum Revenue Provision contribution in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the MIRS for the difference between the two.

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.

In both the Balance Sheet and Cash flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group cash management.

15. Financial Instruments (IFRS9)

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.
The Group has not entered into the repurchase or early settlement of borrowing.

Financial Assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- Available for sale' assets – assets that have a quoted market price and/or do not have fixed or determinable payments

Loans and receivables are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans the Group has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest, and the interest credited to the CIES is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made in the CIES. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

'Available for sale' assets are recognised on the Balance Sheet when the Group becomes a party to a contractual provision of a financial instrument and is initially measured and carried at fair value.

When the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income is credited to the CIES when it becomes receivable by the Group.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis
- Equity shares with no quoted market prices – independent appraisal of company valuations

The inputs to the measurement techniques are categorised in accordance with the following three levels

- Level 1 – inputs are quoted prices in active markets for identical assets and liabilities
- Level 2 – inputs are other than quoted prices in Level 1 that are observable for the asset or liability either directly or indirectly
- Level 3 – inputs are unobservable inputs for the asset or liability

Changes in fair value are balanced by an entry in the 'Available for sale' Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of 'Available for sale' Financial Assets. The exception is where impairment losses have been incurred and are debited to the Financing and Investment Income and Expenditure line in the CIES, along with any net gain or loss for the asset accumulated in the 'Available for sale' Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event; that payments due under the contract will not be made (fixed or determinable payments); or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gain and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES along with any accumulated gains or losses previously recognised in the 'Available for sale' Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost less any impairment losses.

16. Property, Plant and Equipment (PPE) (IAS 16) and Intangible Assets (IAS 38)

PPE - Recognition

Operational

All expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accruals basis, provided that it brings benefits to the Group for more than one financial year. Expenditure that maintains but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as an expense when it is incurred.

Surplus Assets

Assets that are surplus to service needs but that do not meet the classification of Investment Property or Assets Held for Sale are classified as PPE 'Surplus', pending a decision on the future use of the asset.

Intangible assets
Assets that do not have physical substance, but are identifiable and controlled by the Group. e.g. software licences

De Minimis
The Group has agreed a de Minimis level of £10,000 for the acquisition, renewal or replacement of buildings, plant and machinery or other equipment to count as prescribed capital expenditure.

Measurement
Assets are initially measured at cost, i.e. purchase price plus any costs incurred in bringing the asset into working condition for its intended use and the initial estimate of the costs dismantling and removing the items and restoring the site on which it is located.
The Group does not capitalise borrowing costs.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Group). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Group.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line in the CIES unless the donation has been made conditionally. In such cases until the conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the CIES they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.
Assets are then carried in the Group Balance Sheets at fair value, determined as the amount that would be paid for the asset in its existing use, with the exception of assets under construction which are depreciated on a historical cost basis.

Assets included in the Balance Sheet at current value are revalued, as a minimum, every 5 years. However, if there is evidence that there have been material changes in the value a further valuation will be undertaken. Increases in valuations are matched by credits to the Group Revaluation Reserves to recognise unrealised gains.

Any revaluation losses are firstly written down against any previous revaluation gains held in the Revaluation Reserve. Where there are no previous revaluation gains, the losses are charged to the relevant service line of the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

17. Impairment (IAS 39)
Asset values are assessed at the end of each financial year for evidence of reductions in value. If identified either as part of this review or as a result of a valuation exercise, they are accounted for as follows:

- Where there is a balance of revaluation gains on the Revaluation Reserve for the relevant asset the impairment loss is charged against that balance until it is used up. Thereafter, or if there is no balance of revaluation gains the impairment loss is charged to the relevant service line of the CIES.
- For intangible assets there will be no Revaluation Reserve balance, so impairment losses are charged to the relevant service line of the CIES only.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Group's CIES, up to the amount of the original loss, adjusted for depreciation (if material) that would have been charged if the loss had not been recognised.

18. Depreciation and Amortisation (IAS 16/38)

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without determinable finite useful life (i.e. freehold) and assets that are not yet available for use (i.e. assets under construction). Assets are not depreciated or amortised in the year of acquisition, but a full year's charge is made in the year of disposal.

Depreciation is calculated on the following bases:

- Buildings – straight line allocation over the useful life of the property as estimated by the Valuer;
- Vehicles, plant, furniture and equipment (including Information Technology) – a percentage of the value of each class of assets in the Group's Balance Sheet, as advised by a suitably qualified officer.
- Intangible Assets – amortised on a straight-line basis over the life of the licences ranging over a number of years dependent on the license agreement.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are separated from the main item and depreciated separately.

The Revaluation Reserve is also reduced for the depreciation relating to revaluation gains with a corresponding credit to the Capital Adjustment Account.

19. Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Group Balance Sheets is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. This line is also netted off for any receipts from disposals. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

20. Gains and Losses on Sale of Assets

Where sale proceeds are in excess of £10,000, the gain or loss on sale or disposal (including finance leases) is removed from the CIES and adjusted with the Usable Capital Receipts Reserve (for sale proceeds) and the Capital Adjustment Account (for carrying value in the Balance Sheet).

The Usable Capital Receipts Reserve can then only be posted against the Capital Adjustment Account when financing new capital expenditure. In the meantime, the Reserve is included as a reduction in the calculation of the Capital Financing Requirement.

21. Assets Held for Sale (IFRS 5)

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and the fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to Other Operating Expenditure line in the PCC and OPCC Group's Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on provision of services.

Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

22. Inventories/Stocks (IAS 2)
Stock is valued at the lower of cost or current replacement cost where it is held for distribution at no charge. The stock reflected in the Balance Sheet relates predominantly to uniforms and equipment which is distributed to officers as appropriate.

23. 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.

24. 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.

25. 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.

26. Reserves
The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Transfers to and from reserves are shown in the MIRS and not within services. Expenditure is charged to the CIES and not directly to any reserve. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement, and employee benefits and are not usable resources for the Group.

27. Revenue Expenditure Funded from Capital under Statute (REFCUS)
Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the PCC has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the MIRS from the General Fund Balance to the CAA then reverses out the amounts charged so that there is no impact on the level of council tax.

28. Value Added Tax
Income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

29. 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 – soft loans

30. Assumptions made 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 Group about the future or that are otherwise uncertain. Estimates are made considering 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
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Group will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation would increase and the carrying amount of the assets would fall, however, the assets are revalued on a rolling three year basis so the lives of the assets are regularly adjusted to allow for actual maintenance schedules. This, along with the increase in disposals, should negate the need to reduce lives further in the coming year.
Insurance Reserve	The Insurance Fund was subject to a full revaluation in 2022/23. This review confirmed that there were sufficient funds for future liabilities. The only uncertainly is the potential increase in claims as a result of the current economic climate, e.g. increase in fraud claims.	The fund evaluation in 2023/24 reassured OPCC that there were sufficient funds in the insurance reserves for outstanding current and potential liabilities.
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.

31. Critical Judgements in Applying Accounting Policies

a) HQ has been valued based on 9 blocks of individual value that each have service potential as opposed to recognising the value as one single asset. The judgement of management is that each individual block does not need to be fitted out to accommodate the use of police operations and as a result has the service potential to be absorbed by the market, for example as office accommodation. Management have determined the individual units of value by the income approach. In the event that service potential is deprived or the value is recognised as one single asset, then management accept that an alternative valuation method would be to treat the HQ as a single specialised property for police operations, and therefore apply a depreciated replacement cost methodology. Management's judgement is that this is not the appropriate use or service potential of these individual blocks of unit as at the 31st March 2024 and at the point the accounts are authorised for issue. Any change in the use and purpose of the individual blocks in the future would lead to a different valuation method for HQ.

32. 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)

33. IFRS16 Leases will replace IAS17 Leases, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1st April 2024. The standard provides a single accounting model for lessees, recognising a right to use asset and obligation in the statement of financial position for most leases; some leases are exempt though application of practical expedients below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in the specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS16 changes the definition of a lease compared to IAS7 and IFRIC 4. The Group will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS16 on 1 April 2024, the Group will apply the standards retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure statement at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £10,000, lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Group incremental borrowing rate. The Group incremental borrowing rate will be determined by the HM treasury. For 2024, this rate was 5%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as a finance lease, a right to use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the CIES on transition. No adjustment will be made of 1st April 2023 for existing finance leases.

For leases commencing in 2024/25, the Group will not recognise a right to use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £10,000). Right to use asserts will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Group has estimated the impact of applying IFRS16 in 2024/25 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and expenditure statement and capital expenditure as follows:

Estimated impact on 1st April 2024 statement of financial position	**£'000**
Additional right of use assets recognised for operating leases	**4,641**
Additional lease obligation recognised for existing operating leases	**(4,641)**
Changes to other statement of financial position lines	-
Net Impact on net assets on 1st April 2024	**-**

Estimated in-year impact in 2024/25	**£'000**
Additional deprecation on right of use assets	(447)
Additional finance costs on lease liabilities	(245)
Principal lease payments	(372)
Lease rentals no longer charged to operating lease	616
Other impact on income/ expenditure	-
Estimated impact on surplus/ deficit on provision of services 2024/25	**(447)**

Estimated increase in capital additions for new leases 2024/25	**4,641**

34. The statement of Accounts was authorised for issue by Heather Lees, Director of Finance to the PCC.

Section 5

Financial Statements

(Incorporating Police and Crime Commissioner for Staffordshire Single entity accounts)

STAFFORDSHIRE COMMISSIONER
Police | Fire and Rescue | Crime

STAFFORDSHIRE POLICE

5.1 Movement in Reserves Statement

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

The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund for council tax setting. The Net Increase / (Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund before any discretionary transfers to or from earmarked reserves undertaken by the Group.

	Notes	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL GROUP RESERVES £'000
Balance as at 01 April 2022		8,509	27,683	1,449	514	**38,155**	(2,246,199)	**(2,208,044)**
<u>Movement in reserves during 2022/23</u>								
Total Comprehensive Income and Expenditure	5.2	1,426	0	0	0	**1,426**	880,897	**882,323**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	5,696	0	828	(183)	**6,341**	(6,341)	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		7,122	0	828	(183)	**7,767**	874,556	**882,323**
Transfers To/From Earmarked Reserves		(6,142)	6,142	0	0	**0**	0	**0**
Increase or (Decrease) in 2022/23		980	6,142	828	(183)	**7,767**	874,556	**882,323**
Balance as at 31 March 2023		9,489	33,825	2,277	331	**45,922**	(1,371,643)	**(1,325,721)**
Balance as at 01 April 2023		9,489	33,825	2,277	331	**45,922**	(1,371,643)	**(1,325,721)**
<u>Movement in reserves during 2023/24</u>								
Total Comprehensive Income and Expenditure	5.2	25,557	0	0	0	**25,557**	63,033	**88,590**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(23,352)	0	(2,277)	0	**(25,629)**	25,629	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		2,205	0	(2,277)	0	**(72)**	88,662	**88,590**
Transfers To/From Earmarked Reserves		(2,058)	2,058	0	0	**0**	0	**0**
Increase or (Decrease) in 2023/24		147	2,058	(2,277)	0	**(72)**	88,662	**88,590**
Balance as at 31 March 2024		9,636	35,883	0	331	**45,850**	(1,282,981)	**(1,237,131)**

5.1 Movement in Reserves Statement PCC (Continued)

	Notes	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL GROUP RESERVES £'000
Balance as at 01 April 2022		8,509	27,683	1,449	514	**38,155**	15,710	**53,865**
Movement in reserves during 2022/23								
Total Comprehensive Income and Expenditure	5.2	7,656	0	0	0	**7,656**	3,951	**11,607**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(534)	0	828	(183)	**111**	(111)	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		7,122	0	828	(183)	**7,767**	3,840	**11,607**
Transfers To/From Earmarked Reserves		(6,142)	6,142	0	0	**0**	0	**0**
Increase or (Decrease) in 2022/23		980	6,142	828	(183)	**7,767**	3,839	**11,607**
Balance as at 31 March 2023		9,489	33,825	2,277	331	**45,922**	19,550	**65,472**
Balance as at 01 April 2023		9,489	33,825	2,277	331	**45,922**	19,550	**65,472**
Movement in reserves during 2023/24								
Total Comprehensive Income and Expenditure	5.2	827	0	0	0	**827**	2,355	**3,182**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	1,378	0	(2,277)	0	**(899)**	899	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		2,205	0	(2,277)	0	**(72)**	3,254	**3,182**
Transfers To/From Earmarked Reserves		(2,058)	2,058	0	0	**0**	0	**0**
Increase or (Decrease) in 2023/24		147	2,058	(2,277)	0	**(72)**	3,254	**3,182**
Balance as at 31 March 2024		9,636	35,883	0	331	**45,850**	22,804	**68,654**

5.2 Comprehensive Income and Expenditure Statement

This statement shows the net cost in the year of providing services in accordance with IFRS, rather than the amount to be funded from taxation (funding basis). Costs covered on the funding basis are calculated differently, in accordance with legislative requirements. The funding basis position is shown in the Movement in Reserves Statement and in section 6.1.

2022/23 Group Net Expenditure £'000	2022/23 PCC Net Expenditure £'000		Notes	2023/24 Group Net Expenditure £'000	2023/24 PCC Net Expenditure £'000
(11,311)	(6,300)	Grants and Contributions	6.2.4	(19,751)	(6,727)
(7,622)	(196)	Reimbursements		(8,017)	(291)
(1,110)	0	Sales, Fees and Charges		(1,494)	0
(559)	0	Other Income		(382)	0
(20,602)	**(6,496)**	**Total Income**		**(29,644)**	**(7,018)**
78,130	0	Police Officer Pay and Allowances		60,644	339
83,320	1,879	Police Staff Pay and Allowances		76,298	1,902
4,086	83	Other Employee Expenses		4,698	269
3,785	0	Police Pensions		3,843	0
6,099	0	Premises		7,354	0
4,904	17	Transport		4,928	20
21,931	1,465	Supplies and Services		22,202	416
15,341	9,786	Agency and Contracted Services		18,177	10,302
7,672	0	Depreciation, Amortisation and Impairment		9,708	0
1,734	1	Non Distributed Costs		814	0
227,002	**13,231**	**Total Expenditure**		**208,666**	**13,248**
206,400	6,735	**Cost of Services before Intra-group Funding**		179,022	6,230
0	218,561	Intra-group Funding	6.2.1	0	235,551
206,400	**225,295**	**Cost of Services**		**179,022**	**241,781**
82	82	(Surplus) or loss on disposals	6.2.2	402	402
72,242	1,414	Financing and Investment Income and Expenditure	6.2.3	84,460	(90)
(234,448)	(234,448)	Taxation and Non-Specific Grant Income	6.2.5	(242,920)	(242,920)
(45,702)	0	Grant Received From Home Office in respect of the pension fund account	6.2.5	(46,521)	0
(1,426)	**(7,657)**	**(Surplus) or deficit on Provision of Services**		**(25,557)**	**(827)**
(1,163)	(1,163)	(Surplus) or Deficit on revaluation of non-current assets	6.3.14	(1,528)	(1,528)
(879,734)	(2,788)	Re-measurement of the net defined benefit liabilities	7.2.1	(61,505)	(827)
(880,897)	**(3,951)**	**Other Comprehensive (Income) and Expenditure**		**(63,033)**	**(2,355)**
(882,323)	**(11,608)**	**Total Comprehensive (Income) and Expenditure**		**(88,590)**	**(3,182)**

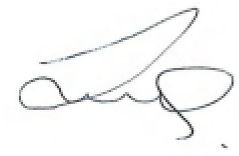
5.3 Balance Sheet

The Balance sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised but the Group. The net assets of the authority (asset less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. Usable reserves i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves – i.e. those reserves that are not able to be used to help provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to help provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

Group 31 March 2023 £'000	PCC 31 March 2023 £'000		Notes	Group 31 March 2024 £'000	PCC 31 March 2024 £'000
47,087	47,087	Land and Buildings	6.3.1	48,095	48,095
275	275	Surplus Assets	6.3.1	900	900
21,289	21,289	Vehicles, Plant and Equipment	6.3.1	21,849	21,849
17,654	17,654	Intangible Assets	6.3.2	17,718	17,718
2,507	2,507	Assets under construction	6.3.1 & 6.3.3	1,591	1,591
0	0	Long-Term Debtors	6.3.4	0	0
88,812	**88,812**	**Long Term Assets**		**90,153**	**90,153**
430	430	Assets Held for Sale	6.3.5	430	430
748	748	Inventories	6.3.6	702	702
0	0	Short Term Investments	6.3.7	0	0
44,875	44,875	Short Term Debtors	6.3.8	46,620	46,620
0	0	Intra-group Short Term Debtors	6.3.8	0	0
22,397	22,397	Cash and Cash Equivalents	6.3.9	20,758	20,758
68,450	**68,450**	**Current Assets**		**68,510**	**68,510**
(1,842)	(1,842)	Short Term Borrowing	6.3.7	(1,836)	(1,836)
(29,890)	(18,549)	Short Term Creditors	6.3.10	(29,378)	(18,328)
0	(8,275)	Intra-group Short Term Creditors	6.3.10	0	(8,911)
(31,731)	**(28,664)**	**Current Liabilities**		**(31,214)**	**(29,075)**
0	0	Other long term liabilities	6.3.12	(381)	(381)
(4,030)	0	Provisions	6.3.11	(4,614)	0
(63,100)	(63,100)	Long-Term Borrowing	6.3.7	(61,500)	(61,500)
(119)	(119)	Revenue Grants Received in Advance		0	0
(1,384,004)	93	Liability Related to Defined Benefit Pension Scheme	7.2.3	(1,298,085)	947
(1,451,253)	**(63,126)**	**Long Term Liabilities**		**(1,364,580)**	**(60,934)**
(1,325,723)	**65,471**	**Net Liabilities**		**(1,237,131)**	**68,654**
		Financed by:			
		Usable Reserves			
(9,489)	(9,489)	General Fund	6.3.13	(9,635)	(9,636)
(33,825)	(33,825)	Earmarked Reserves	6.3.13	(35,883)	(35,883)
(331)	(331)	Capital Grant Unapplied	6.3.13	(331)	(331)
(2,276)	(2,276)	Capital Receipt Reserve	6.3.13	0	0
1,371,644	(19,550)	Unusable Reserves	6.3.14	1,282,981	(22,804)
1,325,723	**(65,471)**	**Total Reserve**		**1,237,131**	**(68,654)**

The PCC for Staffordshire owns all of the assets and bank accounts of the Group and therefore the Group Balance sheet is in many respects identical to that of the PCC. The only differences are that the Group Balance sheet includes the net pension liability and the provision for compensated absences, both of which sit with the accounts of the Chief Constable of Staffordshire Police.

I confirm that the PCC for Staffordshire approved these accounts as at 31st March 2024.



Heather Lees, Director of Finance (Section 151 Officer)
for the Police and Crime Commissioner for Staffordshire
Date 27th February 2025

5.4 Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents held by the OPCC during the reporting period and how these are generated or used 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 operations are funded by way of taxation and grant income or from the recipients of services provided by the OPCC. Investing activities represent the extent to which cash outflows have been used to generate resources intended to contribute to future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing).

Group 2022/23 £'000	PCC 2022/23 £'000		Notes	Group 2023/24 £'000	PCC 2023/24 £'000
1,426	**7,656**	**Net Surplus or (Deficit) on the provision of services**	5.2	**25,557**	**827**
(4,148)	(10,378)	Adjustments to net Surplus or (Deficit) on the provision of services for non-cash movements	6.4.1	(15,596)	9,134
(82)	(82)	Adjustment for items included in the net Surplus or (Deficit) on the provision of services that are investing and financing activities.	6.4.2	(402)	(402)
(2,804)	**(2,804)**	**Net cash flow Operating Activities**		**9,559**	**9,559**
2,984	2,984	Net cash flows from Investing Activities	6.4.3	(9,598)	(9,598)
(2,500)	(2,500)	Net cash flows from Financing Activities	6.4.4	(1,600)	(1,600)
(2,320)	**(2,320)**	**Net Increase or (decrease) in cash and cash equivalents**		**(1,639)**	**(1,639)**
24,717	24,717	Cash and cash equivalents at the beginning of the reporting period		22,397	22,397
22,397	22,397	Cash and cash equivalent at the end of the reporting period	6.3.9	20,758	20,758

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 Statement (MIRS) Notes

6.1.1 Adjustment between accounting basis and funding basis

This note details the adjustments that are made to the CIES recognised by the OPCC/Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the OPCC/Group to meet future capital and revenue expenditure.

GROUP 2023/24	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources *Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:*				
Pension Costs (transferred to or from pension reserve)	(24,414)	0	0	24,414
Council tax (transfer to or from collection fund)	0	0	0	0
Holiday Pay (transfer to the Accumulated Absences Account)	(356)	0	0	356
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital Expenditure (these items charged to the CAA)	10,190	0	0	(10,190)
Total Adjustment to Revenue Resources	**(14,580)**	**0**	**0**	**14,580**
Adjustments between Revenue and Capital Resources				
Transfer of non-current assets sale proceeds from revenue to the Capital receipt reserve	(98)	98	0	0
Statutory provision for the repayment of debt MRP (transfer from the CAA)	(3,376)	0	0	3,376
Capital expenditure financed from revenue balances (transfer to the CAA)	(5,312)	0	0	5,312
Transfer of capital grants and contributions to capital grants unapplied	0	0	0	0
Total Adjustment between Revenue and Capital Resources	**(8,786)**	**98**	**0**	**8,688**
Adjustment to Capital Resources				
Application of capital receipt to finance capital expenditure	0	(2,375)	0	2,375
Application of capital grants to finance capital expenditure	0	0	0	0
Cash Payment to deferred capital receipt	14	0	0	(14)
Total Adjustment to Capital Resources	**14**	**(2,375)**	**0**	**2,361**
Total Group Adjustment	**(23,352)**	**(2,277)**	**0**	**25,629**
Less: Chief Constable only adjustments				
Pension Costs (transferred to or from pension reserve)	24,387	0	0	(24,387)
Holiday Pay (transfer to the Accumulated Absences Account)	343	0	0	(343)
Total PCC Adjustments	**1,378**	**(2,277)**	**0**	**899**

6.1.1 Adjustment between accounting basis and funding basis (continued)

GROUP 2022/23	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs (transferred to or from pension reserve)	6,746	0	0	(6,746)
Council tax (transfer to or from collection fund)	(67)	0	0	67
Holiday Pay (transfer to the Accumulated Absences Account)	(205)	0	0	207
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital Expenditure (these items charged to the CAA)	9,050	0	0	(9,050)
Total Adjustment to Revenue Resources	**15,523**	**0**	**0**	**(15,523)**
Adjustments between Revenue and Capital Resources				
Transfer of non-current assets sale proceeds from revenue to the Capital receipt reserve	(1,455)	1,455	0	0
Statutory provision for the repayment of debt MRP (transfer from the CAA)	(3,562)	0	0	3,562
Capital expenditure financed from revenue balances (transfer to the CAA)	(4,953)	0	0	4,953
Transfer of capital grants and contributions to capital grants unapplied	183	0	(183)	0
Total Adjustment between Revenue and Capital Resources	**(9,787)**	**1,455**	**(183)**	**(8,515)**
Adjustment to Capital Resources				
Application of capital receipt to finance capital expenditure	0	(628)	0	628
Application of capital grants to finance capital expenditure	(183)	0	0	183
Cash Payment to deferred capital receipt	144	0	0	(144)
Total Adjustment to Capital Resources	**(39)**	**(628)**	**0**	**667**
Total Group Adjustment	**5,696**	**828**	**(183)**	**(6,341)**
Less: Chief Constable only adjustments				
Pension Costs (transferred to or from pension reserve)	(6,447)	0	0	6,447
Holiday Pay (transfer to the Accumulated Absences Account)	219	0	0	(219)
Total PCC Adjustments	**(533)**	**828**	**(183)**	**(112)**

6.1.2 Expenditure and Funding Analysis (EFA)

The EFA shows how annual expenditure is used and funded from resources (government grants and council tax) by the Group in comparison with those resources consumed or earned by the Group in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Group services. The income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

	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	122,627	61,983	60,644
Police Staff Pay and Allowances	77,337	1,039	76,298
Other Employee Expenses	4,698	0	4,698
Police Pensions	3,843	0	3,843
Premises	7,354	0	7,354
Transport	4,928	0	4,928
Supplies and Services	22,202	0	22,202
Agency and Contracted Services	18,177	0	18,177
Depreciation, Amortisation and Impairment	0	(9,708)	9,708
Non Distributed Costs	584	(230)	814
Total Expenditure	**261,750**	**53,084**	**208,666**
Grants and Contributions	(19,751)	0	(19,751)
Reimbursements	(8,017)	0	(8,019)
Sales, Fees and Charges	(1,494)	0	(1,494)
Other Income	(382)	0	(382)
Income	**(29,644)**	**0**	**(29,644)**
Net Cost of Services	**232,105**	**53,084**	**179,022**
(Surplus) or loss on disposals	0	(402)	402
Financing and Investment Income and Expenditure	8,609	(75,851)	84,460
Taxation and Non-Specific Grant Income	(242,920)	0	(242,920)
Grant Received From Home Office in respect of the pension fund account	0	46,521	(46,521)
(Surplus) or deficit on Provision of Services	**(2,205)**	**23,352**	**(25,557)**
(Surplus) or Deficit on revaluation of non current assets	0	1,528	(1,528)
Re-measurement of the net defined benefit liabilities	0	61,505	(61,505)
Transfers To/(From) Earmarked Reserves	2,058	2,058	0
Net (Surplus) / Deficit funded from General Fund	**(147)**	**88,443**	**(88,590)**
Opening General Fund	9,489		
Budgeted Transfer to General Fund	0		
Underspend during the year against Budget	147		
Closing General Fund	**9,636**		

	2022/23		
	Net Expenditure Chargeable to General Fund	**Adjustments between funding and IFRS Basis**	**CIES Net Expenditure**
	£'000	**£'000**	**£'000**
Police Officer Pay and Allowances	110,995	32,864	78,130
Police Staff Pay and Allowances	67,726	(15,595)	83,320
Other Employee Expenses	4,086	0	4,086
Police Pensions	3,785	0	3,785
Premises	6,099	0	6,099
Transport	4,905	0	4,904
Supplies and Services	21,931	0	21,931
Agency and Contracted Services	15,341	0	15,341
Depreciation, Amortisation and Impairment	0	(7,672)	7,672
Non Distributed Costs	3,110	1,376	1,734
Total Expenditure	**237,975**	**10,975**	**227,002**
Grants and Contributions	(11,311)	0	(11,311)
Reimbursements	(7,622)	0	(7,622)
Sales, Fees and Charges	(1,110)	0	(1,110)
Other Income	(558)	0	(559)
Income	**(20,602)**	**0**	**(20,602)**
Net Cost of Services	**217,375**	**10,975**	**206,400**
(Surplus) or loss on disposals	0	(82)	82
Financing and Investment Income and Expenditure	9,884	(62,358)	72,242
Taxation and Non-Specific Grant Income	(234,381)	66	(234,448)
Grant Received From Home Office in respect of the pension fund account	0	45,702	(45,702)
(Surplus) or deficit on Provision of Services	**(7,122)**	**(5,698)**	**(1,427)**
(Surplus) or Deficit on revaluation of non current assets	0	1,163	(1,163)
Re-measurement of the net defined benefit liabilities	0	879,734	(879,734)
Transfers To/(From) Earmarked Reserves	6,142	6,142	0
Net (Surplus) / Deficit funded from General Fund	**(980)**	**881,340**	**(882,323)**
Opening General Fund	8,509		
Budgeted Transfer to General Fund	0		
Underspend during the year against Budget	980		
Closing General Fund	**9,489**		

6.1.2 Expenditure and Funding Analysis (EFA) PCC Single Entity (Continued)

	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	339	0	339
Police Staff Pay and Allowances	1,935	33	1,902
Other Employee Expenses	269	0	269
Police Pensions	0	0	0
Premises	0	0	0
Transport	20	0	20
Supplies and Services	416	0	416
Agency and Contracted Services	10,302	0	10,302
Depreciation, Amortisation and Impairment	0	0	0
Non Distributed Costs	0	0	0
Total Expenditure	**13,281**	**33**	**13,248**
Grants and Contributions	(6,727)	0	(6,727)
Reimbursements	(291)	0	(291)
Sales, Fees and Charges	0	0	0
Other Income	0	0	0
Income	**(7,018)**	**0**	**(7,018)**
Intra-group Funding	225,843	(9,708)	235,551
Net Cost of Services	**232,106**	**(9,675)**	**241,781**
(Surplus) or loss on disposals	0	(402)	402
Financing and Investment Income and Expenditure	8,609	8,699	(90)
Taxation and Non-Specific Grant Income	(242,920)	0	(242,920)
Grant Received From Home Office in respect of the pension fund account	0	0	0
(Surplus) or deficit on Provision of Services	**(2,205)**	**(1,378)**	**(827)**
(Surplus) or Deficit on revaluation of non current assets	0	1,528	(1,528)
Re-measurement of the net defined benefit liabilities	0	827	(827)
Transfers To/(From) Earmarked Reserves	2,058	2,058	0
Net (Surplus) / Deficit funded from General Fund	**(147)**	**3,035**	**(3,182)**
Opening General Fund	9,489		
Budgeted Transfer to General Reserve	0		
Underspend during the year against budget	147		
Closing General Fund	**9,636**		

	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	0	0	0
Police Staff Pay and Allowances	1,628	(251)	1,879
Other Employee Expenses	83	0	83
Police Pensions	0	0	0
Premises	0	0	0
Transport	18	0	18
Supplies and Services	1,465	0	1,465
Agency and Contracted Services	9,786	0	9,786
Depreciation, Amortisation and Impairment	0	0	0
Non Distributed Costs	0	(1)	1
Total Expenditure	**12,980**	**(252)**	**13,232**
Grants and Contributions	(6,300)	0	(6,300)
Reimbursements	(195)	0	(195)
Sales, Fees and Charges	0	0	0
Other Income	0	0	0
Income	**(6,495)**	**0**	**(6,495)**
Intra-group Funding	210,890	(7,671)	218,561
Net Cost of Services	**217,375**	**(7,923)**	**225,298**
(Surplus) or loss on disposals	0	(82)	82
Financing and Investment Income and Expenditure	9,884	8,470	1,414
Taxation and Non-Specific Grant Income	(234,381)	67	(234,448)
Grant Received From Home Office in respect of the pension fund account	0	0	0
(Surplus) or deficit on Provision of Services	**(7,122)**	**533**	**(7,656)**
(Surplus) or Deficit on revaluation of non current assets	0	1,163	(1,163)
Re-measurement of the net defined benefit liabilities	0	2,788	(2,788)
Transfers To/(From) Earmarked Reserves	6,142	6,142	0
Net (Surplus) / Deficit funded from General Fund	**(980)**	**10,624**	**(11,607)**
Opening General Fund	8,509		
Budgeted Transfer to General Reserve	0		
Underspend during the year against budget	980		
Closing General Fund	**9,489**		

6.1.3 Notes to Expenditure and Funding Analysis

2023/24	Adjustments for Capital Purpose £'000	Net Changes for Pensions IAS19 £'000	Other Differences £'000	Total £'000
Police Officer Pay and Allowances	0	61,530	453	**61,983**
Police Staff Pay and Allowances	0	1,137	(98)	**1,039**
Other Employee Expenses	0	0	0	**0**
Depreciation, Amortisation and Impairment	(9,708)	0	0	**(9,708)**
Non Distributed Costs	0	(230)	0	**(230)**
Net Cost of Services	**(9,708)**	**62,437**	**355**	**53,084**
(Surplus) or loss on disposals	(402)	0	0	**(402)**
Financing and Investment Income and Expenditure Note(iii)	8,694	(84,545)	0	**(75,851)**
Taxation and Non-Specific Grant Income	0	0	0	**0**
Grant Received from Home Office in respect of the pension fund account	0	46,521	0	**46,521**
Surplus or (deficit) on Provision of Services	**(1,416)**	**24,413**	**355**	**23,352**
(Surplus) or Deficit on revaluation of non current assets	1,528	0	0	**1,528**
Re-measurement of the net defined benefit liabilities	0	61,505	0	**61,505**
Transfers To/(From) Earmarked Reserves	0	0	2,058	**2,058**
Difference between General Fund and CIES Surplus or Deficit on the Provision of Services	**112**	**85,918**	**2,413**	**88,443**

2022/23	Adjustments for Capital Purpose £'000	Net Changes for Pensions IAS19 £'000	Other Differences £'000	Total £'000
Police Officer Pay and Allowances	0	32,870	(5)	**32,865**
Police Staff Pay and Allowances	0	(15,806)	212	**(15,594)**
Other Employee Expenses	0	0	0	**0**
Depreciation, Amortisation and Impairment	(7,672)	0	0	**(7,672)**
Non Distributed Costs	0	1,376	0	**1,376**
Net Cost of Services	**(7,672)**	**18,440**	**207**	**10,975**
(Surplus) or loss on disposals	(82)	0	0	**(82)**
Financing and Investment Income and Expenditure Note(iii)	8,531	(70,889)	0	**(62,358)**
Taxation and Non-Specific Grant Income	0	0	66	**66**
Grant Received from Home Office in respect of the pension fund account	0	45,702	0	**45,702**
Surplus or (deficit) on Provision of Services	**777**	**(6,747)**	**272**	**(5,698)**
(Surplus) or Deficit on revaluation of non current assets	1,163	0	0	**1,163**
Re-measurement of the net defined benefit liabilities	0	879,734	0	**879,734**
Transfers To/(From) Earmarked Reserves	0	0	6,142	**6,142**
Difference between General Fund and CIES Surplus or Deficit on the Provision of Services	**1,940**	**872,987**	**6,414**	**881,340**

6.1.3 Notes to Expenditure and Funding Analysis PCC Single Entity (continued)

2023/24	Adjustments for Capital Purpose £'000	Net Changes for Pensions IAS19 £'000	Other Differences £'000	Total £'000
Police Staff Pay and Allowances	0	19	14	**33**
Non Distributed Costs	0	0	0	**0**
Net Cost of Services	**0**	**19**	**14**	**33**
Intra-group Funding	(9,708)	0	0	**(9,708)**
(Surplus) or loss on disposals	(402)	0	0	**(402)**
Financing and Investment Income and Expenditure Note(iii)	8,694	5	0	**8,699**
Taxation and Non-Specific Grant Income	0	0	0	**0**
Surplus or (deficit) on Provision of Services	**(1,416)**	**24**	**14**	**(1,378)**
Surplus or Deficit on revaluation of non current assets	1,528	0	0	**1,528**
Re-measurement of the net defined benefit liabilities	0	827	0	**827**
Transfers To/(From) Earmarked Reserves	0	0	2,058	**2,058**
Difference between General Fund and CIES Surplus or Deficit on the Provision Of Services	**112**	**851**	**2,072**	**3,035**

2022/23	Adjustments for Capital Purpose £'000	Net Changes for Pensions IAS19 £'000	Other Differences £'000	Total £'000
Police Staff Pay and Allowances	0	(238)	(13)	**(251)**
Non Distributed Costs	0	(1)	0	**(1)**
Net Cost of Services	**0**	**(239)**	**(13)**	**(252)**
Intra-group Funding	(7,671)	0	0	**(7,671)**
(Surplus) or loss on disposals	(82)	0	0	**(82)**
Financing and Investment Income and Expenditure Note(iii)	8,531	(61)	0	**8,470**
Taxation and Non-Specific Grant Income	0	0	67	**67**
Surplus or (deficit) on Provision of Services	**778**	**(300)**	**55**	**533**
Surplus or Deficit on revaluation of non current assets	1,163	0	0	**1,163**
Re-measurement of the net defined benefit liabilities	0	2,788	0	**2,788**
Transfers To/(From) Earmarked Reserves	0	0	6,142	**6,142**
Difference between General Fund and CIES Surplus or Deficit on the Provision Of Services	**1,941**	**2,488**	**6,197**	**10,625**

Note (i) Adjustments for Capital Purposes
This column adds in depreciation and revaluation gains and losses in the services line. Minimum Revenue Provision (MRP) and other revenue contributions to capital expenditure are deducted because they are not chargeable under generally accepted accounting practices. Other income and expenditure is adjusted for capital disposals of assets with a transfer of the income on disposal and the amounts written off for those assets; an adjustment is also made to recognise capital grant income.

Note (ii) 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 (iii) 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 and also capital financing costs.

Note (iv) Other Adjustments
This column reflects variations in the amount chargeable for Council Tax under Statute and the Code; and timing differences relating to accruing for compensated absences earned but not taken in the year (absorbed by the Accumulated Absences Account).

6.1.4 Movement in Earmarked Reserves

This note sets out the amounts set aside from the General Fund to provide financing for future expenditure plans.

GROUP AND PCC	Balance at 01 April 2022 £'000	Transfer Out £'000	Transfer In £'000	Balance at 31 March 2023 £'000	Transfer Out £'000	Transfer In £'000	Balance at 31 March 2024 £'000
Reshaping the Future	2,332	(542)	539	2,329	(239)	0	2,090
IT Transformation	2,580	(196)	0	2,384	(71)	320	2,633
Insurance Reserve	981	(2,426)	2,144	699	(3,370)	2,985	314
Pension Reserve	4,499	(58)	1,580	6,021	(332)	0	5,689
Collaboration Reserve	292	(153)	74	213	(73)	478	618
Capital Reserve	2,216	(809)	1,070	2,477	(1,827)	728	1,378
ESN Reserve	1,784	0	0	1,784	0	638	2,422
Major Policing Events	923	(249)	0	674	(200)	0	474
Operational Reserves	12,076	(2,603)	7,771	17,244	(4,119)	7,140	20,265
Total Earmarked Reserves	**27,683**	**(7,036)**	**13,178**	**33,825**	**(10,231)**	**12,289**	**35,883**

6.2 Comprehensive Income and Expenditure (CIES) Notes

6.2.1 PCC Single Entity 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	84,550
(45,702)	Home Office grant towards cost of retirement	(46,521)
(876,946)	Re-measurement of the net defined benefit liability	(60,678)
(652,156)	**Resources consumed**	**150,143**
	Items removed through the MIRS	
870,499	Movement in pension liability	85,065
218	Movement in accumulated absences liability	343
218,561	**Total resources consumed for the year by the Chief Constable and funded by the PCC**	**235,551**

6.2.2 Other operating expenditure

During 2023/24 the Group has disposed of police vehicles and the old Doxey Police post, where disposals fees received in excess of £10,000 are categorised as capital receipts, in accordance with the CIPFA Code.

	Receipts for Sale of Assets £'000	Carrying Amount £'000	Less Depreciation £'000	Less Cost of Sale £'000	Surplus/ (Loss) on Disposals £'000
31 March 2024	78	(2,296)	1,816	0	(402)
31 March 2023	1,296	(2,050)	702	(30)	(82)
31 March 2022	1,450	(2,251)	837	0	36
31 March 2021	425	(1,323)	695	0	(203)

6.2.3 Financing and Investment net expenditure

Financing and Investment includes the following items, Interest payable during 2023/24 was made to the PWLB.

2022/23 Group £'000	2022/23 PCC £'000		2023/24 Group £'000	2023/24 PCC £'000
2,253	2,253	Interest Payable and Similar Charges	2,200	2,200
70,889	60	Pension Net Interest Costs	84,545	(5)
(900)	(900)	Interest Receivable and Similar Income	(2,285)	(2,285)
72,242	**1,414**	**Total**	**84,460**	**(90)**

6.2.4 Specific Grants

Included within the Gross income figure in the Net Cost of Services for the OPCC Group and PCC are specific grants and contributions. A breakdown of these by awarding body is listed below:

2022/23 Group £'000	2022/23 PCC £'000	Body		2023/24 Group £'000	2023/24 PCC £'000
1,299	1,299	Victim Service Grant	Ministry of Justice	2,193	2,193
1,451	0	Safer Roads Partnership	Staffordshire County Council	1,569	0
1,055	1,055	Pay Award Grant	Home Office	4,974	0
500	500	Safer Streets Grant	Home Office	715	715
218	0	Counter Terrorism	Home Office	260	0
1,117	52	Other Grants	Home Office	1,216	345
5,640	**2,906**	**Total Specific Grants**		**10,927**	**3,254**
5,671	3,394	Contributions		8,824	3,474
11,311	**6,300**	**Total Grants and Contributions**		**19,751**	**6,727**

6.2.5 Taxation and Non-Specific Grant Income

The Policing Precept is included within core funding and this increased in 2023/24 by 4.83%, equivalent to 23p per week and this resulted in an additional £5.616m in core funding in 2023/24 (excluding collection fund position). In addition, the main Police Grant increased by £0.450m and the ring-fenced funding related to uplift, now the Police Officer maintenance grant increased by £2.110m.

2022/23 £'000		2023/24 £'000
(89,214)	Precepts	(95,126)
(81,500)	Police Revenue Grant	(81,785)
(47,909)	Non-Domestic Rates Redistribution	(48,075)
(8,423)	Localisation of Council Tax	(8,423)
(3,541)	Council Tax Freeze Grant	(3,541)
(2,036)	Police Uplift Programme	(4,145)
(1,825)	Police Pension Grant	(1,825)
(234,448)	**Taxation and Non-Specific Grant Income PCC**	**(242,920)**
(45,702)	Home Office Pension Top Up Grant	(46,521)
(280,149)	**Taxation and Non-Specific Grant Income Group**	**(289,441)**

6.2.6 External Audit Fees

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

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

During 2020/21 and 2021/22 audit the Group and PCC accrued for additional costs for additional work to address increase in Regulatory standards and additional procedures undertaken by the auditor. These additional fees proposed by the auditor but has not yet been approved by the PSAA Ltd.

2022/23 Group £'000	2022/23 PCC £'000		2023/24 Group £'000	2023/24 PCC £'000
47	30	External Audit Fees	180	115
47	**30**	**Sub-Total**	**180**	**115**
30	26	Additional External Audit Fees 2020/21	0	0
56	40	Additional External Audit Fees 2021/22	4	4
133	**96**	**Total**	**184**	**119**

6.2.7 Operating Leases

The OPCC Group leases various land and buildings. The amount paid under these arrangements in 2023/24 was £806k (£780k in 2022/23).

The OPCC Group has entered into a number of operating leases for its use of Premises owned by other bodies. The future minimum lease payments due under non-cancellable leases in future years are:

2022/23 £'000		2023/24 £'000
738	No Later Than One Year	637
2,164	Later Than One Year and Not Later Than Five Years	2,340
3,555	Later Than Five Years	3,495
6,457	**Total**	**6,472**

6.2.8 Material items and 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 Property, Plant and Equipment (PPE)

The PCC holds all the Groups PPE. Assets are strategic in nature and are controlled by the PCC to achieve strategic outcomes. Cameron Butler BLE (Hons) MRICS, FHP Property Consultants have been engaged on behalf of the OPCC/Group to provide valuation services. A full property valuation was carried out on 30 police sites in 2023/24 in accordance with the 'code' to undertake a valuation at least every 5 years and all assets held on the Balance Sheet comply with as per IAS16.

The valuation has been updated for the properties which are valued on the basis of "depreciated replacements costs" (DRC) these are 3 properties which are specialised due to the nature of the property. All remaining properties have been valued using the income-based approach as there is service potential to be absorbed by the market, for example as office accommodation. The valuations of the land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

The Land and Building net carrying amount below includes £670k in respect of Castle House at Newcastle Under Lyme and Doxey is classed as finance lease.

The movements on the balances of the PPE assets are shown in the following tables:

GROUP AND PCC MOVEMENTS 2023/24	Land and Building £'000	Surplus Assets £'000	Assets Under Construction £'000	Vehicles, Plant and Equipment £'000	Total Property, Plant and Equipment £'000
Value at 01 April 2023	47,087	275	2,507	66,155	116,024
Additions	999	646	1,438	4,198	7,281
Disposals	(69)	0	0	(2,223)	(2,292)
Derecognition other	0	0	0	0	0
Revaluations	78	(21)	0	0	57
Impairment	0	0	0	0	0
Transfers	0	0	(2,354)	1,358	(996)
Other movements in cost or valuation	0	0	0	0	0
Gross Book Value at 31 March 2024	48,095	900	1,591	69,488	120,074
Depreciation and Impairment:					
Cumulative net to 01 April 2022	0	0	0	(44,866)	(44,866)
Depreciation Charge	(1,344)	0	0	(4,585)	(5,929)
Assets reclassified (to)/from	0	0	0	0	0
Derecognition other	0	0	0	0	0
Disposals	3	0	0	1,812	1,815
On revaluations	1,341	0	0	0	1,341
Other Movements	0	0	0	0	0
Depreciation at 31 March 2024	0	0	0	(47,639)	(47,639)
Net Book Value 2024	**48,095**	**900**	**1,591**	**21,849**	**72,435**
Net Book Value 2023	47,087	275	2,507	21,289	71,157

GROUP AND PCC MOVEMENTS 2022/23	Land and Building £'000	Surplus Assets £'000	Assets Under Construction £'000	Vehicles, Plant and Equipment £'000	Total Property, Plant and Equipment £'000
Value at 01 April 2022	45,516	275	1,687	61,713	109,191
Additions	528	0	2,559	4,537	7,624
Disposals	0	0	0	(800)	(800)
Derecognition other	0	0	(74)	(149)	(223)
Revaluations	258	0	0	0	258
Impairment	(11)	0	0	0	(11)
Transfers	796	0	(1,665)	854	(15)
Other movements in cost or valuation	0	0	0	0	0
Gross Book Value at 31 March 2023	47,087	275	2,508	66,155	116,024
Depreciation and Impairment:					
Cumulative net to 01 April 2022	0	0	0	(41,791)	(41,791)
Depreciation Charge	(1,245)	0	0	(3,849)	(5,094)
Assets reclassified (to)/from	0	0	0	0	0
Derecognition other	0	0	0	72	72
Disposals	0	0	0	702	702
On revaluations	1,245	0	0	0	1,245
Other Movements	0	0	0	0	0
Depreciation at 31 March 2023	0	0	0	(44,866)	(44,866)
Net Book Value 2023	**47,087**	**275**	**2,508**	**21,289**	**71,157**
Net Book Value 2022	45,516	275	1,687	19,922	67,400

Depreciation
The following useful lives and depreciation rates have been used in the calculation of depreciation in 2023/24.

- Land and Building (Inc. Components) 15 to 60 years
- Vehicles 3 to 10 years
- IT Equipment 2 to 10 years
- Other Plant and Equipment 3 to 20 years

Capital Commitments
As part of the capital programme the OPCC had in progress during 2023/24 a number of contracted schemes which were not completed before 31st March 2024. The potential budgeted capital commitment arising from those schemes is estimated to be £5.096m (£4.131m in 2022/23).

Revaluations
The figures shown in the tables above include both upward and downward revaluations of tangible non-current assets. These movements are captured in either the revaluation reserve (balance sheet) or the other comprehensive income and expenditure section of the comprehensive income and expenditure statement (CIES).

Assets under Construction
As at 31st March 2024 we had 45 vehicles classed as assets under construction as these had not been commissioned for operational purposes. In addition, the professional fees for the development of the firing range have been accounted for as assets under construction.

	Land and Building £'000	Surplus Assets £'000	Assets Under Construction £'000	Asset Held for Sale £'000	Vehicles, Plant and Equipment £'000	Total Property, Plant and Equipment £'000
Carried at Historical Cost:	0	0	1,591	0	69,489	71,079
Valued at Fair Value as at:						
31 March 2024	1,008	625	0	430	0	2,063
31 March 2023	1,571	0	0	0	0	1,571
31 March 2022	(274)	0	0	0	0	(274)
31 March 2021	(4,658)	(675)	0	0	0	(5,333)
Up to 31 March 2020	50,448	950	0	0	0	51,398
Total Gross Cost or Valuation	**48,095**	**900**	**1,591**	**430**	**69,489**	**120,504**

6.3.2 Intangible assets

Software is accounted for as intangible assets, to the extent that the software is not an integral part of a particular ICT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licences and general software.

All software is given a finite useful life based on assessments of the period that the software is expected to be of use to the OPCC. The useful lives assigned to the major software suites by the OPCC are three to 10 years.

The carrying amount of intangible assets is amortised on a straight-line basis. An amortisation of £2.653m was charged to revenue in 2023/24, (£2.716m in 2022/23).

2022/23 £'000		2023/24 £'000
	Group and PCC Balance as at 1 April	
33,248	Gross Carrying Amount	33,666
(13,296)	Accumulated Amortisation	(16,012)
19,952	**Net Carrying Amount at Start of Year**	**17,654**
439	Additions	1,721
(21)	De recognition- other	0
0	Transfer	997
(2,716)	Amortisation for the period	(2,653)
0	Write Out Amortisation on Disposal	0
(2,298)	**Net Carrying Amount at End of Year**	**65**
	Comprising:	
33,666	Gross Carrying Amounts	36,383
(16,012)	Accumulated Amortisation	(18,665)
17,654	**Group and PCC Balance as at 31 March**	**17,718**

6.3.3 Intangible asset under construction

2022/23 £'000		2023/24 £'000
0	**Group and PCC Balance as at 1 April**	0
0	Additions	0
0	Transfer	0
0	De recognition- other	0
0	Other movements	0
0	**Group and PCC Balance as at 31 March**	**0**

6.3.4 Long Term Debtors

From 1st October 2013, all air support for Staffordshire Police was transferred to NPAS, (the National Police Aviation Service). As a result, NPAS also acquired Staffordshire Police's helicopter (which was shared with West Mercia Police). Part of the arrangement is that NPAS pays set amounts each year in order to negate the effect of existing borrowing which will continue to be provided for in the accounts. The total of these credits amounts to £0.920m and will be received over 11 years up to 2023/24.

As the payment of the capital receipt is deferred it has been discounted at a rate of 3.5% to illustrate the 'real' loss from the disposal of the helicopter. The final payment is received and we are no longer expecting any future capital receipts.

6.3.5 Asset Held for Sale

In 2022/23 we seen the disposed of Hanley Police station. We also are expected to sell Blythe Bridge police station in the next 12 months.

2022/23 £'000		2023/24 £'000
1,680	**Group and PCC Balance as at 1 April**	430
	Assets newly classified as held for sale	
15	Additions	0
15	Transfers	0
0	Impairments	0
0	Revaluations	0
(1,280)	Disposals	0
0	Other Movements	0
430	**Group and PCC Balance as at 31 March**	**430**

6.3.6 Inventories

During 2023/24 the increase in prices due to currency fluctuations made the acquisition and holding certain stocks a more material item for the OPCC. The closing stock adjustment of £0.702m reflects the value of a number of different stock types including ammunition, protective clothing and uniform as at 31st March 2024 (£0.748m 2022/23).

6.3.7 Financial Instruments

Financial liabilities and financial assets are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

The new borrowing interest rates at the 31st March 2024 for all Public Works Loan Board (PWLB) loans and the market rate applicable at the 31st March 2024 for investments;

- No early repayment or impairment is recognised;
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value;
- Short term debtors and creditors are carried at cost as this is an approximation of their fair value. Total short-term financial assets and liabilities relating to debtors and creditors are included in Notes 6.3.8 and 6.3.10.
- The fair values in 2023/24 are calculated under IFRS 13 which under the definition the fair value is calculated reference to the "premature repayment" set of rates as at 31st March 2024. As the price that would be received to sell an asset or paid to transfer its liability.

31 March 2023 Carrying Amount £'000	31 March 2023 Carrying Amount £'000		31 March 2024 Carrying Amount £'000	31 March 2024 Fair Value £'000
		Financial Liabilities		
63,100	55,619	PWLB Long Term Borrowing	61,500	51,427
63,100	**55,619**		**61,500**	**51,427**
1,600	1,580	PWLB Short Term Borrowing	1,600	1,572
0	0	Short Term OLAS	0	0
242	242	Interest due within one year	236	236
1,842	**1,822**		**1,836**	**1,808**
10,147	10,147	Creditors which are financial instruments	8,378	8,378
75,089	**67,588**	**Group and PCC Total Liability**	**71,714**	**61,613**

31 March 2023 Carrying Amount £'000	31 March 2023 Carrying Amount £'000		31 March 2024 Carrying Amount £'000	31 March 2024 Fair Value £'000
		Financial Assets		
0	0	Short Term Deposits	0	0
0	**0**	**Total Short-Term Investments**	**0**	**0**
		Cash		
297	297	Cash	283	283
22,100	22,100	Short Term Deposits	20,475	20,475
22,397	**22,397**	**Total Cash and Cash Equivalents**	**20,758**	**20,758**
8,353	8,353	Debtors which are financial instruments	12,006	12,006
30,750	**30,750**	**Group and PCC Total Assets**	**32,764**	**32,764**

Financial Assets appear in two places on the Balance Sheet, either as Short-Term Investments or as Cash Equivalents within the Cash and Cash Equivalents figure. Their fair values are calculated by using the net present value approach, using a discount rate that should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation for an instrument with a duration that is equal to the outstanding period from valuation date to maturity.

The OPCC's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due
- Liquidity risk – the possibility that the OPCC might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the OPCC as a result of changes in such measures as interest rates and stock market movements.

The OPCC's Treasury Management function is sub-contracted to Staffordshire County Council and the Council's management of treasury risks actively works to minimise the OPCC's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Group has fully adopted the CIPFA's Treasury Management in the Public Services: Code of Practice and has written Treasury Management practice notes dealing with different aspects of the function.

Credit risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities, as well as credit exposure to customers. It is the policy of the OPCC to loan money with only a limited number of high-quality banks and building societies and during the past financial year the OPCC has restricted lending to the following bodies with the amounts limited as shown:

- The UK Government directly (unlimited amount)
- Non- charge capped UK Local Authorities (unlimited amount)
- The OPCC's banker, Lloyds Bank (£0.5m) – see below.

	As at 31st March £'000	Historical Experience of Default %	Historical Experience Adjusted for Market Conditions %	Estimated Maximum Exposure to default and Collectability £'000
Deposits with Banks and other Financial Institutions	20,475	N/A	N/A	N/A
Customers	3,059	2.2%	2.2%	68

The following analysis summarises the potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Group expects full repayment on the due date of deposits placed with its counterparties. The Group does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.
The Group allows credit to some customers and £0.701m of the £3.059m balance (£0.204m of £2.614m in 2022/23) is past its due date for payment but has not been impaired. The past due amount can be analysed by age as follows:

	31st March 2023 £'000	31st March 2024 £'000
Less than three months	156	126
Three to six months	(28)	401
Six months to one year	72	74
More than one year	4	100
Total	**204**	**701**

Liquidity risk
The OPCC has access to a facility to borrow from the Public Works Loan Board. As a result, there is no significant risk of being unable to raise finance to meet its commitments. Safeguards are in place to ensure that a significant proportion of borrowing does not mature for repayment at any one time in the future, to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The policy is to ensure that no more than 10% of loans are due to mature within any financial year, through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The lender and maturity analysis of financial liabilities at nominal value is as follows:

	31st March 2023 £'000	31st March 2024 £'000
Analysis by lender		
Public Work Loan Board (PWLB)	64,700	63,100
Other Local Authorities	0	0
	64,700	**63,100**
Analysis by Maturity		
Less than one year	1,600	1,600
Between one to two years	1,600	1,850
Between two to five years	7,750	8,900
More than five years	53,750	50,750
Total	**64,700**	**63,100**

Market risk
Interest rate risk
The OPCC is exposed to interest rate risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the OPCC Group. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Statement will rise

- Borrowings at fixed rates - the fair value of the liabilities will fall
- Investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- Investments at fixed rates - the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund on a pound for pound basis. The OPCC has a number of strategies for managing interest rate risk. The policy is to aim to keep a maximum of 20% of its borrowings in variable rate loans. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

At 31st March 2024, if interest rates had been 1% higher, with all other variables held constant, the financial effect would have been:

	£'000
Increase in interest receivable on variable rate investments	241
Impact on CIES	241
Decrease in fair value of fixed rate borrowing liabilities	-
(No impact on CIES)	-

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Foreign exchange risk
The Group or OPCC single entity has no financial assets, or liabilities, denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

6.3.8 Short term 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. All Debtors were held on the Balance Sheet of the PCC and the Group during 2022/23 and 2023/24.

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
22,114	22,114	Central government bodies	21,240	21,240
10,994	10,464	Other Local authorities	12,083	12,083
0	0	NHS Bodies	101	101
2	2	Public corporations	46	46
11,765	11,765	Other entities and individuals	13,150	13,150
44,875	44,875	**Sub-Total**	46,620	46,620
0	0	Intra Group Funding	0	0
44,875	**44,875**	**Total short-term debtors**	**46,620**	**46,620**

6.3.9 Cash and cash equivalents

A breakdown of the cash figure in the Balance Sheet is provided below. All cash was held by the PCC and the OPCC Group during 2022/23 and 2023/24.

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
		Current assets:		
297	297	Cash in hand and Bank current account	283	283
22,100	22,100	Short term deposits	20,475	20,475
22,397	**22,397**	**Total current cash and equivalents Group and PCC**	**20,758**	**20,758**

6.3.10 Short term creditors

A breakdown of the Creditors figure in the Balance Sheet is provided below.

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
5,491	1,246	Central government bodies	5,384	1,087
7,518	7,518	Other Local authorities	7,711	7,711
50	50	NHS Bodies	10	10
2	2	Public corporations	72	72
16,829	9,733	Other entities and individuals	16,201	9,448
29,890	18,549	**Sub Total**	29,378	18,328
0	8,275	Intra Group Funding	0	8,911
29,890	**26,824**	**Total short term creditors**	**29,378**	**27,329**

6.3.11 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. Provision 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	**Group and CC Balance as at 1 April**	4,030
2,427	Contributions to provision in year	1,685
(1,166)	Net expenditure in year	(1,101)
4,030	**Group and CC Balance as at 31 March**	**4,614**

6.3.12 Other long-term liabilities

The OPCC Group entered into a new finance lease at Doxey Police Post. The amount paid under these arrangements in 2023/24 was £19k (£0 in 2022/23).

The OPCC Group has entered into a new finance leases for its use of Premises owned by other bodies. The future minimum lease payments due under non-cancellable leases in future years are:

2022/23 £'000		2023/24 £'000
0	No Later Than One Year	48
0	Later Than One Year and Not Later Than Five Years	101
0	Later Than Five Years	232
0	**Total**	**381**

6.3.13 Usable Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24. All Usable Reserves are held by the PCC.

31 March 2023 £'000		31 March 2024 £'000
9,489	**General Fund**	**9,636**
2,276	**Capital receipt reserve**	0
331	**Capital grants unapplied**	331
2,329	Reshaping the Future	2,090
2,384	IT Transformation Reserve	2,633
699	Insurance Reserve	314
6,021	Pension Reserve	5,689
213	Collaboration Reserve	618
2,477	Capital Reserve	1,378
1,784	ESN Reserve	2,422
674	Major Policing Events Reserve	474
17,244	Operational Reserves	20,265
33,825	**Total Earmarked Reserves**	**35,883**
45,921	**Total Usable Reserves**	**45,850**

- **General Fund** is held to protect against any state or emergency conditions which may arise. The level held is based on a risk assessment.
- **Reshaping the Future Reserves** – this reserve has been created to help fund the transformation currently taking place in order to achieve the required savings to balance future budgets. These reserves will cover the cost of external advisors, redundancy and some investments required in order to achieve more efficiencies and reduce future costs for the force.
- **Insurance Reserve** - provides for the self-funding of certain uninsurable risks, and also to cover the excess (£100,000) for any unknown claims before the insurance cover is applied and the aggregate stop loss for each year. The reserve covers amounts falling outside the definition of the insurance provision as they are unknown claims which could occur from past or future events.
- **Earmarked pensions reserve** – This reserve has been created because when Officers leave on ill health reasons the OPCC are required to make contribution from the revenue budget towards the pension scheme.
- **Capital Reserve and ESN Reserve**- Revenue funding which has been set aside for future capital projects.

- **Major Events Reserve -** Earmarked Reserves to support the Force during the budget year and into the medium term.
- **Other Earmarked reserves** – the OPCC has other funding sources which are restricted in terms of the purpose or timing of their use and these have been established on the balance sheet date.

6.3.14 Unusable Reserves

The Group and PCC keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. Majority of the Pension Reserve and Accumulated Absences Reserves are held by the Chief Constable and all other unusable reserves are held by the PCC. The unusable reserves can be summarised as follows:

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
(12,337)	(12,337)	Revaluation Reserve	(13,475)	(13,475)
(5,488)	(5,488)	Capital Adjustment Account	(6,751)	(6,751)
(14)	(14)	Deferred Capital Receipt Reserve	0	0
(1,665)	(1,665)	Collection Fund Adjustment Account	(1,665)	(1,665)
1,384,004	(94)	Pension Reserve	1,298,085	(947)
7,143	48	Accumulated Absences Account	6,787	34
1,371,644	**(19,550)**	**Total Unusable Reserves**	**1,282,981**	**(22,804)**

The Group's unusable reserves are in deficit due to the pension reserve. The pension reserve reflects the deficit on the Group's defined pension scheme and in particular the police schemes which are not funded by assets but are supported by central funding from the Home Office.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the OPCC Group arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022/23 £'000		2023/24 £'000
11,471	**Group and PCC Balance as at 1 April**	12,337
1,824	Upwards revaluation of assets	1,682
(661)	Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(154)
1,163	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services**	1,528
0	Reversal of Previous Impairments Written Out to the Capital Adjustment Account	0
(297)	Different between fair value depreciation and historical cost depreciation	(371)
0	Accumulated gains on assets sold or scrapped	(19)
(297)	**Amount written off the Capital Adjustment Account**	(390)
12,337	**Group and PCC Balance as at 31 March**	**13,475**

Capital Adjustment Account (CAA)

The CAA absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with amounts set aside by The Group as finance for the cost of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation Reserve was created to hold such gains.

2022/23 £'000		2023/24 £'000
4,916	**Group and PCC Balance as at 1 April**	5,488
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
(5,278)	Charges for depreciation and impairments of non-current assets	(5,929)
0	Reversal of Previous Impairments Written Out to the Capital Adjustment Account	0
340	Revaluation losses on PPE	(127)
(2,716)	Amortisation of intangible assets	(2,653)
(1,378)	Amounts of non-current assets written off on disposal as part of gain/loss on disposals to the CIES	(482)
(18)	Revenue expenditure funded from capital under statute (REFCUS)	(998)
(9,050)		(10,189)
296	Adjusting amounts written out of the revaluation reserve	390
(8,754)	**Net written out amount of the cost of non-current assets consumed in the year**	**(9,799)**
	Capital financing in year:	
628	Use of Capital Receipt Reserve to finance new capital expenditure	2,375
0	Capital Grants and contributions credited to the CIES that have been applied to capital financing	0
183	Application of grants to capital financing from the Capital Grants Unapplied Account	0
4,951	Capital Expenditure charged to General Fund	5,311
3,562	Statutory provision for the financing of capital investment charged against the General Fund	3,376
5,488	**Group and PCC Balance as at 31 March**	**6,751**

Deferred Capital Receipt Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of noncurrent assets but for which cash settlement has yet to take place. Under statutory arrangements, the Group does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve. The balance relates to the disposal of the Staffordshire Police share of the Central Counties' Air Operations Unit helicopter.

2022/23 £'000		2023/24 £'000
158	**Group and PCC Balance as at 1 April**	14
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
(144)	Transfer to the Capital Receipt Reserve upon receipt of cash	(14)
14	**Group and PCC Balance as at 31 March**	**0**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the CIES as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2022/23 £'000		2023/24 £'000
1,598	**Group and PCC Balance as at 1 April**	1,665
67	Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	0
1,665	**Group and PCC Balance as at 31 March**	**1,665**

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 OPCC Group accounts for post-employment benefits 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 resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the OPCC makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources The Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
(2,256,993)	(2,396)	**Balance as at 1 April**	(1,384,004)	94
879,735	2,789	Re-measurement of the net defined benefit liability	61,505	826
(142,802)	(422)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(120,404)	(218)
88,506	123	Employer's pensions contribution and direct payments to pensioners payable in year	98,297	245
1,849	0	LGPS deficit contribution prepayment	0	0
45,702	0	Additional contribution to the pension fund balances the deficit on the fund account	46,521	0
(1,384,004)	**94**	**Total Balance as at 31 March**	**(1,298,085)**	**947**

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 31st March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the Account.

The majority of the Reserve relates to Police Officers and Staff who are under the direction and control of the Chief Constable. Therefore, the Opening Balance of the Reserve as at 1st April 2012 was transferred to the CC Single Entity with effect from that date. The entries for the PCC Single Entity below relate to the balances on the Reserve that relate to those staff that were under the direct control of the PCC as at 31st March 2022 and 31st March 2023.

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
(7,349)	(35)	**Balance as at 1 April**	(7,143)	(48)
7,349	35	Settlement of cancellation of accrual made at the end of the preceding year	7,143	48
(7,143)	(48)	Amount accrued at the end of the current year	(6,787)	(34)
205	**(13)**	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	**356**	**14**
(7,143)	**(48)**	**Total Balance as at 31 March**	**(6,787)**	**(34)**

6.4 Cash Flow Statement Notes

6.4.1 Operating Activities

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
5,277	5,277	Depreciation and Impairment	5,929	5,929
(340)	(340)	(Upward)/downward valuation	127	127
2,716	2,716	Amortisation of intangible assets	2,653	2,653
(1,464)	154	Increase/(decrease) in revenue creditors	(130)	796
(21,402)	(19,554)	(Increase)/decrease in revenue debtors	(1,744)	(1,744)
(180)	(180)	(Increase)/decrease in inventories	45	45
6,746	299	Movement in pension liability	(24,414)	(26)
1,849	0	Prepayment of Pension Contribution	0	0
1,261	0	Movement in provisions	584	0
1,378	1,378	Carrying amount of non-current assets sold	480	480
11	11	Other non-cash items charged to the net surplus or deficit on the provision of services	873	873
(4,148)	**(10,378)**	**Adjustment to net surplus or (deficit) on the provision of services for non-cash movements**	**(15,596)**	**9,134**

6.4.2 Adjustments for items included in the net deficit on the provision of services that are investing or financing activities

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
(82)	(82)	Proceeds from the sale of PPE	(402)	(402)
0	0	Capital Grants	0	0
(82)	**(82)**	**Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities**	**(402)**	**(402)**

6.4.3 Investing Activities

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
(8,098)	(8,098)	Purchase of PPE and Intangible Assets	(10,000)	(10,000)
82	82	Proceeds from the sale of PPE	402	402
0	0	Purchase of short term and long term investments	0	0
11,000	11,000	Proceeds from short term and long term investments	0	0
2,984	**2,948**	**Total Investing Activities**	**(9,598)**	**(9,598)**

6.4.4 Financing Activities

31 March 2023 Group £'000	31 March 2023 PCC £'000		31 March 2024 Group £'000	31 March 2024 PCC £'000
(2,500)	(2,500)	Repayments of short term and long term borrowing	(1,600)	(1,600)
0	0	Cash receipts of short and long term borrowing	0	0
0	0	Capital grants	0	0
(2,500)	**(2,500)**	**Total Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities**	**(1,600)**	**(1,600)**

6.5. Other Notes

6.5.1 Termination Benefits and Exit Packages

During 2023/24 the Group approved 2 voluntary redundancies and early retirements (0 in 2022/23) at a total cost of £0.132m (£0). In 2022/23 PCC had 0 voluntary redundancies and early retirements at a total cost of £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
Total	**0**	**2**	**0**	**132,576**

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:

Group 2022/23 Number of employees	Remuneration Band	Group 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
10	**Total**	**13**

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 £
Senior Executives of the Chief Constable						
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
Sub Total Chief Constable		**667,815**	**21,345**	**0**	**195,141**	**884,300**
Senior Executives of the OPCC						
Police and Crime Commissioner		81,400	0	0	17,501	98,901
Deputy Police and Crime Commissioner		34,502	0	0	7,418	41,920
Chief Executive (A)		114,297	1,239	0	24,574	140,110
Director of Finance (S151 Officer) (A)	3	0	0	0	0	0
Director of Finance (S151 Officer) (B)	4	29,487	0	0	6,340	35,826
Sub Total OPCC		**259,686**	**1,239**	**0**	**55,832**	**316,757**
Total- Group		**927,500**	**22,584**	**0**	**250,974**	**1,201,058**

1 Deputy Chief Constable (A) retired from the organisation as at 17th December 2023.
2 Deputy Chief Constable (B) was appointed to the Force on the 13th December 2023.
3 Director of Finance (S151 Officer) was a shared duty of responsibilities between OPCC and Staffordshire Fire and Rescue and his payments totaling were £37,537. This role is no longer a shared duty of responsibility.
4 A new Director of Finance (Section 151 Officer) for the OPCC was appointed to the organisation on the 2nd October 2023.

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

Post Holder Information	Notes	Salary £	Bonuses, Fees and Allowances £	Expenses allowances £	Pension Contribution £	Total Remuneration £
Senior Executives of the Chief Constable						
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
Chief Officer 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
Sub Total Chief Constable		**661,075**	**43,777**	**0**	**172,283**	**877,135**
Senior Executives of the OPCC						
Police and Crime Commissioner		81,242	0	0	12,593	93,835
Deputy Police and Crime Commissioner		31,800	0	0	4,929	36,729
Chief Executive (A)	7	78,645	919	0	12,190	91,754
Temporary Chief Executive (B)	8	39,589	0	0	6,136	45,725
Temporary Chief Executive (C)	8	42,297	0	0	6,254	48,551
Director of Finance (S151 Officer)	9	0	0	0	0	0
Sub Total OPCC		**273,573**	**919**	**0**	**42,102**	**316,594**
Total- Group		**934,648**	**44,696**	**0**	**214,385**	**1,193,729**

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 Chief Officer of Resources on 19th September 2022
7 Chief Executive was appointed to the Staffordshire Commissioner's Office on 4th July 2022.
8 Temporary Chief Executive (B) and (C) reverted back to their roles on the 31st August 2022.
9 Director of Finance (S151 Officer) as a shared duty of responsibilities between OPCC and Staffordshire Fire and Rescue and his payments totaling were £60,625

6.5.4 Related Parties

The Group is required to disclose material transactions with related parties, that is bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group. The OPCC's staff and members, senior officers and departmental heads were contacted to obtain the required declarations.

The Group 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:

- Central Government – it has effective control over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Group has with other parties. Details of transactions with government departments are set out in the disclosure notes.

- Other Local Authorities and Public Bodies – transactions have been disclosed elsewhere in the notes to the Financial Statements.

- Members, senior officers and other employees – there are no known related party transactions.

- Partnerships, Trusts, and Associated Organisations – three members of the PCC management team, the PCC, Deputy PCC and Chief of Staff are on the governing body of the Staffordshire Social Responsibility Fund. During 2023/24 the PCC made a grant of £40,000 to this organisation which supported its work including the operation of the Staffordshire Police cadet force.

Precept funding was received from the following local authorities during the year (amounts are shown on an accruals basis):

2022/23 £'000		2023/24 £'000
16,208	Stoke-on-Trent City Council	17,628
12,121	Stafford Borough Council	13,074
9,872	South Staffordshire District Council	10,540
9,824	Lichfield District Council	10,627
9,399	Newcastle-under-Lyme Borough Council	9,971
9,856	East Staffordshire Moorlands District Council	10,669
8,398	Staffordshire Moorlands District Council	8,813
7,664	Cannock Chase District Council	7,634
5,806	Tamworth Borough Council	6,170
89,148		**95,126**

6.5.5 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 1st 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).

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
	Contributions to the Pooled Budget	
(5,121)	West Midlands PCC	(4,881)
(2,468)	Staffordshire PCC	(2,500)
0	Other Income	0
(7,589)	**Total Income**	**(7,381)**
	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
7,589	**Total Expenditure**	**7,381**
0	**Net Surplus/(Deficit) arising during the year**	**0**
0	Staffordshire PCC share (30%) of (Surplus)/Deficit	0
191	**Reimbursement to Staffordshire PCC**	**247**

Joint Emergency Transport Services (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).

Staffordshire Fire and Rescue Service Collaboration

The PCC became the Police, Fire and Crime Commissioner (PFCC) on the 1st 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.

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 collaboration is agreed between the PCCs for the forces with the operational activity under the direction of the Chief Constables.

The aim of ROCU 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
	Funding provided to West Midlands ROCU	
(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)
(33,008)	**Total Income**	**(34,131)**
	WM ROCU Expenditure	
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
33,008	**Total Expenditure**	**34,131**
0	**Total Net Expenditure**	**0**

Firearms Licensing

On 1st 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.

6.5.6 Members Allowances

Allowances and expenses for Ethics, Transparency & Audit Panel members, the PCC and the Deputy PCC in 2023/24 amounted to £19,488 (£23,620 in 2022/23).

6.5.7 Proceeds of Crime Act 2002 (POCA)

The Group has separate bank accounts for temporarily holding third party funds seized as suspected proceeds of crime. At 31st March 2024 the balance on this account was £1,581,349 (£1,666,871 at 31st March 2023). This sum does not appear on the Balance Sheet of the OPCC Group accounts.

6.5.8 Contingent Liabilities

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

6.5.9 Capital Financing

The total amount of capital expenditure incurred in the year shown in the table below together with the resources used to finance it. Where capital expenditure is to be financed in future years, by charges to revenue as assets are used by the Group, the expenditure results in the Capital Financing Requirement (CFR), a measure of capital expenditure incurred historically by the Group that has yet to be financed.

2022/23 £'000		2023/24 £'000
72,645	**Opening Capital Financing Requirement Group and PCC**	71,415
	Capital Investment	
5,080	Property Plant and Equipment (PPE)	5,843
439	Intangible Assets	1,721
2,559	Non-Operational Assets	1,438
18	Revenue Expenditure Funded from Capital Under Statue (REFCUS)	998
	Sources of Finance:	
0	Capital Grants Received in Year	0
(183)	Capital Grants from Grants Unapplied Account	0
(628)	Capital Receipts	(2,374)
	Amounts Set aside from Revenue	
(4,953)	Direct Revenue Contribution	(5,312)
0	Direct Revenue Contribution from Earmarked Reserves	0
(3,562)	Minimum Revenue Provision (MRP)	(3,376)
71,415	**Closing Capital Financing Requirement Group and PCC**	**70,352**
	Explanation of movement in year:	
(1,230)	Increase / (decrease) in underlying need to borrowing (supported by government financial assistance)	(1,062)
(1,230)	**Increase/(Decrease) in Capital Financing Requirement Group and PCC**	**(1,062)**

6.5.10 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 Account

7.1 Police Pension Scheme for England and Wales Pension Fund Account

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.

	Fund Account 2022/23 £'000			Fund Account 2023/24 £'000
		Contributions Receivable:		
		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)	**Transfers in from Other Schemes**		(231)
		Benefits Payable:		
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
		Payment to and on Account of Leavers		
153		Refund of contributions	107	
0		Individual transfers out to other schemes	0	
	153			107
	45,702	**Sub-total for the year before transfer from the Group of amounts equal to the deficit**		46,520
	(45,702)	**Net Amount payable/ receivable for the year**		(46,520)
	(45,702)	**Actual Home Office top up funding**		**(46,520)**

7.1.1 Notes to the Police Pension Fund Account

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 Group's pension liability can be found in 7.2.3.

Note 4

Employers' contributions, which are set by the Home Office subject to the Government Actuary's Department triennial valuation, are calculated at 31% in 31st March 2024.

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 7.2.3 the Financial Statements.

7.2 Group Pension Scheme

Participation in Pension Schemes

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

The OPCC participates in two post-employment schemes:

- The Local Government Pension Scheme for Police Staff (LGPS), administered by Staffordshire County Council. This is a funded defined benefit scheme, meaning that the OPCC and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. With effect from 1st April 2014, the LGPS became a career average (CARE) scheme rather than a final salary scheme.

- The Police Pension Scheme 1987 (OPPS), the New Police Pension Scheme 2006 (NPPS) and the Police Pension Scheme 2015 (PPS) are administered by XPS Limited. These are unfunded defined benefit final salary schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the 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 OPCC 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 OPCC 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:

7.2.1 Comprehensive Income and Expenditure Statement

	LGPS (PCC) 2022/23 £'000	LGPS (PCC) 2023/24 £'000	LGPS (Group) 2022/23 £'000	LGPS (Group) 2023/24 £'000	PPS (Group) 2022/23 £'000	PPS (Group) 2023/24 £'000
Cost of Services:						
Current service costs (Inc. employee contribution)	(360)	(224)	(24,010)	(12,469)	(47,430)	(23,160)
Past service costs (Inc. curtailments)	(1)	0	(73)	0	0	0
Pension transfer in	0	0	0	0	(400)	(230)
Effect of business combinations and disposals	0	0	0	0	0	0
Financing and Investment income and expenditure						
Interest cost on defined benefit obligation	(199)	(281)	(13,295)	(15,626)	(66,800)	(84,860)
Interest income on plan assets	138	287	9,206	15,941	0	0
Total post-employment benefit charges to the surplus or deficit on provision of services	**(422)**	**(218)**	**(28,172)**	**(12,154)**	**(114,630)**	**(108,250)**
Re-measurement of the net defined benefit liability						
Return on plan assets (excluding the amount included in the net interest expense)	(230)	541	(15,366)	30,028	0	0
Re-measurement of the net defined benefit liability- demographic assumptions	37	421	2,464	23,363	34,620	0
Re-measurement of the net defined benefit liability- financial assumptions	3,091	34	206,092	1,905	823,470	38,750
Actuarial gains and losses on liabilities experience	(393)	(184)	(26,226)	(10,241)	(145,320)	(22,300)
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	283	15	0	0	0	0
Total Post Employment Benefit Charged to the CIES	**2,788**	**827**	**166,964**	**45,055**	**712,770**	**16,450**

7.2.2 Movement in Reserve Statement

	LGPS (PCC) 2022/23 £'000	LGPS (PCC) 2023/24 £'000	LGPS (Group) 2022/23 £'000	LGPS (Group) 2023/24 £'000	PPS (Group) 2022/23 £'000	PPS (Group) 2023/24 £'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	422	218	28,172	12,154	114,630	108,250
Employers Contributions Payable to Scheme	(123)	(245)	(8,205)	(13,607)	(80,300)	(84,690)
Retirement Benefits Payable to Pensioners	0	0	0	0	0	0
Total Post Employment Benefit Charged to the CIES	**299**	**(27)**	**19,967**	**(1,453)**	**34,330**	**23,560**

7.2.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Group's 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	(333,517)	(325,093)	(473,590)	(492,155)
Fair Value of LGPS Assets	386,112	331,180	332,680	307,702
Deficit in the Scheme				
PPS	(1,350,680)	(1,390,091)	(2,114,233)	(2,128,800)
LGPS	52,595	6,087	(140,910)	(184,453)
Total	**(1,298,085)**	**(1,348,004)**	**(2,225,143)**	**(2,313,253)**

PCC Single Entity Pension Assets and Liabilities Recognised in the Balance Sheet

	2022/23 £'000	2023/24 £'000
Present Value of the Defined Benefit Obligations		
LGPS	(4,876)	(6,003)
Fair Value of LGPS Assets	4,968	6,950
Total	**92**	**947**

7.2.4 Reconciliation of Present Value of the Scheme liabilities (Defined Benefit Obligations)

	2022/23 £'000	LGPS PCC 2023/24 £'000	2022/23 £'000	LGPS Group 2023/24 £'000	2022/23 £'000	PPS 2023/24 £'000
Opening Balance at 1 April	(8,053)	(4,875)	(473,590)	(325,093)	(2,114,233)	(1,390,091)
Current Service Cost	(360)	(224)	(24,010)	(12,469)	(38,250)	(12,880)
Interest Cost	(199)	(281)	(13,295)	(15,626)	(66,800)	(84,860)
Contributions by Scheme Participants	(52)	(74)	(3,454)	(4,136)	(9,180)	(10,280)
Re-measurement Gain/(Loss)	2,735	271	182,330	15,027	712,770	16,450
Pension Transfers In	0	0	0	0	(400)	(230)
Benefits Paid	105	158	6,999	8,780	80,300	84,690
Past Service Costs (including curtailments)	(1)	0	(73)	0	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	950	(978)	0	0	0	0
Top-up-Grant	0	0	0	0	45,702	46,521
Closing Balance at 31 March	**(4,875)**	**(6,003)**	**(325,093)**	**(333,517)**	**(1,390,091)**	**(1,350,680)**

7.2.5 Reconciliation of the Movement in the fair value of the scheme assets

		LGPS (PCC)		LGPS (Group)
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Opening Balance at 1 April	5,657	4,968	332,680	331,180
Interest Income	138	287	9,206	15,941
Re-measurement gain/(loss)				
The Return on the plan assets, excluding the amount included in the net interest expense	(230)	541	(15,366)	30,028
Other experiences	0	0	0	0
Employer Contributions	123	245	8,205	13,607
Contributions by Scheme Participants	52	74	3,454	4,136
Benefits Paid	(105)	(158)	(6,999)	(8,780)
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	(667)	993	0	0
Closing Balance at 31 March	**4,968**	**6,950**	**331,180**	**386,112**

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 OPCC 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.

As a result of this lump sum payment, the rate of employer contributions payable by both the PCC and the CC for LGPS members will remain constant at 21.5% throughout the period.

7.2.6 The Local Government Pension Scheme Assets Comprise:

Asset Category	31 March 2023 Fair Value of Scheme Assets £m	31 March 2023 % age of Total Assets	31 March 2024 Fair Value of Scheme Assets £m	31 March 2024 % age of Total Assets
Equity Securities:				
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%
Debt Securities:				
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%
Private Equity:				
All	16.06880	5%	20.32060	5%
Real Estate:				
UK Property	25.97170	8%	28.50140	7%
Overseas Property	0.00000	0%	0.00000	0%
Investment Funds and Unit Trusts:				
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%
Derivatives:				
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%
Cash and Cash Equivalents:				
All	12.71150	4%	6.27800	2%
Totals:	**324.30860**		**386.11200**	**100%**

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

7.2.7 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.

		LGPS		PPS
	2022/23	2023/24	2022/23	2023/24
Mortality Assumptions				
Longevity at 65 for Current Pensioners				
Men	20.8yrs	20.8yrs	21.9yrs	21.9yrs
Women	24.3yrs	24.0yrs	23.5yrs	23.6yrs
Longevity at 65 for Future Pensioners				
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

7.2.8 Sensitivity Analysis

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

	Approximate % Increase in Employer Liability	Approximate monetary amount (000's)
LGPS Change in assumption 31 March 24		
0.5% decrease in Real Discount Rate	2.00%	7,301
1 year increase in member life expectancy	4.00%	13,341
0.5% increase in the salary Increase rate	0.00%	939
0.5% increase in the pension Increase Rate	2.00%	6,490
PPS Change in assumption 31 March 24		
0.5% Decrease 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

Glossary of Terms

8.1 Abbreviations

OPCC	-	Office of the Police and Crime Commissioner for Staffordshire Group
PCC	-	Police and Crime Commissioner
CIES	-	Comprehensive Income and Expenditure Statement
CFR	-	Capital Financing Requirement
IAS	-	International Accounting Standard
IFRS	-	International Financial Reporting Standards
LGPS	-	Local Government Pension Scheme
GAD	-	Government Actuary Department
NPAS	-	National Police Aviation
MIRS	-	Movement in Reserves Statement
MTFO	-	Medium Term Financial Outlook
MTFS	-	Medium Term Financial Strategy
NNDR	-	National Non-Domestic Rates
PPE	-	Property Plant and Equipment
PWLB	-	Public Works Loan Board
REFCUS	-	Revenue Expenditure Financed from Capital under Statute
RSG	-	Revenue Support Grant
ROCU	-	Regional Organised Crime Unit
PCCWM	-	Police and Crime Commissioner West Midlands
CCAOU	-	Central Counties' Air Operations Unit
VFM	-	Value for Money
PCSO	-	Police Community Support Officer
CMPG	-	Central Motorway Patrol Group
HMIC	-	His Majesty's Inspectorate of Constabulary
CFO	-	Chief Finance Officer
CIPFA	-	Chartered Institute of Public Finance & Accountancy
EFA	-	Expenditure and Funding Analysis
ETAP	-	Ethics, Transparency and Audit Panel

8.2 Glossary of 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 1st 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 1st 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 (IFRS)
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 MTFP currently covers three 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.

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 OPCC.

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.