

Office of the Chief Constable for Avon & Somerset

Officers of the Office of the Chief Constable

The statutory officers of the Office of the Chief Constable (OCC) are as follows:

Andy Marsh	Chief Constable to 1 July 2021
Sarah Crew	Temporary Chief Constable from 2 July 2021 Phone: 01278 646212
Nick Adams	Chief Officer – Finance, Resources and Innovation Phone: 01278 646400
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Office of the Chief Constable for Avon & Somerset

Chief Finance Officer's Narrative Report

This section provides information about the Constabulary, enabling the reader to understand our objectives and strategies, as well as matters of financial and operational performance over the past year and issues which may affect these in future. This statement should be read in conjunction with the Chief Finance Officer's Narrative Report in the Police and Crime Commissioner's Statement of Accounts.

1 Organisational Overview

The Avon and Somerset policing area serves the five principal local authority areas of South Gloucestershire, Bath & North East Somerset, Bristol, North Somerset, and the county of Somerset.

Around 1.7 million people live within the 1,844 square miles our area covers, with greater concentrations around our towns and cities, which include Bristol, Bath, Weston-super-Mare, Taunton and Yeovil.

The Police and Crime Commissioner (PCC) and the Chief Constable are established as separate legal entities. The PCC is elected by the public to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of their functions and those of persons under their direction and control. The Chief Constable has a statutory responsibility for the control, direction, and delivery of operational policing services in the Avon and Somerset police area.

The PCC for Avon and Somerset sets out their priorities in the Police and Crime Plan. These priorities are determined following consultation with the communities of Avon and Somerset, as well as incorporating the views of a range of stakeholders including the Police and Crime Panel, partners, the Chief Constable and senior leaders within the Constabulary. The PCC's priorities throughout 2020/2021 have been to:

1	Protect the most vulnerable from harm
2	Strengthen and improve local communities
3	Ensure that the Constabulary has the right people, right capability, and right culture
4	Work effectively together with other police forces and key partners to provide better services to local people

In May 2021 a new PCC was elected. We therefore expect the priorities to change as a new Police and Crime Plan is developed.

The PCC oversees the delivery of services against their priorities, holding the Chief Constable and their team to account for those aspects of the plan that they are expected to deliver.

Under the direction and control of the Chief Constable and the constabulary chief officer team, the constabulary is divided into eight directorates, encompassing all aspects of operational and organisational delivery.

- Neighbourhood and Partnerships
- Patrol
- Investigations
- Operational Support
- Information Technology
- Finance and Business Services
- People and Organisational Development
- Office of the Chief of Staff

The Constabulary also partners with other police forces in the region to provide aspects of its service, including Forensic Science Services, Specialist operational training, and major crime investigation.

The Constabulary's Mission, Vision and Values are:

Mission	Serve. Protect. Respect.
Vision	Outstanding policing for everyone.
Values	Caring. Courageous. Inclusive. Learning.

The Constabulary has four corporate strategies:

- Service strategy;
- People strategy;
- Digital strategy;
- Infrastructure strategy.

Through these strategies, the Constabulary establishes in more detail how they intend to deliver against the PCC's priorities, achieve their mission and vision, and bring their values to life.

The staffing information for both organisations as at 31 March 2021 is as follows:

Employees	Actual 2020/2021 FTE	Actual 2020/2021 Headcount	Actual 2020/2021 % Part-Time
Police Officers	2,997	3,076	3%
Police Community Support Officers	380	395	4%
Police Staff	2,660	2,965	11%
OPCC	22	26	18%
Total	6,059	6,462	7%

In addition, the Constabulary is supported by 314 Special Constables, 167 Police Cadets, and approximately 1,300 volunteers, of which 1,100 support community speedwatch throughout Avon and Somerset.

2 COVID-19

Throughout the entirety of 2020/2021 we have lived and worked through the COVID-19 global pandemic. This has presented significant challenges, requiring us to take immediate and decisive action to keep people safe and protect the NHS.

A command structure of Gold, Silver, and Bronze groups, with representatives from across the organisation, was established at the outset of the pandemic and has been in place throughout 2020/2021. Through this structure we managed all aspects of both our operational and organisational response to the pandemic:-

2.1 COVID-19 Operational response

Throughout our response we sought to strengthen our relationship with our communities while implementing an approach of engagement, explanation, encouragement, and then enforcement. This has been largely successful, as demonstrated by both our public confidence performance, as well as by public surveys conducted in which nearly 75% of the public fully supported the approach taken by the police and 38% said our handling of Covid-19 restrictions had increased their confidence in the police.

Over the course of the year our demand has changed. Reported crime has been down in most areas, offset by increases in demand in other areas such as those borne out of the public's frustrations with restrictions (e.g. illegal gatherings, parties and raves) and the recurring challenges presented by the policing of protests – which at varying times have or have not been allowed within the regulations.

A recent report by Her Majesty's Inspectorate of Constabulary and Fire Services (HMICFRS) has acknowledged that officers have sometimes been confused by the restrictions due to a lack of clarity in legislation, its rapid introduction and repeated changes. Where our response has at times suffered as a result of this confusion we have been quick to acknowledge and learn.

At the time these financial statements are being prepared we are beginning to see a gradual easing of the restrictions under which we have been living, on and off, for the past year. This easing coincides with a seasonal increase in demand through spring and into summer. We recognise the potential for further demand challenges this places upon us, and have been preparing our resourcing and plans through the oversight of our Demand and Capacity committee chaired by an Assistant Chief Constable

2.2 COVID-19 Organisational Response

Our response to the pandemic has required officers and staff to work in new ways, from different locations, using new tools and methods. We mobilised large numbers of our workforce to be able to work from home, supporting this both with hardware (laptops, screens etc.) and software (accelerating the introduction of Microsoft Teams). At its peak over 40% of our workforce were working from home, and this continued to be at 39% as at the end of March 2021.

Supporting and enabling this many staff to work from home also enabled us to ensure that those who continued to work from our police stations, offices and other workplaces could do so in a safe and compliant environment. We have stood up the provision of personal protective equipment (PPE), initially on our own and then through the national distributions channels established across all policing. We have also introduced enhanced cleaning across our estate, as well as other measures to support safe working practices (one-way systems, hand sanitiser stations, regular alerts to remind of the need to clean down workstations etc...).

During the pandemic we have continued to enjoy the support of a large number of our specials and volunteers where this has been possible. Throughout the year our specials have provided us with nearly 66,500 hours of service, the equivalent of an additional 32 full time officers. In particular there are a few officers who, as a consequence of being furloughed from their paid employment, have shown exceptional commitment working full-time alongside our teams.

As we plan for the future we are keen to retain much of the learning and advantages we have achieved during our response to the pandemic. In particular we recognise the opportunity to support a greater number of our workforce to make working from home a more regular feature of their employment. We are developing our plans to provide this greater flexibility to our workforce, and through this realise the benefits to both individuals and to the organisation.

3 Operational Performance

During the course of the year the Constabulary has matured its performance reporting and management, developing a monthly integrated performance and quality report which is presented to and discussed at the Constabulary's Management Board as well as the PCC's Police and Crime Board. Through this report we recognise that our performance and outcomes are considered through a number of different lenses, including:-

- The PCC's priorities as set out in the Police and Crime Plan;
- The Home Office's national policing outcomes; and
- The key lines of enquiry used by HMICFRS when conducting their Police Efficiency, Effectiveness and Legitimacy (PEEL) reviews.

This insight has been used to develop a framework of key performance questions, through which we are able to regularly assess what we're doing well and where improvements are needed.

Overall police recorded crime levels have reduced by 14.1% since last year. This reflects the reductions brought about as a consequence of COVID-19 impacting particularly on crimes such as theft (-33%), burglary (-28%), and vehicle offences (-23%).

While recorded crime has reduced over the last 12 months, the impact of COVID-19 saw almost equivalent demand in responding to and enforcing COVID-19 restrictions and breaches. This is evident from our overall calls for service which remained stable with no overall change from previous year.

The performance in the Control Room, which has been recognised by HMICFRS as outstanding, has been consistently excellent throughout the year. Call abandonment rates have remained consistently low: 999 calls (0.05%) and 101 calls (2.3%) over the last year. The victim satisfaction rate for initial contact with the police increased to 95.1% (+1% on previous year).

Public confidence, as measured by the crime survey for England and Wales, reports that confidence stands at 78.6% (+0.4% on previous year) which puts Avon & Somerset at 8th when ranked nationally. Our local public confidence survey, which captures a wider and more representative sample, shows overall public confidence at 79.7% for the last 12 months (+5.7% on previous year).

Overall victim satisfaction to reports of volume crime stands at 76.4% (+1.7% on previous year), with victims of hate crime having high satisfaction rates at 77.9%, and victims of dwelling burglary with satisfaction rates of 85%. Overall victim satisfaction with the way they are treated remains strong at 90%.

Our staff survey results were particularly pleasing this year, continuing an improving trend across most areas measured. In particular staff reporting they feel happy at work was 75%, which has increased from 56% over a three-year period. Staff reporting that they felt the Constabulary respects difference was 79%, which has increased from 58% over the same three-year period.

Despite our successes we recognise that there remain areas for improvement. Our file quality after an initial improvement, has worsened during the year, with an increase in error rates coinciding with changes to the charging guidance introduced by the CPS. Our performance here ranks us 38th in the country and remains a focus for our improvement activity.

Our response timeliness for immediate and priority incidents has remained below where we would want it to be. We have made changes during the year to reduce the pressure on our response officers, including investment in our Incident Assessment Unit triage team and changes to our grading policy. However, the capability in our response teams increasingly reflects larger proportions of student officers who are young in service and under tutorship, impacting on our performance here. This will improve with time, and will remain an ongoing area of review for us.

Our charge rate for rape and serious sexual offences (RASSO) is the second lowest of any police force in the country. We know there are a complex mix of reasons for this, and we are leading work nationally through our project bluestone which, combined with the planned investment into our investigative capabilities enabled by officer uplift, will target improvement here over time.

Our positive outcome rate, which is the measure of sanctioned detection outcomes or a restorative justice outcome as a percentage of crimes recorded, is 13.5%. This performance places us in the bottom quartile nationally, a position we recognise is not where we want to be. We recognise that this reflects on both our investigative standards work and on the capacity and capability within our investigative functions – both issues we have plans to address through our uplift investments.

The Constabulary has continued to deliver investment throughout 2020/2021 to further support operational performance delivery. Our delivery of officer numbers in line with the Government's uplift programme has continued at pace, with an officer headcount of 3,076 at the end of the year being 104 more than the Government target.

The majority of these officers have joined us through our Police Constable Degree Apprenticeship (PCDA) route which we have continued to deliver in partnership with the University of the West of England. However, in February 2021 we welcomed our first Degree Holder Entry Programme (DHEP) enabling us to fast track these officers into detective roles.

These new detectives will be in addition to the investment made in police staff investigators made during the year and funded from the 2020/2021 precept increase, bolstering our investigative capacity.

A number of estates projects have been progressed during the year, with the completion of the refurbishment of our central Bristol response base at Kenneth Steel House, as well as new police

stations in Street and Williton, and significant progress made on other projects soon to be delivered.

HMICFRS last inspected the Constabulary under their PEEL framework during 2019/2020, with a further inspection not now expected until Spring 2022. The overall assessment of the Constabulary at the time of their last inspection continued to be “Good”, with the following results against each of the three pillars of their ‘PEEL’ inspection framework:

- Efficiency – Outstanding;
- Legitimacy – Good; and
- Effectiveness – Good.

4 Financial Performance

4.1 Revenue Expenditure

In February 2020 the PCC approved a 2020/2021 net revenue budget of £328.5m, an increase of £22.2m (7.2%) on the previous year. This budget was funded through a combination of Government grants (£198.1m/60.3%) and local council tax (£130.3m/39.7%). In total £323.4m was provided to the Chief Constable in order to support the provision of policing services to the communities of Avon & Somerset, an increase of £22.0m (7.3%).

In order to manage ongoing inflationary and other cost pressures the Constabulary needed to identify and deliver savings of £6.7m, which when combined with the increase in funding enabled us to deliver a balanced budget. This took our cumulative savings since 2010/2011 to £90m (30.1%).

Financial performance against budget is monitored throughout the year, reported to senior managers of the OCC and through to the PCC. These reports are published in order to provide public transparency of our financial performance. The financial performance report for 2020/2021 was reported to the PCC in June 2021, and can be found published on the PCC’s website.

The Constabulary’s net revenue expenditure in 2020/2021 was £311.1m. When compared to budget this means we have underspent by £12.3m (3.8%), prior to adjustments for provisions and for transfers to earmarked reserves. Once these adjustments were made this underspend was fully accounted for.

This revenue performance was the consequence of a number of factors, but most specifically was driven by underspends on both officer and staff pay. This was reflective of the vacancies across the Constabulary, particularly in the earlier part of the year. Officer recruitment has been our priority across the course of the year and we were over-established in officer numbers by the end of the year, reflecting our plan to deliver national uplift targets early.

We had PCSO vacancies throughout much of the year, however recruitment activity in the final quarter saw our position improve significantly against budget. Police staff recruitment saw significant delays as a consequence of COVID-19 restrictions, although this has improved over the course of the year.

Recruitment activity will continue throughout the coming financial year, supported by investments made improving the efficiency and effectiveness of our recruitment and vetting processes.

The following table summarises the revenue financial performance for 2020/2021:

	Budget	Expenditure	Over/ Under (-)
	£'000	£'000	£'000
Neighbourhood & partnerships	40,569	39,096	-1,473
Response	78,314	81,387	3,073
Operational support	53,697	52,693	-1,004
Investigation	32,394	28,366	-4,028
Collaboration	20,120	18,939	-1,181
Enabling services	77,267	75,504	-1,763
Central costs & miscellaneous	21,048	27,445	6,397
Constabulary sub total	323,409	323,430	21
Office of the PCC	1,555	1,534	-21
Commissioning	3,487	3,487	0
Total revenue expenditures	328,451	328,451	0

It should be noted that the figures above cannot be agreed directly to the comprehensive income and expenditure statement on page 32 where the costs of policing activities include charges for the provision of pensions and the use of assets which are later reversed out through intragroup transfers from the PCC.

4.2 Capital, Reserves, and Treasury Management

The PCC owns all assets and controls decision making in relation to capital expenditure, capital financing, and borrowing, as well as holding responsibility for all reserves. Financial performance in relation to these aspects is reported on within the PCC's financial statements.

5 Financial Outlook

The PCC and Chief Constable jointly set out their forward financial forecasts within their Medium Term Financial Plan (MTFP) each year. The MTFP, published in February 2021, covers the five-year period from 2021/2022 through until 2025/2026. The election of a new PCC in May 2021 may set a different direction, and therefore the information provided below reflects the MTFP as approved by the previous PCC.

5.1 Revenue Budget

Revenue funding is forecast to increase significantly, driven by the flexibility that the PCC has been granted in raising local council tax and through the provision of additional government grant funding to support the targeted uplift in police officer numbers in England and Wales by March 2023. Thereafter we are forecasting continued increases in funding to support ongoing inflationary and other forecast cost pressures.

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Budget requirement	348,140	359,226	372,508	382,451	393,312
Less total funding	-339,879	-350,311	-361,040	-370,333	-379,054
Surplus(-)/deficit before savings	8,261	8,915	11,468	12,118	14,258
Savings	-7,261	-7,694	-8,606	-7,756	-5,761
Planned use of reserves	-1,000				
Surplus(-)/deficit after savings	0	1,221	2,862	4,362	8,497

The key assumptions that underpin this forecast position are:

- Our funding is forecast to grow by £59.3m/18.5% p.a. by 2025/2026, driven by increases to both grant funding (+£33.9m/17.9% by 2025/2026) and increases to council tax funding (+£25.3m/19.5% by 2025/2026);
- Our budget requirement is forecast to increase by £66.3m/20.5% p.a. by 2025/2026, driven by a large number of factors, including:
 - inflationary and incremental adjustments to officer and staff pay (or £250 if earning less than £24k) in 2021/2022 thereafter assuming an increase of 2.5% p.a. – an increase in £33.2m p.a. by 2025/2026;
 - increased pension costs to provide for current and anticipated deficits in both staff and officer pension schemes, as well as inflationary increases for injury pensions – an increase in cost of £3.4m p.a. by 2025/2026;
 - inflationary increases to general and specific (e.g. fuel, utilities, etc.) non-pay costs are assumed to add £6.5m p.a. by 2025/2026;
 - investment and growth across the Constabulary, predominantly focused on achieving and sustaining the planned uplift in officer numbers – an increase of £24.0m p.a. by 2025/2026; and
 - realisation of new planned and targeted revenue savings of £7.3m p.a. from 2021/2022, with further movements in these expected over the course of the MTFP.

5.2 Policing Precept

In December 2020, the Policing Minister announced flexibility for PCCs to raise the policing precept by up to £15 to support the government's priority to increase officer numbers. In accordance with this announcement and after supportive public consultation, the PCC chose to recommend a raise of the maximum amount, an increase of 6.6%. Following review, the Police and Crime Panel vetoed this proposal, and asked for alternatives to be considered. After due consideration the PCC reduced the proposal to an increase of £13.39 (5.9%), reducing the funding generated from council tax by £1m from the original proposal – a shortfall which has been made up from reserve funding in 2021/2022.

5.3 Capital Programme

The PCC has agreed funding set at £93m over the next five years, which at present still leaves a deficit of £0.4m in our current plans. This will help fund both new and ongoing investments in ICT, Estates, Fleet, and other assets. Many of those capital investments will need business case approval to progress.

ICT projects include local initiatives, as well as a number of national projects. The single biggest project forecast in the next five years will be the national Emergency Services Mobile Communication Programme (ESMCP) which will replace the current Airwave radio devices with a new digital network for operational communications.

Estates projects include the completion of a number of projects in flight, as well as new projects new or refurbished police stations for Yeovil, Minehead, Williton, Wincanton, Bristol East, and Bristol South.

5.4 Approach to Future Challenges and Funding

The COVID-19 pandemic has introduced short and medium term pressures and uncertainties, which made the job of forecasting our future financial position more challenging than normal. Our understanding is that the Government intends for its 2021 Spending Review (SR21) to cover three years rather than one-year which has been the case for much of the last decade. If this happens this will be a welcome change which should provide some additional certainty behind our forward forecasts.

We expect SR21 to set out how the Government intends to manage the economic and fiscal consequences of the costs of our COVID-19 response. We know this will require some difficult choices, and while we are pleased with the continued commitment to delivering the officer

uplift, we equally recognise the wider public finance constraints within which this commitment is being managed.

The MTFP published in February 2021 represents our best estimate based on all of the information available to us at that time. Many of the assumptions included in these numbers will be kept under continued review and consideration so as to better inform the timing and likelihood of the need for further savings to balance our budgets.

In the absence of certainty we are continuing to advance considerations and options for the ongoing delivery of efficiencies and savings. Our MTFP already identifies savings across the medium term, however despite these we forecast more will be needed. Our ambition remains to not only deliver the savings our forecasts predict will be required, but to exceed these thereby providing greater assurance around our ability to balance our budgets and enable ongoing investment in support of new and emerging priorities.

Our record of accomplishment in delivering efficiencies and savings over the past ten years demonstrates our ability to effectively balance budgets and achieve capacity to support targeted investments that further our ambitions.

6 Procurement

Our strategic procurement service ensures compliant delivery of contracted procurement with our suppliers. During the course of 2020/2021 we had £59.0m of “influenceable spend”, against which we have identified and delivered £1.5m/2.6% in savings during 2020/2021. The delivery of procurement savings is an important component of demonstrating how we achieve value for money.

7 Accounting for Pensions

In line with International Accounting Standard (IAS) 19 on employee benefits, we are reporting a significant pensions liability of £4.8bn shown on the balance sheet. This is reduced when the pension scheme assets of £0.4bn are taken into account. The net liability of £4.4bn is offset by an intragroup debtor with the PCC. More details are disclosed in notes 13 to 15. The liability has no impact on the reported outturn and the usable reserves.

8 Basis of Preparation

This Statement of Accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by Her Majesty's Treasury.

This Statement of Accounts summarises the financial year for 2020/2021. The income and expenditure, assets, liabilities and reserves which are recognised in the PCC's accounts and in the Chief Constable's accounts, reflect the current legislative framework as well as the local arrangements operating in practice. The key elements of the legislative framework and local arrangements include:

- The Police Reform and Social Responsibility Act 2011 (The Act);
- The Home Office Financial Management Code of Practice for the Police Services of England and Wales (published in October 2013);
- Avon & Somerset PCC's Scheme of Governance.

Our review of this framework has not altered from previous years, concluding that ultimately the control and risks associated with assets and liabilities rest with the PCC, whereas the day to day command and control of operational staff rests with the Chief Constable.

These financial statements include the following:

- **A statement of responsibilities** - This sets out the responsibilities of the OCC and the CFO in respect of the Statement of Accounts;
- **An annual governance statement** - These statements review the effectiveness of the OCC's internal control systems;
- **A comprehensive income and expenditure statement** - This statement shows the accounting cost in the year of providing policing services in accordance with generally

accepted accounting practices, together with the costs of providing pensions for officers and staff;

- **A movement in reserves statement** – This statement shows the movement during the year in reserves, and affirms that no actual reserve balances are held by the OCC at the end of the accounting period;
- **A balance sheet at 31 March 2021** – The balance sheet shows the net pension liability, as well as other employee related balances recognised by the OCC and offset by a debtor from the PCC;
- **A cash flow statement** - The cash flow statement shows the changes in cash and cash equivalents during the year. This statement in the OCC's accounts reflects the fact that there have been no cash transactions in the name of the OCC;
- **A police officers pension fund account statement** - This statement summarises the total police officer pension contributions and pension benefits paid. The difference is funded by the Home Office.

9 Conclusion

The financial affairs of PCC and Chief Constable have been and continue to be prudently and effectively managed. Best practices and CIPFA guidance and codes of practice in financial management, governance, and treasury management are being followed.

The PCC, the Chief Constable, and their CFO have a strong focus on managing costs, achieving value for money, driving innovation to deliver better and more efficient services, whilst ensuring that service performance is still being maintained or improved.

Looking ahead we recognise the immediate challenges continuing to be presented by the COVID-19 pandemic, and the longer-term financial challenges that may result from this as we await the outcome of the Government's SR21. In the meantime we will work with the new PCC on their priorities, continue to focus on delivering the uplift ambitions funded through both the grant funding and the increases to the policing precept and develop further opportunities for efficiencies and savings to ensure we remain fit for the future.

Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC

Office of the Chief Constable for Avon & Somerset

Statement of Responsibilities

This section explains our responsibilities for our financial affairs and how we make sure we carry out these responsibilities properly.

1 Chief Constable's Responsibilities

The Chief Constable is required to:

- Make arrangements for the proper administration of the Office of the Chief Constable's financial affairs and to make sure that one of its officers, the Chief Finance Officer, has responsibility for the management of those affairs;
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

2 The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for preparing the Statement of Accounts for the Office of the Chief Constable in accordance with proper accounting 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, the Chief Finance Officer has:

- chosen suitable accounting policies and then applied them consistently;
- made reasonable and prudent judgements and estimates;
- complied with the CIPFA Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud including preparing an audit and ensuring appropriate risk management mechanisms are in place; and
- made sure that the internal control systems are effective – pages 14 to 31 show this in more detail.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Office of the Chief Constable as at 31 March 2021 and its income and expenditure for the year ended 31 March 2021.

Sarah Crew
Temporary Chief Constable

Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC

Auditor's Report

**Independent auditor's report to the Chief Constable
for Avon and Somerset**

Report on the Audit of the Financial Statements

To be added

DRAFT

Office of Chief Constable for Avon & Somerset

Annual Governance Statement

1 Introduction

This annual governance statement sets out how the Avon and Somerset Office of the Chief Constable (hereafter referred to as OCC) has complied with the corporate governance framework set out in the Joint Scheme of Governance for the Avon and Somerset Police and Crime Commissioner (PCC) and the Chief Constable in place for the year ended 31 March 2021. It also details improvement areas to enhance further governance arrangements that the Constabulary plans to progress during 2021-2022.

Its purpose is to supplement the Avon and Somerset PCC's annual governance statement to give the complete picture of the discharge of governance within the OCC and the Office of the PCC for Avon and Somerset.

The Constabulary follows the CIPFA Framework principles: 'Delivering Good Governance in Local Government' and the guidance notes for policing bodies (revised 2016). See section 4.4.

Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). This term 'authority' includes the OCC and the PCC legal entities. This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom published by the Chartered Institute of Public Finance & Accountancy (CIPFA).

The annual review informs this statement of governance arrangements with assurance on compliance with the seven principles of the CIPFA framework by on-going audit inspection and external assessment. This statement also explains how the OCC complies with the principles and meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 concerning publishing a statement on internal controls.

2 Scope of Responsibilities

The OCC and the PCC are responsible for ensuring their business is conducted according to the law and proper standards, ensuring that public money remains safeguarded, appropriately accounted for, and used economically, efficiently, and effectively.

Under the Policing Protocol 2011, the PCC has responsibility for delivering efficient and effective policing, management of resources and expenditure by the police force. The PCC has a statutory duty to obtain the views of victims of crime and the broader community about the policing of the Force area and must consider the views of responsible authorities. These views inform the PCC's Police and Crime Plan, which sets the Force's strategic direction and priorities.

The OCC has statutory responsibility for the control, direction, and delivery of operational policing services provided by the Constabulary regarding the PCC's strategic direction and priorities in the Police and Crime Plan. In discharging this overall responsibility, the OCC is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring a sound internal control system, facilitating these functions' effective exercise.

The PCC and OCC share most core systems of control, including the SAP ERP systems, finance department, shared financial controls, IT, legal, and information governance functions.

The OCC's Chief Finance Officer (OCC CFO) has responsibility for providing advice on all financial matters, maintaining financial records and accounts and ensuring an effective system of financial control is in place. Together with the PCC Chief Finance Officer (PCC CFO), they conform to the governance requirements of CIPFA's Statement on 'The role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable' (March 2021).

3 The Purpose of the Governance Framework

The governance framework comprises systems, processes, culture and values by which the Constabulary is directed and controlled.

Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, cost-effective, open, and accountable manner.

An effective governance framework enables the OCC to monitor the achievement of its strategic objectives, as set out by the PCC in the Police and Crime Plan (PCP) and the Strategic Policing Requirement (SPR), and to consider whether those objectives have led to appropriate delivery, cost-effective services, and overall achievement of value for money.

The fundamental function of good governance in the public sector is to ensure that intended outcomes are achieved whilst acting in the public interest at all times.

4 The Governance Framework

The OCC is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Constabulary. In doing so, they are accountable to the PCC in a way that delivers the PCP. It, therefore, follows that the PCC must be assured that the OCC has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

A joint governance framework, collectively known as the Joint Scheme of Governance, has been in place for the year ended 31 March 2021 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision-making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders. The Joint scheme of Governance was reviewed and refreshed in August 2019.

The OCC governance framework has been reviewed and redesigned during this reporting period, including a significant change to the governance meeting structure, creating sub-committees of the Management Board and a reduced overall number of meetings.

The governance framework provides the structure for strategic decision making and oversight of internal control. A critical component of the framework is identifying, assessing, and controlling risk management to mitigate risk to a reasonable and foreseeable level. The Constabulary cannot eliminate all risk of failure to achieve its objectives; it can only provide reasonable but not absolute assurance of effectiveness.

Governance arrangements for both the OCC and the PCC are structured around the seven principles set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016 Edition). The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other. A summary of how the OCC complies with these principles is detailed below, *see sections 4.5 – 4.11*.

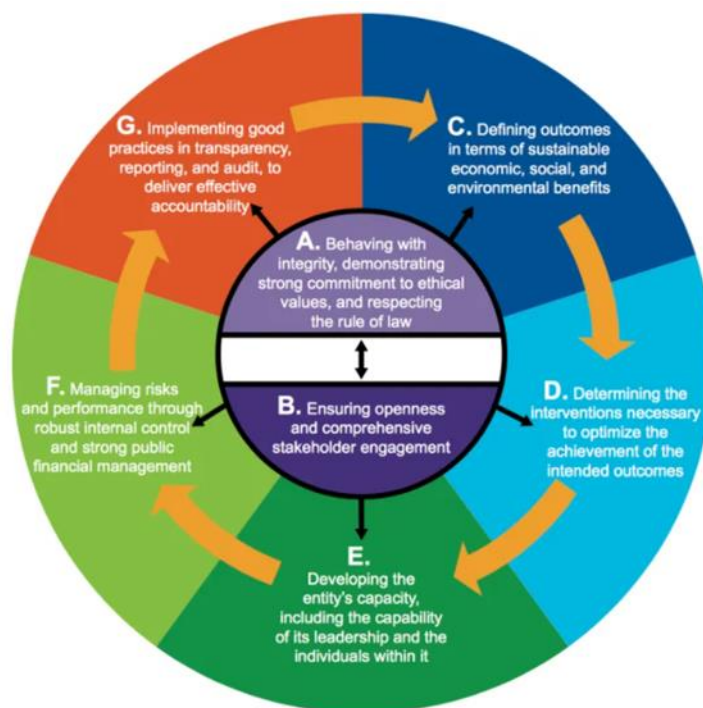


Figure 1: CIPFA Principles for Good Governance (taken from their publication 'Delivering Good Governance in Local Government: Framework 2016 Edition').

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

The ethical health of the OCC is demonstrated by the willingness and engagement of its people to role model its values and Standards of Professional Behaviour. Underpinning these behaviours is Avon and Somerset's commitment to being open and transparent with the communities it serves.

Leadership is vital in developing an ethical organisational culture. The Professional Standards Department are responsible for overseeing complaints, misconduct, and vetting processes that provide the formal structures in maintaining the right behaviours. Within the department, there is various data and information, both qualitative and quantitative, which can demonstrate the ethical health of the organisation. These include:

- Number of recorded complaints, types of complaints and outcomes (particular scrutiny on discriminatory behaviour, sexual conduct and abuse of position/corruption)
- Number of conducts, type of conduct and outcomes
- Number of officers and staff without current vetting
- Number of officers and staff without the correct vetting levels
- Number of referrals to the Independent Office for Police Conduct (IOPC) for death and serious injury incidents
- Number of IOPC investigations

Policies

In addition to the standards of professional behaviour and Code of Ethics, the conduct of officers and staff is governed by policies that provide specific guidance for areas of risk, vulnerability or which may present an actual or perceived conflict of interest. Examples of these include:

- Business Interests – The public must have confidence in the integrity and impartiality of the police service. The force does not constrain police officers or staff from holding a business interest or additional occupation. It promotes consistent decision making in the authorising of those business interests and additional occupations which do not

conflict with the work of the police and which will not adversely affect the reputation of the individual, the Constabulary, or the broader police service.

- **Notifiable Associations** – This policy ensures that the risk of officers and staff engaging in associations with individual or groups outside of the organisation who may present an actual or perceived conflict of interest or damage the integrity of the Constabulary is identified, mitigated and managed appropriately.
- **Gifts, Gratuities, and Hospitality** – This policy addresses matters relating to gifts, hospitality and sponsorship issues. The policy and process use electronic registration of any gift given to a member of the organisation, managed by the Professional Standards Department, helping to ensure proper governance and transparency.

Other policies address matters such as service confidence procedures and lawful business monitoring.

Police Integrity Reforms

Effective from February 2020, the Police Integrity Reforms have resulted in significant changes in handling police complaints with changes in the definition of a complaint, handling and the thresholds of misconduct and gross misconduct. Over the last 12 months, the OCC has supported these changes and worked with the PCC's office, who now have a statutory responsibility to have oversight of the police complaints system.

The PCC has a suite of scrutiny and assurance measures concerning complaints that provide public confidence. These include:

- Oversight and monitoring of individual complaints volumes;
- Constitution and running of an Independent Residents Panel – independent community-led scrutiny panel with an independent chair responsible for scrutinising public complaints and working with PSD to highlight best practice and improvement;
- Internal Audit – specific audit commissioned through the JAC for and completed 2019 in preparation for the new regulations;
- Quarterly meetings with PSD leads;
- Quarterly regional meetings with regional counterparts and IOPC (Independent Office for Police Conduct) leads;
- Public contacts concerning complaints and opportunities to observe problem-solving;
- Access to police complaints systems for transparency.

The reforms made the PCC responsible for reviewing the response to the quality of service complaints, while the IOPC must review misconduct investigations. All these elements allow the PCC to act as a critical friend in providing challenge, by reflecting the voice and concerns of the public in handling complaints, and working with the OCC PSD to influence the delivery of these services. Furthermore, the changes have enabled the PCC to maintain an overview of strategic performance and make recommendations accordingly.

4.2 Principle of Good Governance B: Ensuring openness and comprehensive stakeholder engagement

The OCC engages in an open and transparent working relationship with the OPCC, reflected by the publication of minutes from meetings such as the Joint Audit Committee (JAC), Police and Crime Board (PCB), and decision notices for public consumption. Furthermore, meetings such as the JAC are open to the public to attend.

Engagement and Scrutiny

The Constabulary uses Independent Advisory Groups (IAGs) as a way for our communities to work with us to help improve our services. These groups advise on policing issues that may cause concern to local people and communities. IAG members are volunteers drawn from our communities from various backgrounds. They have an interest in policing and its effect on our communities and offer independent advice and perspectives to enhance our thinking.

The Constabulary is also scrutinised and receives feedback through three independent panels (listed below) established by the PCC.

- **Independent Residents Panel** – volunteers from Avon and Somerset’s communities come together with the PCC’s office in order to examine complaints made against the Constabulary. The panel met quarterly during 2020/2021 as planned in June, September, December 2020 and March 2021.
- **Scrutiny of police powers** – volunteers from the communities of Avon and Somerset come together with the PCC’s office to examine the use of Taser, stop and search, body worn video and the use of force by the police. During 2020/2021 the panel met three times: in May, August and November 2020.
- **Out of courts disposal panel** – Out of court disposals are a means of resolving an investigation without prosecution through the courts. This panel brings together professionals from numerous criminal justice agencies and victim services who review the use of out of court disposals. In the financial year 2020/2021 the panel met quarterly as planned in June, September, December 2020 and March 2021.

Public consultation to inform decision making is undertaken where warranted. The OCC has access to consultation undertaken by the PCC as well as systematic data gathered from surveying of victims and the wider public. Alternative consultation is conducted via Independent Advisory Groups, Ethics Committee and local consultation, and through the use of the quarterly police and crime survey sources.

Social Media

We have corporate accounts on our four main communication channels on social media. These are listed below, with follower numbers accurate as of 7 April 2021.

- Facebook (138.6k followers)
- Twitter (172.8k followers)
- LinkedIn (8.2k followers)
- Instagram (20.8k followers)

Our press team predominately uses corporate Facebook and Twitter accounts to inform our followers of critical updates/wanted appeals/missing appeals and other important information. Our campaigns team also uses them to spread awareness regarding specific campaigns and mark certain awareness days/weeks. During the period between April 2020 and April 2021, the key engagement statistics from our facebook channel are presented in Figure 2. To aid understanding, definitions of the headings in Figure 2 are explained below.

- Engagement is how many people engaged with our posts – e.g. likes/shares/reactions/comments.
- Post-organic reach is how many people our posts organically reached on Facebook. Organically means without any money being spent.
- Inbound messages refer to how many times people messaged us – e.g. tagging us in posts/direct message/comment on our posts.

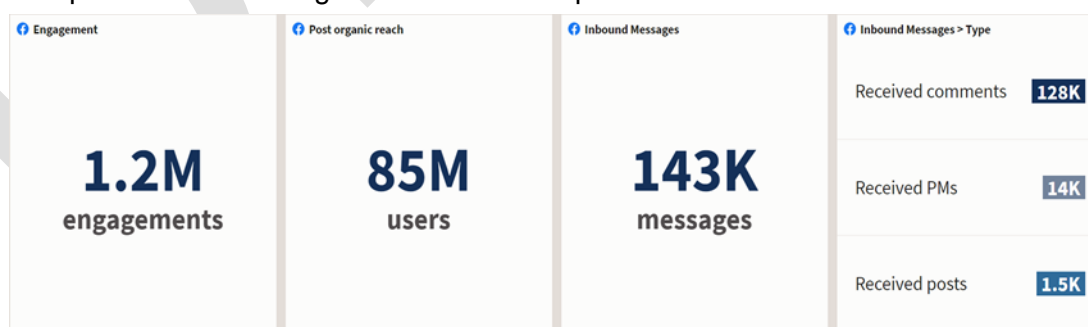


Figure 2: Facebook channel engagement data between April 2020 and April 2021

During the COVID-19 pandemic lockdowns, the OCC has utilised Facebook live broadcasts to engage the public and provide reassurance and critical messaging. Many of these broadcasts featured the Chief Constable and the PCC. Between 24th March 2020 and 2nd February 2021, there were 311,000 views, 1,597 reactions and 1,547 comments.

Our use of the LinkedIn platform has been a critical component in establishing our employer brand programme in the last 12 months. The programme has three communications objectives to:

- Establish Avon and Somerset Police as an employer of choice;
- Build positive brand perceptions; and
- Attract the best talent from a diverse pool.

The themes of content through this channel centre on recruitment posts, staff accomplishments, campaigns, and organisational achievements.

Our Instagram channel purpose is to increase brand awareness and build a positive community. Instagram represents 'who we are' as a police force, and our account aligns with our Employer Brand strategy. The channel has three communications objectives:

- Building positive brand perceptions;
- Building confidence in the police; and
- Giving the constabulary personality.

Partnerships

We are actively involved in the five local authority led Community Safety Partnerships. The Constabulary is engaged with public and volunteer agencies and works together to tackle crime, disorder, and antisocial behaviour and reduce re-offending.

The Constabulary has active engagement plans, refreshed in December 2020, set out clearly and transparently on how we will communicate and engage with our local communities. We will work closely with neighbourhood watch and community teams and ensure we maximise the visibility and accessibility of our teams online by increasing the platforms we engage on. Our plans give special attention to children and young people so that we can engage, enable, and empower the citizens and communities of tomorrow. We provide a named beat manager or PCSO to each school across the force, emphasising secondary schools.

Our engagement also extends to meetings, both formal and informal, with Chief Executives and Directors of partner agencies. We have particular interest meetings, for example, with Stand Against Racism & Inequality (SARI) or with the communities affected by Rural Crime. Additionally, we have Independent Advisory Groups (IAGs) mechanism as a touchstone and feedback route with stakeholders.

Furthermore, we have regular planned engagement with political representatives from our 15 elected MPs, meeting with the Chief Constable and PCC. In addition, local policing commanders maintain dialogue and relationships with partners and stakeholders in their respective policing areas.

Along with Health and Social Care colleagues, the Constabulary is a core statutory partner in the local Adult and Children Safeguarding Partnerships. There are eight partnerships across the force area, defined by local authority boundaries, although arrangements differ slightly for each location. In addition, there is an over-arching Board – the Avon & Somerset Strategic Safeguarding Partnership (ASSSP), which support collaborative working across the force area, and supports developed and joined-up approaches for cross-cutting themes concerning child safeguarding.

Building on the 2018 review 'Working Together to Safeguard Children' and the subsequent changes to the child safeguarding landscape, many of the arrangements have been in transition over the last 12 months. Of course, COVID-19 has affected the ability of partnerships to respond in the same way as previously – especially pertinent with our Health and Public Health colleagues.

Learning taken from statutory review processes have continued throughout this period. Recommendations from Child Safeguarding Practice Reviews, Safeguarding Adult Reviews, and Domestic Homicide Reviews have driven improvements across the partnership. Reviews have traditionally focused on geographic areas only, but we are currently undertaking a Peer-on-Peer Abuse Review involving child safeguarding partners across Bristol, North Somerset and South Gloucestershire. This review is the first time that we have collaborated in this way,

but serious youth violence is an issue that affects all areas and one where we can all benefit from a joined-up approach and learning.

Within the Local Resilience Forum (LRF), we also have a defined engagement structure and coordination role. Our influence and ability to bring partners together have been evident through the initial phase of the pandemic with immediate emergency response through to the more sustained and ongoing work. Our work pre-COVID in developing effective working relationships with partners realised benefits when the pandemic arrived. We had effective structures in place to stand up LRF arrangements within a short period. There have been strategic and tactical meeting groups through the COVID-19 pandemic managing activity ranging from PPE provision and enforcement to economic regeneration.

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

Our vision is for Avon and Somerset Constabulary to deliver outstanding policing for everyone, and for this to be recognised by the communities we serve and our staff. Such a shared vision is crucial to increase public trust and confidence so that local communities believe we treat them fairly, with respect and professionalism, and take their concerns seriously.

As outlined in section 4.1, the OCC is responsible for delivering the outcomes expected within the Police and Crime Plan set by the PCC.

Within the OCC a continuous improvement framework provides the opportunity to scrutinise performance against the plan through regular monthly thematic and operational assurance activity reported jointly at OCC and PCC governance boards.

The Strategic Planning Cycle provides the framework for the delivery of organisational change. The Force Management Statement is developed during Quarter 1 to provide a quantitative and qualitative assessment. The assessment supports an annual review of strategy, improvement plans and financial planning (MTFP) for subsequent financial years. Opportunities to commission change activity are identified from the cyclical work. At the same time, formal projects are mandated to complete a suite of impact assessments to ensure economic, social, environmental and financial outcomes are known. We track the delivery of change through benefits realisation and have a defined process to manage benefits within the project and business as usual. These benefits define positive outcomes from change and can be financial or performance in nature.

The concept of sustainable development encompasses economic, social and environmental factors, but environmental impacts are very much the focus of our Sustainability Plan. The latest version concluded in March 2021, with the following performance headlines:

- A reduction in total carbon emissions (CO₂e) (scope 1 and 2) of 22.3% over five years, down to 10,784 tonnes per annum. Of this overall reduction, emissions from buildings, fleet and business travel reduced by 16.5%, 34.5% and 24.2%, respectively. The 30% voluntary target for building emissions for the public sector by 2021 (against a 2009/2010 baseline) was surpassed by 5%;
- A reduction in the consumption of grid electricity of 21.5%, but just a 2.8% reduction in gas consumption;
- A 361% increase in renewable energy (solar and biomass) that we generate ourselves. In 2020/21, this represented 7% of the total amount of energy we used;
- A 40.9% reduction in the waste the organisation produces; and
- A 75.8% reduction in paper use per person;

Several factors underpin these performance improvements, including investment in energy-efficient lighting and renewables, the rollout of laptops and new multi-functional devices, digitalisation of processes, the deployment of more fuel-efficient vehicles and changing behaviour over time. Of course, the ways of working during the COVID19 pandemic have also impacted these improvements, with a significant change to the workforce habits, less usage of our estate, and greater emphasis on home working.

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

Resource Planning

The vision of the Constabulary is to provide “outstanding policing for everyone”. The sustainable achievement of this vision requires us to effectively plan our future resources, ensuring that our insight into demand and performance is aligned to our workforce and financial planning in increasingly intelligent and integrated ways. Our aim is to join up our planning more effectively through a combination of:

- **People** – ensuring we have the right people with the right skills working in a cohesive and coordinated way to plan for the future continuously;
- **Process** – ensuring our tactical and strategic planning processes are aligned across services and support effective team working to achieve effective planning;
- **Technology** – ensuring our planning is informed by intuitive and enabling technology that enables our people to focus efforts on support forward decision making;
- **Data** – ensuring that our planning is informed through a joint, shared data set that enable us to make connections and provide insight into our demand, workforce, and financial plans.

While we are recognised as “outstanding” for our efficiency by HMICFRS, we understand that there is more that we can and should be doing to align our financial and workforce better planning together. Both of these areas require improved alignment into the effective demand and operational insight enabled by our digital analytics capabilities.

Our ambition is to move forward towards a more integrated planning approach to address the weaknesses we identify within our present situation. These weaknesses are characterised by short term planning focus, responsive rather than reactive approaches, limited IT/systems functionality and reliance on manual processes.

We are progressing this ambition through a small scale proof of concept, focusing on how we can improve resourcing planning for a period of summer demand. Through this work we expect to develop a roadmap that builds on these principles to accelerate our more effective integrated planning journey.

Criminal Justice Task Force

The Task Force was a joint project between the Crown Prosecution Service (CPS) South West and Avon and Somerset Constabulary, which ran for 12 months ending in December 2020 with the overarching purpose of improving the quality and timeliness of criminal investigations and prosecutions. The three aims of the task force were:

- To conduct a joint review of CPS and police performance to improve criminal prosecutions' quality and timeliness;
- To identify a coordinated approach in improving investigations, file quality and disclosure;
- To establish an embedded performance and assurance framework to allow for appropriate scrutiny.

The Task Force was individually accountable to the police and the CPS senior officer groups and reported to the Local Criminal Justice Board quarterly. A senior leader from each organisation was jointly responsible for leading the work of the task force, with both organisations nominating work-stream leads to undertake activity within each of the six work-streams.

Both organisations have realised several significant improvements and outcomes through improved processes driven by new guidance documents and training. Furthermore, the innovation of harnessing insights from shared data and analysis of performance barriers led the task force to focus on enabling successful interventions to support operational capability. There are two examples of innovation that stand out, and these are noteworthy in exemplifying interventions to optimise outcomes:

- **Process Automation** – 50-60% of files submitted to the CPS for advice were rejected at the triage stage, resulting in delays due to the necessary re-work required by both the police and CPS. The Task Force partnered with the OCC's IT Directorate to prioritise several automated solutions intended to impact file quality standards significantly. As of the end of March 2021 our automation has completed the attachment of 13,184 incident logs to a live case file, and successfully linked 30,675 victims as witnesses, thereby assisting live cases in passing through the CPS triage and reducing re-work demand in both organisations.
- **Suite of File Quality Applications** – The Task Force developed several analytical applications using the OCC data analytics and visualisation capability. These applications used case-specific data from both the police and CPS, to visualise key file quality performance measures. The development of the full suite of analytical applications, published on the Arc GIS portal, has provided a rich picture of case file quality performance. These applications have enabled leaders to better understand and improve file quality performance across their teams.

Deployment and Crime Allocation

In November 2020, the organisation commissioned a review of the Constabulary's 'Deployment and Crime Allocation Procedural Guidance'. The document is intended to inform supervisors and practitioners about managing crime investigations, from the point of an initial report through to deployment and subsequent investigation, whilst setting out the appropriate routes for investigating crime.

The existing procedural guidance was previously subject to a periodic review in July 2017. Since this time, there have been significant changes in the structure of the Incident Assessment Unit (IAU) and how crimes are allocated and investigated.

In addition, levels of compliance with the existing crime allocation policy were low. In October 2020, an assessment determined that 13% of live investigations in Patrol should be routed to Investigations according to the procedure. We concluded that this low level of compliance was resulting in inconsistencies in our service provision and creating operational and organisational risk. Dip-sampling identified specific cases where officers, without the necessary skills, were completing serious and complex investigations. Limited adherence to the current policy guidance also generates a significant volume of failure demand, as cases are often reallocated multiple times between organisational units based upon successive supervisory decisions. Therefore, the overarching aim of this review has been to ensure that criminal investigations are allocated consistently and fairly to staff members with the appropriate skill-set, thereby ensuring that we maximise opportunities to bring offenders to justice and improve victim satisfaction.

The allocation review work-stream has developed a new procedural guidance document that will enable practitioners to make effective, consistent and timely allocation decisions. The document will also empower individuals in making decisions to file investigations at the outset, where it is not necessary or proportionate to conduct any enquiries. Finally, a new and more frequent review framework has been agreed upon, thereby ensuring the policy continues to reflect our changing demand profile

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

Recruitment has seen a growth in demand for our teams further to the e-Recruitment introduction with a significant increase in the number of applications received (increases or circa 125% compared with 2019). On average 18 applications are now received per role compared with only 11 last year (numbers are higher than this for large recruitment campaigns). We understand these increases are likely due both to the instability in the external labour market as well as Avon & Somerset being a large local employer with an increasing number of opportunities. To manage this demand we have embraced virtual interviews on a large scale with some applicants attending a national online assessment (for police officers). Although some of these new ways of working are COVID triggered we expect they will remain in place to some degree post-pandemic. COVID generated demand shift was

also evident with our training provision. Our Learning Department have redesigned how they deliver training content – either virtually or in a COVID-secure manner. Our flexibility has enabled us to still provide training input to over 5,300 students during the last financial year.

Our Uplift Design Programme is the Constabulary response to the additional government investment and uplift of 20,000 police officers nationally by March 2023. During the last 12 months, we have been planning how the Constabulary will maximise the new capacity to support and enable the organisation to achieve its stated objectives. Research and analysis of our current and future predictive modelling of demand have largely been completed, where areas of investments have been recommended to the Chief Officer Group.

The officer uplift design was completed in March 2021, allocating 420 of the 450 additional officers that we will recruit. We are now developing the detailed implementation plan, the benefits framework and undertaking some impact assessments. The implementation plan and the benefits framework will be combined to deliver a benefits plan that will show:

- When the capacity grows;
- When the capability should have increased; and
- When desired outcomes and expected benefits can be realised.

During the last 12 months, we have continued developing and recruiting via the Police Constable Degree Apprenticeship (PCDA) programme. At the end of March 2021, we have enrolled 605 new student officers, and we plan to recruit an additional 150 PCDA students in 2021/2022 and a further cohort of 180 students in 2022/2023.

This year also saw the introduction of the Degree Holder Entry Programme (DHEP). This entry programme into a career in policing is for people who already have at least a bachelor's degree (or equivalent level 6 qualification) or are in the final year of study. We enrolled our first intake for this programme in February 2021, with 30 student officers. We will continue to enrol 90 students each year until the end of 2022/2023.

During the last 12 months and the challenges imposed by the Covid-19 pandemic, we have had to adapt our approach to delivering development opportunities and learning to the workforce. Within days of the initial national lockdown and the subsequent work from the home requirement, our training courses were being delivered virtually across several different work streams. From March 2020 to March 2021, our learning department facilitated over 10,000 training interventions, many of which were provided using virtual learning. (See figure 3):

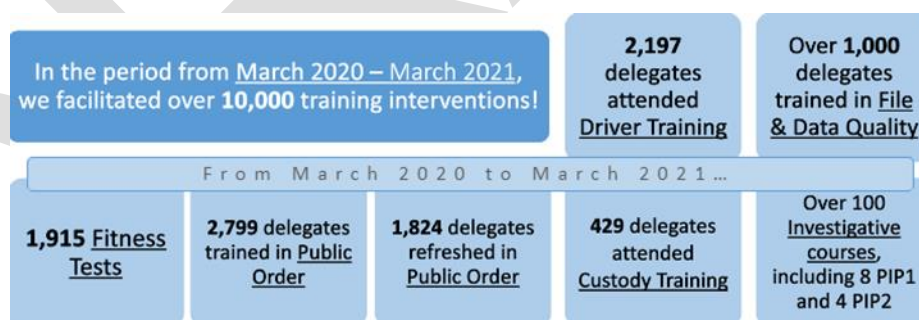


Figure 3: Breakdown of training interventions between March 2020 and March 2021

We continue to look at ways to develop our capability, and our Leadership Academy approach has been designed to support this ambition. Leadership Academy aims to provide a clear route for all staff and officers to follow, developing within their current role, or moving to another position within the organisation. The Leadership Academy supports and guides all staff and officers on their learning journey through the delivery of blended learning, enabling the Academy to cater for different learning styles, such as individual or group-based, and online or face-to-face. We have built the Leadership Academy around our values and the College of Policing's Competency and Values Framework (CVF):

- Caring: our caring value maps to CVF core value – public service;
- Courageous: our courageous value maps to CVF core value – integrity;

- Inclusive: our inclusive value maps to CVF core value – impartiality;
- Learning: our learning value maps to CVF core value – transparency.

Our values play an integral part in everything we do and underpin all of our processes and procedures. Each value gives a clear focus to demonstrate and develop the appropriate behaviours that our force lives by.

Our previous Annual Governance Statements have highlighted our five big ideas for inclusion and diversity. These remain the external accreditation for diversity and inclusion, training, recruiting for difference, outreach workers and workforce mobilisation. The big ideas provide a consistent framework for delivery that helped us become the first Force to achieve National Equality Standard (NES) accreditation in April 2020. This accreditation holds for three years, with NES recommendations providing a continued focus for our work throughout this period. We continue to see progress across representation in our workforce from underrepresented communities. We continue to focus on diverse recruitment for our PCSOs and had a strong response of over 7% from BAME communities to a recent PCSO recruitment campaign.

4.6 Principle of Good Governance F: Managing risks and performance through robust internal control and strong public financial management

Governance Framework

This year we have conducted a review and implemented changes to our governance framework, which involved extensive stakeholder engagement and the eventual restructuring of our governance meeting structure.

The Constabulary Management Board (CMB) is held monthly and chaired by the Chief Constable and the Deputy Chief Constable and brings together senior leaders from across the organisation. The CMB is the most senior decision-making body for matters within the direction and control of the Chief Constable. It is the gateway to the Police and Crime Board (PCB - led by the PCC) for agreeing on items for escalation to the PCC from the constabulary (in accordance with the Joint Scheme of Governance).

The CMB retains stewardship of the organisation in the pursuance of its strategic aims and objectives. Its monthly business includes overseeing governance components such as **Performance, Quality, Assurance, Change and Risk Management**.

As part of the changes from the review mentioned above, the creation of five subcommittees of CMB has been established to oversee specific business and thematic areas. The chair of each committee is a member of the Chief Officer Group (See Figure 4).

Health & Safety Committee	Confidence & Legitimacy Committee	People Committee	Demand & Capacity Committee	Finance & Assets Committee
Chair Deputy Chief Constable Frequency Quarterly Type Statutory Remit Monitoring compliance with the Health and Safety Policy. Implementing health and safety legislation. Consider reports of injuries, accidents, assaults, near misses and dangerous occurrences	Chair Deputy Chief Constable Frequency Monthly Type Governance Remit Police officer / staff conduct, complaints, whistleblowing / confidential reporting, grievances, statutory case reviews, information governance, security, crime recording, external inclusion & diversity matters (e.g. disproportionality in police processes)	Chair Chief Officer for People & Organisational Development Frequency Monthly Type Governance Remit Workforce diversity, inclusion, health, wellbeing, learning, development, people analytics workforce planning	Chair ACC Investigations & Operational Support Frequency Quarterly Type Governance Remit Compliance with Demand Status and Allocation Policy Maintain a strategic overview of the police operating landscape to identify and assess the impact of future national, regional, local or legislative changes on demand - management	Chair Chief Officer Finance, Resources and Innovation Frequency Bi-monthly Type Governance Remit Medium Term Financial Planning Ensure effective asset management planning for physical assets & procurement activity Annual joint internal audit planning

Figure 4: An overview of the 5 standing sub-committees which report to CMB

Performance and Insight

The Constabulary aspires to be an outstanding police force. This ambition requires compelling data-driven insight and performance management to be in place. In the last year, we have significantly invested in developing the capability and capacity to improve our performance insights to enable better-informed decision making and outcomes.

Structurally the organisation has realigned its resources to support the delivery of the new Performance and Insight (P&I) function, with improvement and assurance activity closely aligned to the Head of the P&I department. These changes will support a cohesive approach delivering an efficient performance framework with insights that empower risk-based decision making and improvement.

Corporate Risk Management

The Constabulary manages a strategic risk register (SRR) reviewed and scrutinised by the Joint Audit Committee (JAC). The Deputy Chief Constable is the senior responsible officer for the SRR, with the risk management framework managed through the Portfolio Management Office (PMO).

The risks identified in the SRRs inform the content and focus of our annual internal audit planning and direct the scope of individual audits contained therein. The JAC receives reports of both the internal and external auditors and any other information required under its established Terms of Reference. Through this body, the Chief Constable is subject to scrutiny not only of the PCC but also of the committee's independent members.

During quarter four of 2020/2021, the Constabulary began a review of its corporate risk framework. A software solution used for our project controls was identified as a product to support improved risk management after a comprehensive search of the market for risk management software. This review is due to deliver a new proposal for enhanced ways of working to identify, capture and assure the control of risk management activity in the organisation and will be operational in Quarter 2 of the 2021/2022 performance year.

Health and Safety

The Deputy Chief Constable chairs the Health and Safety Executive Committee, a strategic forum overseeing the implementation of occupational health and safety policies, procedures and related strategies.

The committee also oversees an effective regime of health and safety risk management and controls, ensuring the appropriate learning/training to ensure relevant health and safety skills and capabilities are maintained, while keeping under review the Force's legal obligations for occupational health, safety and welfare compliance.

The committee includes representatives from all staff associations/union and directorates.

MTFP & Financial Risk

The PCC and Constabulary jointly develop an annual Medium Term Financial Plan (MTFP), which considers the future financial context for the combined organisations, forecasting both revenue and capital plans across a five year planning horizon. We aim to assess the risk surrounding our economic context, enabling us to take action in good time to address risks and ensure we can achieve financial sustainability over the short and medium term. This plan is informed by both internal discussions and review and external stakeholder engagement undertaken by the PCC with partners and the public, thus complying with **Principle B** above. This document is shared with our partners and is published alongside the PCC's precept decision to enable scrutiny through the Police and Crime Panel and ultimately by the public.

Although funding levels are set to increase, which reflect the continuing ambitions to uplift police officer numbers announced by the Government in 2019, the global COVID-19 pandemic has introduced both short and medium-term pressures and uncertainty. The pandemic's impact will have more comprehensive consequences for public finances and require long-term plans to recover. Due to this uncertainty, the Comprehensive Spending Review (CSR) announced by the Government in December 2020 focused only on a one-year settlement rather than the three years previously planned. We remain hopeful for multi-year

settlements in the future, but at present, the forecast included in the MTFP beyond the 2021/2022 financial year reflects our best estimates.

The recent election of a new Police and Crime Commissioner will see a transition period within the OPCC. Along with the election of a new PCC will come a new Police and Crime Plan, with new and emerging risks and challenges for the organisation. Furthermore, a new Chief Constable appointment when the incumbent departs in summer 2021 will bring new leadership to the Constabulary.

4.7 Principle of Good Governance G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Both the Constabulary and the OPCC adhere to the use of Government Security Classification (GSC) markings. In doing so, and as noted in **Principle B** above, they can determine those documents that are suitable for publication through the PCC's and CC's websites so that they are visible to the public.

Examples of published items include:

- Significant decisions of the PCC;
- Papers presented to Police and Crime Board;
- Chief Officer contact with the media;
- Chief Officer expenses and gifts;
- Freedom of Information requests; and
- Registers of business interests, gifts and hospitality.

All JAC meetings are open to members of the public to attend. All papers presented to JAC, including those from our internal and external auditors, are published on the PCC's website (where nothing of a sensitive or confidential nature prevents us from doing so), allowing members of the public to have access to these reports and their contents.

The Constabulary is committed to ensuring it is open and transparent in the way that it conducts its business. The organisation has effective working relationships with internal and external auditors, and the Constabulary produces its annual Force Management Statement (FMS), making it available on the force website. We also publish inspection reports from Her Majesty's Inspectorate of Constabulary and Fire & Rescue.

Internal Audit and Assurance

The Internal Audit function, commissioned through the JAC on behalf of the OPCC and OCC, is undertaken by a third-party auditor for additional independence. Our internal auditors are South West Audit Partnership (SWAP).

Working with SWAP, we produced an annual audit plan that scheduled 11 audits during 2020/2021. We recognised the consequence and potential impact that the restrictions placed on us during the COVID-19 pandemic would have on delivering an entire internal audit programme. We therefore adjusted this plan to have fewer audits in the first half of the year, allowing the new ways of working under restrictions the time to embed fully to support more audit work in the final half of the year.

In early 2020, the Inspection and Evidence-Based Policing team expanded to combine inspection functions with assurance and problem-solving. The additional officers enabled the team to capitalise on operational experience and a range of skills. Over the last 12 months, despite all police officers on the team seconded to support the initial COVID-19 pandemic response, several audits and assurance pieces were completed. The team's additional capacity and capability have allowed us to do this with statistically significant sampling to draw meaningful conclusions and recommendations.

A future assurance work plan is under development to complement our response to inspection findings and recommendations, bringing clarity to how this work underpins more comprehensive improvement work supporting the performance and quality framework. The team also receives requests from theme leads across the constabulary for specific assurance projects. These requests are reviewed and assessed before being commissioned. This work

will form part of force-wide assurance mapping to ensure it adds value and informs improvement activity in line with force priorities.

5 Review of Effectiveness

The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework. Several sources inform the review, including the internal audit assurance, the opinions and reports of our external auditors and other inspection bodies, as well as the work of the OCC CFO, and of managers within the Constabulary, who have responsibility for the development and maintenance of the governance environment.

For 2020/2021, this review included the following considerations:

- the internal auditor's reports to the Joint Audit Committee (JAC) throughout the year and their annual report to JAC;
- external auditors' reports at JAC meetings;
- the HMICFRS 'PEEL' inspection;
- the Force Strategic Risk Register;
- the 2020/2021 financial outturn that delivered a balanced position; and
- the planning and development of the MTFP for the next five years.

Matters arising from the audit and inspection activities are detailed below and have the appropriate leadership level, accountability, and scrutiny applied to them through the governance framework (the five committees, see figure 3) and improvement actions captured within the Constabulary Single Delivery Plan.

5.1 Internal Audit

In this section below, we detailed the findings of the Internal Audit reports from 2020/2021.

Internal audit provides an independent and objective opinion on the Constabulary's risk management, governance, and control environment by evaluating its effectiveness. Before starting each financial year, the appointed auditor, in conjunction with senior leaders, put together a proposed audit work plan. The objective of the planning process and a subsequent plan is to provide the basis for a well-informed and comprehensive annual audit opinion based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes. Our Internal Auditors completed 11 audits during 2020/2021, as well as contributing to regional advisory work and conducting follow-up work on previous audits. The audit schedule and audit title is detailed in Figure 5.

Quarter 1	<ul style="list-style-type: none"> ■ Data Protection Audit ■ Workforce Plane Follow up
Quarter 2	<ul style="list-style-type: none"> ■ Records and Data Retention Audit ■ Health and Safety Management of Staff Audit
Quarter 3	<ul style="list-style-type: none"> ■ Digital Strategy ■ Key Financial Controls ■ Partnership Arrangement Audit
Quarter 4	<ul style="list-style-type: none"> ■ Payment to staff and Absence Management Audit ■ Performance Audit ■ Police Officer and Police Staff Training Audit ■ Recruitment and Vetting Process Audit

Figure 5: The 2020/2021 audit schedule

Each internal audit conducted throughout the year receives a graded assurance opinion from the auditors. Each of the audits also provides recommendations for improvement, categorised into three priority categories reflecting their importance. See Figure 6.

Audit Framework and Definitions

Assurance Definitions	
None	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Corporate Risk Assessment Definitions	
Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Figure 6: Audit Framework Definitions

In total our internal auditors made 27 recommendations during 2020/2021, of which:

- 12 were identified as findings that require attention, a priority 3 grading;
- 15 were identified as findings that are important and require the attention of management, a priority 2 grading; and
- None were identified as findings that were fundamental requiring immediate attention, not necessitating a priority 1 grading.

While we take assurance from the fact that none of the findings is considered to be fundamental, we recognise that the recommendations from our internal auditors provide us with several essential actions that we need to progress.

5.2 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services

In this section below, we detailed the findings of the 2020/2021 inspection activity from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).

The primary framework by which police forces are inspected by HMICFRS is called 'Police Efficiency, Effectiveness and Legitimacy' (PEEL), the outcome being that a grade is awarded for each of the three pillars.

Avon and Somerset were last inspected in May 2019 and are not due for another PEEL inspection until autumn of 2022. The outcome from May 2019 was that the Constabulary maintained our **overall 'Good' rating**, with the grading across the three pillars being:

- **Legitimacy** - HMICFRS found that the Constabulary is **Good** in respect of the legitimacy, keeping people safe and reducing crime.
- **Efficiency** – HMICFRS found that the Constabulary is **Outstanding** regarding the efficiency with which it keeps people safe and reduces crime.
- **Effectiveness** – HMICFRS found that the Constabulary is **Good** at keeping people safe and reducing crime. The inspectors' conclusion that we had performed well in this year's effectiveness inspection and have made good progress since the last review.

The HMICFRS Integrated PEEL Assessment is one of the most critical sources of assurance for both the PCC and OCC in delivering the PCP and realising our vision.

During the reporting period, HMICFRS has conducted five inspections against the COVID-19 pandemic's backdrop. The themes listed below and reports, where published, can be found on their website.

Theme	Date report published
Getting the balance right? An inspection of how effectively the police deal with protests	October 2020
An inspection of the effectiveness of the Regional Organised Crime Units	February 2021
HMICFRS Value for Money Dashboard	March 2021
HMICFRS Sensitive Intelligence Inspection	Report not released yet
Joint inspection of how well the criminal justice system serves survivors of rape	Report not released yet

5.3 Significant Risks

We have reviewed our Strategic Risk Register, and, having considered the content, we have identified that the most significant risks to the organisation at this time are:

Loss of legitimacy / public confidence

We continue to recognise heightened expectations of our communities and Government because of the increases in the coming twelve months. The last 12 months, more than any in recent times, have seen policing under the microscope in the continuing backdrop of social unrest, which has escalated through the COVID-19 pandemic, and other activism and protest events such as BLM, 'Kill the Bill', and the tragic Sarah Everard incident.

We have also considered moderating factors such as the report from HMICFRS, which was positive concerning Avon and Somerset's approach to policing protests. The solid public confidence figure is taken into account, too; we currently have one of the best in the country.

While we have reduced the risk based on the factors outlined above, we remain acutely aware of how internal and external factors, be that social, political, environmental and legal, can influence and alter public perception of the police service. We consider this risk crucial to our legitimacy to police with the consent and confidence of our communities.

Failure to deliver necessary improvements to data quality to ensure effective decision making

Our data quality is a critical strategic risk for the organisation and is currently one of the highest mitigated risks within the strategic risk register. Our data quality issues extend across our system breadth, from our administrative applications (Finance/HR) to our operational applications (Niche / STORM). The problems extend to the data quality that resides within these applications and the underlying cross-system data architecture – how we collect, govern, store, transform, distribute, and use data. The root causes of our data quality are equally broad and complex as the data quality issues themselves and reflect the need to have a more holistic view of data. Common themes include:

Our ability to plan, develop and deliver outstanding policing services is compromised by poor data quality. To be entirely data-driven, the organisation needs to have a more comprehensive view of how we get value from data. Data culture, data literacy, data sharing and data management play an equally vital role in being a data-driven organisation. In December 2020, our management board approved the development of a Data Strategy to set the course to delivering the required improvements to mitigate the identified risk.

Failure to effectively plan and manage financial resources

While our financial outlook has improved recently through the provision of additional funds to enable the uplift in officer numbers, we recognise that there remain a number of areas of uncertainty which mean we will still need to realise cashable savings in order to continue to be able to balance our budgets.

This uncertainty arises from many factors, including:

- Financial consequences of COVID-19 on the public finances – we recognise that the recovery of the costs incurred by the Government through our response to the

pandemic will require difficult choices in the allocation of public funds. The details of this should become clearer to us through the 2021 Spending Review;

- Uncertain future cost assumptions – there are many ways in which our costs will continue to increase, of which the two most material are the future decisions around pay increases, and the future changes to pensions costs as a result of pension deficit recovery plans.

We are mitigating this risk through close alignment to regional and national colleagues so as to ensure commonality of assumptions being made across the service, as well as through the development of local savings and efficiency plans which are being progressed to realise savings that can help us navigate through this uncertainty.

6 Governance Issues

During this year, the OCC has implemented a new governance framework as referenced in section 4.10. The new framework has seen the introduction of five subcommittees of the management board, each with defined terms of reference and an annual meeting theme sequence. The committee structure how governance meeting structures are established within other public sector organisations and launched in Q4 of 2020/2021 after extensive planning and consultation with stakeholders. Our Portfolio Management Office (PMO) will conduct a post-implementation review of the changes Q3/Q4 of 2021/2022 and report to the management board on the learning.

We continue to develop and improve our governance standards with work underway to establish a governance handbook as a source of reference for internal stakeholders on what governance means, why and how governance is discharged and supports the OCC in delivering our strategic objectives.

Finally, we have implemented new business rules to support effective governance in response to stakeholder feedback. These include protecting specific days each week where governance meetings are not scheduled. This decision was intended to enable leaders to focus on operational delivery and creating a set meeting cadence for our governance meetings to support the effective flow of information and decision making across the organisation, as shown in Figure 7.

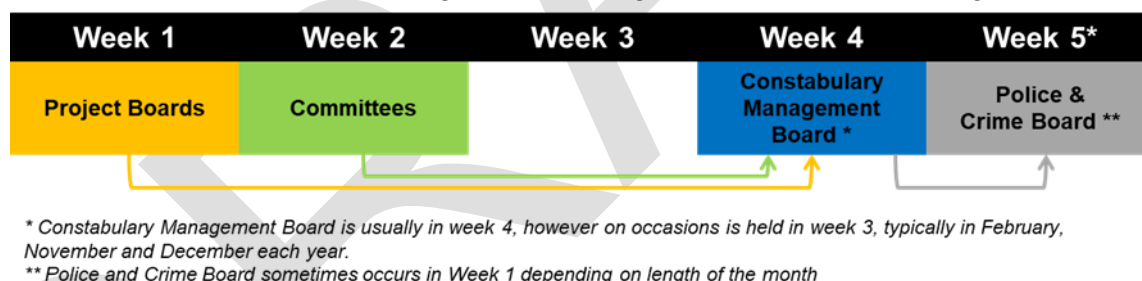


Figure 7: Monthly meeting cadence. The arrows represent the direction of reporting between meetings, and demonstrate the importance of appropriate scheduling of different meeting types to facilitate efficient flow of information.

We have some areas for improvement and development with our new framework over the coming year as we aim to embed and enhance our practices. However, we have not identified any significant concerns during the internal review of the effectiveness of governance arrangements. We have confidence in our new framework maturing and improving our overall governance and stewardship.

7 Conclusion and Certification

This statement has been prepared based on the review of the effectiveness of governance arrangements. We are satisfied that the OCC has proportionate and adequate internal control systems, including arrangements for good governance and the management of risk. However, we acknowledge that no method of internal control can provide absolute assurance.

Over the coming year, we propose taking steps to address the areas for improvement identified through our internal control activity to enhance our governance arrangements and commit to monitoring their implementation and impact as part of our next annual review.

Sarah Crew
Temporary Chief Constable

Nick Adams LLB (Hons), FCA
Chief Finance Officer to the OCC

Office of the Chief Constable for Avon & Somerset

Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

The comprehensive income and expenditure statement shows the resources consumed by the OCC in undertaking operational policing activities. These costs have been funded by the PCC through intragroup adjustments. See note 2 for further details.

The £2.827m pension grant, recorded in the 2019/2020 PCC statement of accounts within Taxation and non-specific grant income, has been reclassified to be included within Police Services – OCC gross income, and is offset by an intragroup adjustment in the net cost of police services.

OCC Expenditure £'000	OCC Income £'000	Total 2019/2020 £'000	Comprehensive Income and Expenditure Statement - OCC	OCC Expenditure £'000	OCC Income £'000	Total 2020/2021 £'000
403,682	-36,551	367,131	Police Services	413,908	-45,341	368,567
0	-2,827	-2,827	Police Services restated	0	0	0
-403,682	36,551	-367,131	Intragroup adjustment	-413,908	45,341	-368,567
0	2,827	2,827	Intragroup adjustment restated	0	0	0
0	0	0	Net cost of police services	0	0	0
		88,088	Net interest on pensions			80,821
		-88,088	Intragroup adjustment (pension interest cost)			-80,821
0	0	0	Financial and investment income and expenditure	0	0	0
58,600	0	58,600	Police pension top-up grant (note 14)	53,418	0	53,418
0	-58,600	-58,600	Intragroup adjustment (Police pension top-up grant)	0	-53,418	-53,418
		381,758	Intragroup adjustment (Re-measurement of pension assets and liabilities)			-752,781
		381,758	Taxation and non-specific grant income			-752,781
		381,758	Surplus(-)/deficit on provision of services			-752,781
		-415,773	Re-measurement of pension assets and liabilities (note 13)			842,337
		34,015	Return on pensions assets (note 13)			-89,556
0	0	-381,758	Other comprehensive income and expenditure	0	0	752,781
0	0	0	Total comprehensive income and expenditure	0	0	0

Office of the Chief Constable for Avon & Somerset

Movement in Reserves Statement 2019/2020 and 2020/2021

These statements show only the pension related transactions for the years ending 31 March 2020 and 31 March 2021. All reserves are held by the PCC.

Movement in reserves statement 2019/2020					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2019	0	0	0	0	0
Total comprehensive income and expenditure	-381,758	0	-381,758	381,758	0
Adjustments between accounting & funding basis under regulations					
Net IAS 19 charge for retirement benefits	381,758	0	381,758	-381,758	0
Increase/decrease(-) in 2019/2020	0	0	0	0	0
Balance as at 31 March 2020	0	0	0	0	0

Movement in reserves statement 2020/2021					
	Revenue General Fund £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total £'000
Balance as at 31 March 2020	0	0	0	0	0
Total comprehensive income and expenditure	752,781	0	752,781	-752,781	0
Adjustments between accounting & funding basis under regulations					
Net IAS 19 charge for retirement benefits	-752,781	0	-752,781	752,781	0
Increase/decrease(-) in 2020/2021	0	0	0	0	0
Balance as at 31 March 2021	0	0	0	0	0

Office of the Chief Constable for Avon & Somerset

Balance Sheet as at 31 March 2021

The balance sheet shows the pension liability, other employee related creditors, and provisions accrual offset by debtors from the PCC.

2020 £'000	Balance Sheet	2021 £'000
	Long term assets	
3,493,195	Long term intragroup debtor (note 2)	4,378,171
335,238	Police staff pension assets (note 15)	442,774
3,828,433	Total non-current assets	4,820,945
0	Payments in advance (note 16)	0
10,826	Intragroup debtor (note 2)	15,222
10,826	Total current assets	15,222
0	Intragroup creditor	0
-8,151	Creditors (note 17)	-10,912
-2,675	Short term provisions (note 18)	-4,310
-10,826	Total current liabilities	-15,222
	Long term liabilities	
0	Provisions (note 18)	-50
-3,828,433	Police pension liabilities (note 13 to 15)	-4,820,895
-3,828,433	Total long term liabilities	-4,820,945
0	Net assets	0
0	Total usable reserves	0
0	Total unusable reserves	0
0	Total reserves	0

Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC

Office of the Chief Constable for Avon & Somerset

Cash Flow Statement

This note does not show any cash flows for the year ending 31 March 2021 as all payments are made from the PCC and all income for the year received by the PCC. The financial consequences of the operational activities undertaken by the OCC can be seen within the comprehensive income and expenditure statement.

2019/2020 £'000	Cash Flow Statement	2020/2021 £'000
381,758	Net surplus(-)/deficit on the provision of services	-752,781
2,408	Increase(-)/decrease in provision charged back to service	-1,684
-381,758	Charges for retirement benefits in accordance with IAS 19	752,781
242	Increase/decrease(-) in long and short term debtors	4,445
-2,650	Increase(-)/decrease in long and short term creditors	-2,761
-381,758	Adjust net surplus or deficit on the provision of services for non-cash movements	752,781
0	Net increase(-)/decrease in cash and cash equivalents	0

Office of the Chief Constable for Avon & Somerset

Notes to the Financial Statements

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling these accounts are in accordance with the recommendations of CIPFA. They accord with CIPFA's Code of Practice on Local Authority Accounting 2020/2021 and the Accounts and Audit Regulations 2015 and are based on the following standards:

- International Financial Reporting Standards (IFRSs) as adopted by the UK;
- International Public Sector Accounting Standards (IPSASs);
- UK Generally Accepted Accounting Practice (GAAP); (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) abstracts) as far as they are applicable.

1.2 VAT

The OCC does not submit a Value Added Tax return to HMRC as this is submitted as a single return for the group by the PCC. Income and expenditure in the OCC's comprehensive income and expenditure statement excludes VAT, except where it is non-recoverable.

1.3 Employee Benefits

1.3.1 Benefits Payable During Employment

The full cost of employees (including salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits) is charged to the accounting period in which the employees worked. An accrual is made for the cost of any leave earned by employees but not taken before the year end which employees can carry forward into the next financial year. This accrual is charged to the provision of services within the comprehensive income and expenditure statement in the year that the benefit has arisen and is shown as a liability on the balance sheet.

1.3.2 Termination Benefits

Termination benefits arise as a result of a decision to terminate the employment of police staff before the normal retirement date. These benefits are charged on an accruals basis to the comprehensive income and expenditure statement.

1.3.3 Pension Benefits

There are different pension arrangements for police officers and for police staff. In both cases pensions and other benefits are paid to retired staff which relate to the individual's length of service.

Until 31 March 2006 retired police officers were paid their pensions from the contributions received each year. However, from 1 April 2006, although the OCC makes the payments and collects the contributions, responsibility for the cost of these payments has transferred to the Government.

Police staff including PCSOs are part of the Local Government Pension Scheme, in which case, the employer and the staff in the scheme pay into the pension fund at agreed rates. When an individual retires the fund pays all the usual benefits.

Occasionally extra costs have to be met when an employee retires early or retires due to ill health. These costs are charged to the comprehensive income and expenditure statement.

In accordance with IAS 19 – Employee benefits, long term pension liabilities have been included in the OCC balance sheet.

1.3.4 Re-measurement of Pension Asset and Liabilities

The IAS 19 actuarial gains and losses and the return on the pension fund assets are fully recognised immediately within the comprehensive income and expenditure statement.

1.4 Provisions

Provisions are made where an event has taken place that gives the Office of the Chief Constable a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the obligation.

Provisions are charged to the comprehensive income and expenditure statement in the year the Office of the Chief Constable becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation taking into account the relevant risks and uncertainties. When settled, the amounts agreed will be charged against the provision.

1.5 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Office of the Chief Constable a possible obligation whose existence can only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Office of the Chief Constable. Contingent liabilities also arise in the situation where a provision would otherwise be made but where it is possible but not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

1.6 Post Balance Sheet Events

These are events occurring after the balance sheet date but before the Statement of Accounts are authorised for issue. Two types of events can be identified:

- Adjusting events - where there is evidence that the conditions existed at the end of the reporting period and the accounts are adjusted to reflect these events.
- Non-adjusting events – where these are indicative of conditions that arose after the balance sheet date, the Statement of Accounts are not amended, but a note is included to provide an explanation of the nature and the effect of the event.

Events that have taken place after the authorised date of issue are not reflected within the Statement of Accounts.

2 Critical Judgements in Applying Accounting Policies

The OCC accounts have been prepared on a going concern basis.

Following the Police Reform and Social Responsibility Act 2011, two new corporate entities were created being the PCC and OCC. All payments for the PCC Group are made by the PCC and no cash movements are made between the PCC and OCC. The PCC has the responsibility for managing the financial relationships with third parties and has legal responsibility for discharging the contractual terms and conditions of suppliers. The PCC holds all the assets, liabilities and reserves, with the exception of the IAS 19 pension liabilities, the accumulated short term absences creditor accrual and other employee related accruals and provisions, as the OCC employs officers and staff. This is matched on the balance sheet of the OCC by an intragroup adjustment with the PCC. The comprehensive income and expenditure statement shows the net cost of policing services excluding the costs of administering the PCC and the PCC commissioning costs. This is met by an intragroup adjustment with the PCC to bring the net cost of police service to nil.

3 Accounting Standards Issued But Not Adopted

The following accounting standards have been issued but not adopted and are unlikely to have a material impact on the financial statements.

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

IFRS 16 Leases has not been adopted but is expected to have a material impact on the financial statements. CIPFA has issued a statement from the CIPFA/LASAAC that the implementation of the IFRS 16 leases will be deferred until 1 April 2022 due to the impact of COVID-19.

4 Assumptions Made About the Future and the Sources of Estimations

In some areas figures in the accounts are based on estimates which take into account past experience, current trends and other relevant factors. By their nature these figures could vary and as such the material areas based on estimates are detailed below.

4.1 Pension Service Costs

The estimation of the service cost to pay pension depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and the expected return on the fund's assets. Actuaries provide the PCC Group with expert advice about the assumptions that have been applied.

Further information is included within notes 13 to 15 regarding the assumptions that have been used by the actuaries to provide an estimate of the liability.

The following tables show the impact of a small change in the assumptions made for the Police Officer and Police Staff Pension Schemes.

Police Officer Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	858,905	881,115	903,922
Projected service cost	45,787	47,567	49,411
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	883,738	881,115	878,519
Projected service cost	47,593	47,567	47,542
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	901,096	881,115	861,650
Projected service cost	49,392	47,567	45,802
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	917,903	881,115	845,861
Projected service cost	49,540	47,567	45,665

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,868,160	3,939,780	4,012,879
Projected service cost	123,548	127,734	132,064
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,946,728	3,939,780	3,932,871
Projected service cost	128,208	127,734	127,264
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	4,005,250	3,939,780	3,875,586
Projected service cost	131,609	127,734	123,992
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	4,133,127	3,939,780	3,755,883
Projected service cost	132,909	127,734	122,745

4.2 Pension Assets

The investments held by Somerset County Council Local Government Pension Scheme includes property assets. The actuary has calculated that the PCC Group's share of the property assets was £31m as at 31st March 2021. As stipulated by IAS19, the market value of the assets has been used to value the assets at the accounting date.

4.3 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2021 to pay for known future costs it has been necessary to estimate and make assumptions about the future. More detail around the sources of these estimations and the underlying assumptions made are included within note 18 Short and Long Term Provisions.

5 Events After the Balance Sheet Date

There are no post balance sheet events to date.

6 Expenditure and Funding Analysis

This note shows how the annual expenditure is allocated and the funding available to the Constabulary in a format which is used for decision making purposes. It is reconciled to the comprehensive income and expenditure statement.

The £2.827m pension grant, recorded in the 2019/2020 PCC statement of accounts within Taxation and non-specific grant income, has been reclassified to be included within Police Services – OCC gross income, and is offset by an intragroup adjustment in the net cost of police services.

Net expenditure chargeable to general fund	2019/2020 Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E	OCC Expenditure and Funding Analysis	Net expenditure chargeable to general fund	2020/2021 Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E
£'000	£'000	£'000		£'000	£'000	£'000
301,696	65,435	367,131	Police Services	310,599	57,968	368,567
-2,827	0	-2,827	Police Services - OCC restated	0	0	0
-301,696	-65,435	-367,131	Intragroup adjustment	-310,599	-57,968	-368,567
2,827	0	2,827	Intragroup adjustment - restated	0	0	0
0	0	0	Net cost of police services	0	0	0
0	88,088	88,088	Net interest on pensions	0	80,821	80,821
0	-88,088	-88,088	Intragroup adjustment (Pension interest cost)	0	-80,821	-80,821
0	0	0	Financial and investment income and expenditure	0	0	0
0	381,758	381,758	Intragroup adjustment (Re-measurement of pension assets & liabilities)	0	-752,781	-752,781
0	381,758	381,758	Taxation and non-specific grant income	0	-752,781	-752,781
0	381,758	381,758	Surplus(-)/deficit on provision of services	0	-752,781	-752,781

Capital Purposes £'000	2019/2020			OCC Expenditure and Funding Analysis Adjustment between accounting & funding basis	Capital Purposes £'000	2020/2021		
	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000			Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
10,749	71,166	-16,480	65,435	Police Services	9,825	51,324	-3,181	57,968
-10,749	-71,166	16,480	-65,435	Intragroup adjustment	-9,825	-51,324	3,181	-57,968
0	0	0	0	Net cost of police services	0	0	0	0
0	88,088	0	88,088	Net interest on pensions	0	80,821	0	80,821
0	-88,088	0	-88,088	Intragroup adjustment (Pension interest cost)	0	-80,821	0	-80,821
0	0	0	0	Financial and investment income and expenditure	0	0	0	0
0	381,758	0	381,758	Intragroup adjustment (Re-measurement of pension assets & liabilities)	0	-752,781	0	-752,781
0	381,758	0	381,758	Taxation and non-specific grant income	0	-752,781	0	-752,781
0	381,758	0	381,758		0	-752,781	0	-752,781
0	381,758	0	381,758	Difference between surplus on the general fund and deficit on the provision of services	0	-752,781	0	-752,781

7 Income and expenditure analysed by nature

Restated 2019/2020 £'000	Income and Expenditure analysed by nature	2020/2021 £'000
238,090	Employee costs	258,651
13,559	Premises costs	15,343
5,348	Transport costs	4,135
27,647	Supplies & services	33,807
13,685	Partnership costs	14,836
12,785	Misc, central, & grants	13,140
21,145	Depreciation, amortisation, & impairment	20,119
71,422	Employee benefit expenses	53,877
88,088	Net interest on pensions	80,821
58,600	Police pension top up grant	53,418
-110,011	Intragroup adjustment	-1,247,510
440,358	Total expenditure	-699,363
-15,175	Sales, rent, fees, & charges	-15,787
-1,920	Seconded officers	-1,606
-9,598	Counter terrorism policing grant	-10,074
-1,720	Serious violence grant	-1,124
-659	Uplift grant	-3,843
-7,479	Other specific grants	-10,079
-2,827	Officer pensions grant	-2,828
-19,222	Intragroup adjustment	-8,077
-58,600	Total income	-53,418
381,758	Surplus/deficit on provision of services	-752,781

8 Paying Staff

Disclosure of Remuneration for Senior Employees 2019/2020					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2019/2020	Pension Contributions	Total Remuneration Including Pension Contributions 2019/2020
	£	£	£	£	£
Chief Constable - A Marsh	165,394	7,747	173,141	0	173,141
	<u>165,394</u>	<u>7,747</u>	<u>173,141</u>	<u>0</u>	<u>173,141</u>

Disclosure of Remuneration for Senior Employees 2020/2021					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2020/2021	Pension Contributions	Total Remuneration Including Pension Contributions 2020/2021
	£	£	£	£	£
Chief Constable - A Marsh	169,366	11,128	180,494	0	180,494
	<u>169,366</u>	<u>11,128</u>	<u>180,494</u>	<u>0</u>	<u>180,494</u>

Disclosure of Remuneration for Senior Employees 2019/2020

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2019/2020	Pension Contributions	Total Remuneration Including Pension Contributions 2019/2020
		£	£	£	£	£
Chief Officer - Finance, Resources and Innovation & Section 151 Officer of the PCC	1	25,057	9,404	34,461	3,308	37,769
Chief Officer - Finance, Resources and Innovation		80,238	0	80,238	10,591	90,829
Director of People & Org Development	2	93,221	4,585	97,806	12,146	109,952
Director of People & Org Development	3	23,957	0	23,957	2,961	26,918
Deputy Chief Constable		132,978	6,797	139,775	41,223	180,998
ACC - Investigations Operational Support		117,998	6,453	124,451	0	124,451
ACC - Regional Collaborations	4	5,487	0	5,487	1,658	7,145
T/ACC - Regional Collaborations	5	17,741	0	17,741	5,500	23,241
ACC - Regional Collaborations	6	90,874	0	90,874	26,246	117,120
ACC - Neighbourhoods & Partnerships		114,794	7,993	122,787	34,732	157,519
Force Medical Officer		141,264	0	141,264	19,308	160,572
		843,609	35,232	878,841	157,673	1,036,514

- Note 1: The Chief Officer – Finance, Resources and Innovation is also currently the Interim Chief Finance Officer to the PCC role, with effect from 09/01/2020. The annualised salary is £109,662.
- Note 2: The Director of People & Org Development left on 12/01/2020. The annualised salary was £116,346.
- Note 3: The temporary Director of People & Org Development commenced on 13/01/2020 and was confirmed permanently in post with effect from 05/03/2020. The annualised salary is £103,023.
- Note 4: The ACC – Regional Collaborations retired on 18/04/2019. The annualised salary was £109,662.
- Note 5: The T/ACC – Regional Collaborations was temporarily promoted to this rank on 19/04/2019 at an annualised salary of £106,986. The temporary promotion ended on 02/06/2019.
- Note 6: The ACC – Regional Collaborations commenced on 03/06/2019 at an annualised salary of £103,023.

Disclosure of Remuneration for Senior Employees 2020/2021

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2020/2021	Pension Contributions	Total Remuneration Including Pension Contributions 2010/2021
		£	£	£	£	£
Chief Officer - Finance, Resources and Innovation & Section 151 Officer of the PCC	1	26,806	2,801	29,607	4,369	33,976
Chief Officer - Finance, Resources and Innovation	1	87,863	9,181	97,044	14,322	111,366
Chief Officer - People and Organisational Development		113,617	0	113,617	17,279	130,896
Deputy Chief Constable		136,303	7,375	143,678	42,254	185,932
ACC - Investigations & Operational Support		122,321	7,398	129,719	0	129,719
ACC - Neighbourhoods, Partnerships & Response		120,763	7,034	127,797	36,583	164,380
ACC - Regional Collaborations		117,618	0	117,618	34,137	151,755
Force Medical Officer - D Bulpitt		150,372	0	150,372	24,511	174,883
		875,663	33,789	909,452	173,455	1,082,907

Note 1: The Chief Officer – Finance, Resources and Innovation was also the Section 151 Officer of the PCC until 28/06/2020. The annualised salary is £119,220.

The number of staff to whom we pay more than £50,000 a year is shown below. Pay includes salary, taxable travel and expenses. Bands with nil values in both years have been removed.

2019/2020 Number	Pay Range	2020/2021 Number
187	£50,000 - £54,999	239
131	£55,000 - £59,999	147
24	£60,000 - £64,999	60
9	£65,000 - £69,999	7
8	£70,000 - £74,999	10
5	£75,000 - £79,999	5
7	£80,000 - £84,999	6
6	£85,000 - £89,999	8
2	£90,000 - £94,999	5
1	£95,000 - £99,999	0
1	£105,000 - £109,999	0
1	£110,000 - £114,999	1
0	£115,000 - £119,999	1
2	£120,000 - £124,999	0
0	£125,000 - £129,999	3
1	£135,000 - £139,999	0
1	£140,000 - £144,999	1
0	£150,000 - £154,999	1
1	£170,000 - £174,999	0
0	£180,000 - £184,999	1
387		495

The numbers within each band can be impacted year on year by inflationary changes.

9 Exit Packages

The costs for eight staff redundancies were recognised during the 2020/2021 year, the details of which are presented in the table below. This follows sixteen redundancies in 2019/2020.

Compulsory & Voluntary Redundancies 2019/2020		Exit Packages	Compulsory & Voluntary Redundancies 2020/2021	
Number	£'000	Banding	Number	£'000
16	180	£0 - £19,999	3	36
0	0	£20,000 - £39,999	3	80
0	0	£40,000 - £59,999	1	44
0	0	£60,000 - £79,999	1	65
16	180		8	225

10 External Audit Costs

External audit services are provided to the CC by Grant Thornton. The amounts paid in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to any non-audit services are shown in the following table.

2019/2020 £'000	External Audit Costs	2020/2021 £'000
	Chief Constable:	
19	Fees for external audit services paid to Grant Thornton	14
<u>19</u>		<u>14</u>

Fees paid by the CC in 2020/2021 were based on the scale fee, and totalled £14,438.

11 Transactions with Related Organisations and People

There is a requirement to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the OCC or to be controlled or influenced by the OCC. In doing this there is a requirement to consider the materiality from the viewpoint of both the PCC and the related party.

11.1 Key Management Personnel and Members of the Joint Audit Committee

The OCC was asked to disclose details of any transactions between themselves or members of their immediate family with the PCC which either total over £1,000 or which might require separate explanation.

No transactions were disclosed in 2020/2021 (£2,412 was disclosed in 2019/2020).

11.2 Other Related Parties

The Home Office and the Ministry of Housing, Communities and Local Government exert significant influence on the PCC Group through legislation and grant funding.

The OCC has a relationship with the Police Community Trust and the Avon and Somerset Constabulary Force Club. Payments were made to the Police Community Trust of £338,176 in 2020/2021 (£249,987 in 2019/2020). Payments were also made to the Avon and Somerset Constabulary Force Club in 2020/2021 of £11,562 (£8,178 in 2019/2020).

12 Joint Arrangements

The OCC participates in a number of joint arrangements. These joint arrangements are where the authority works in collaboration with other organisations to deliver activities which are agreed through a shared control, usually through a shared board.

Joint arrangements are classified as either joint operations or joint ventures. Joint operations are where the parties have the rights to the assets and obligations for the liabilities relating to the arrangement. Joint ventures are where the parties have rights to the net assets of the arrangement. The OCC does not participate in any joint ventures.

The OCC recognises its share of the assets, liabilities and expenditure relating to its involvement in the joint operations.

The OCC's contributions to the joint operations are disclosed below:

2019/2020 Expenditure £'000	Joint Operations	2020/2021 Expenditure £'000
3,359	South West Regional Organised Crime Unit	3,361
1,209	Firearms Training	1,339
653	Counter Terrorism Specialist Firearms Officers	518
4,866	Major Crime Investigation (Brunel)	5,074
6,529	South West Forensic Services	7,158
1,134	South West Region - Special Branch	1,135
39	Regional ACC	45
28	Disaster Victim Identification / Casualty Bureau	26
423	Other Regional Programmes	402
18,240	Total	19,058

12.1 South West Regional Organised Crime Unit (SW ROCU)

SW ROCU is a regional collaboration set up to combat serious and organised crime across the south west of England. Avon and Somerset are the lead force with a 32.4% share of net expenditure. Other partners are Devon and Cornwall (33.3%), Dorset (11.8%), Gloucestershire (10.8%) and Wiltshire (11.7%). The total net cost of the operation, after government grants and sundry income, was £10,362,943 in 2020/2021 (£10,356,470 in 2019/2020).

12.2 Firearms Training

Firearms Training is run in partnership between Avon and Somerset, Gloucestershire and Wiltshire. The split of expenditure between the forces is different for premises and non-premises related costs. The overall percentage allocation for 2020/2021 was 44.5% for Avon and Somerset, 30.4% for Gloucestershire, and 25.1% for Wiltshire. The total cost of the operation was £3,009,167 in 2020/2021 (£2,891,075 in 2019/2020).

12.3 Counter Terrorism Specialist Firearms Officers (CTSFO)

The CTSFO collaboration was set up in April 2017 to provide a resilient and rapidly available specialist firearms capability. The collaboration is between Avon and Somerset (53.6%), Gloucestershire (23.2%) and Wiltshire (23.2%). The total cost of the operation was £966,040 in 2020/2021 (£1,217,721 in 2019/2020). An element of this firearms capability is funded from a government grant which is reported separately.

12.4 Major Crime Investigation (Brunel)

This is a collaboration between Avon and Somerset (64%), Gloucestershire (17%) and Wiltshire (19%) for the purposes of providing regional oversight and scrutiny of major incidents. The total cost of the service was £7,927,695 in 2020/2021 (£7,602,453 in 2019/2020).

12.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (36.0%), Devon and Cornwall (31.6%), Dorset (18.4%) and Wiltshire (14.0%) to provide forensic services. The total cost of the operation was £19,890,400 in 2020/2021 (£18,171,422 in 2019/2020).

12.6 South West Region – Special Branch

This is a collaboration between Avon and Somerset (28.4%), Devon and Cornwall (28.9%), Dorset (23.9%) and Wiltshire (18.8%) to provide Special Branch policing across the South West Region. The total cost of the operation was £3,996,900 in 2020/2021 (£3,992,900 in 2019/2020).

12.7 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and CTPSW. The costs are shared between Avon and Somerset (32.4%), Gloucestershire (10.8%), Devon and Cornwall (33.3%), Dorset (11.8%) and Wiltshire (11.7%). The total cost for the ACC was £138,973 in 2020/2021 (£119,199 in 2019/2020).

12.8 Disaster Victim Identification / Casualty Bureau

This is a collaboration between Avon and Somerset (30.8%), Gloucestershire (11.9%), Devon and Cornwall (31.9%), Dorset (13.6%) and Wiltshire (11.8%) to provide two posts to assist with officer deployment across the South West. The total cost of the operation was £83,800 in 2020/2021 (£91,632 in 2019/2020).

12.9 Other Regional Programmes

These are collaborations between Avon and Somerset, Gloucestershire, Devon and Cornwall, Dorset, and Wiltshire covering activities such as the Emergency Services Mobile Communications Programme, shared ways of working for record management systems, and regional governance and oversight of existing collaborations. The percentage split varies between projects. The total cost of all programmes was £1,238,320 in 2020/2021 (£1,249,682 in 2019/2020).

13 Pensions Costs and Liabilities

The full costs of retirement benefits earned by employees during the year are recognised through the comprehensive income and expenditure statement net cost of police services as they are accrued. These pension costs and liabilities are offset by the intragroup transfers with the PCC. There is no impact on the PCC's general fund.

	Police Staff		Police Officers	
	2019/2020	2020/2021	2019/2020	2020/2021
	£'000	£'000	£'000	£'000
Comprehensive income and expenditure statement				
Cost of services:				
Current service cost	28,254	28,980	86,173	76,630
Administration expenses	236	182	0	0
Past service cost including curtailments	5,831	34	0	0
Financing and investment income and expenditure:				
Net interest cost	6,511	6,180	81,577	74,641
Total post employment benefits charged to the comprehensive income and expenditure statement	40,832	35,376	167,750	151,271
Other post employment benefits charged to the comprehensive income and expenditure statement				
Return on plan assets	-34,015	89,556	0	0
Changes in demographic assumptions	4,120	6,434	-6,626	51,203
Changes in financial assumptions	82,507	-250,881	306,189	-755,449
Experience gain/loss(-) on defined benefit obligations	-20,537	6,708	0	45,429
Other actuarial gain/loss(-)	-3,281	0	53,401	54,219
Total other comprehensive income	28,794	-148,183	352,964	-604,598
Movement in reserves statement				
Reversal of net charges made for retirement benefits in accordance with the code	-40,832	-35,376	-167,750	-151,271
Actual amount charged against the general fund balance for pensions in the year				
Employer's contribution to scheme	13,116	16,102	29,563	31,690
Retirement benefits payable to pensioners	110	105	6,539	6,605

2020 £'000	IAS 19 Pension Liabilities	2021 £'000
-3,222,206	Police officers	-3,939,780
-270,989	Police staff	-438,341
-3,493,195		-4,378,121

14 Pensions for Police Officers

Employee contributions levels are based on percentages of pensionable pay set nationally by the Home Office. From 1 April 2014 contributions increased and officers will pay contributions ranging from 11.00% to 15.05% depending on their pay scale and the scheme they are in. Employer contributions to the Police Officer Pension Scheme are projected at £34,128,000 in financial year 2021/2022. Since April 2019 the employer contribution rate has been 31%.

Benefits payable are funded by these contributions and any difference between benefits payable and contributions receivable, except for those amounts relating to injuries received in service, is payable by the PCC Group and then reclaimed from the Home Office.

The first table below shows the amount met by the PCC Group and second shows those met by the PCC Group and then reclaimed through the top-up grant from the Government.

2019/2020 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2020/2021 £'000
6,539	Payments to pensioners	6,605

2019/2020 £'000	Pensions Account	2020/2021 £'000
103,041	Benefits paid to officers	100,063
-44,441	Less contributions received from officers	-46,645
58,600	Balance met from PCC Group	53,418

A full valuation of the pension scheme liabilities was undertaken for 31 March 2021. This work was carried out by independent actuaries who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police officers who are members of the fund as well as those who are already receiving pensions. The estimate of the weighted average duration of the scheme's liabilities is 18 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police officers pensions has been made.

Life Expectancy from Age 65 Years		
Current pensioners		
	Males	21.1
	Females	23.3
Retiring in 20 years		
	Males	22.3
	Females	24.8

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2019/2020 %		2020/2021 %
2.35	Discount rate	2.00
3.40	Rate of increase in salaries	3.85
1.90	Rate of increase in pensions in payment	2.85
2.70	Change in Retail Price Index (RPI)	3.25
1.90	Change in Consumer Price Index (CPI)	2.85

The movement in the present value of scheme liabilities for the year to 31 March 2021 is as follows:

2019/2020 £'000	Present Value of Police Pension Scheme Liabilities	2020/2021 £'000
-3,443,522	Present value of schemes liability as at 1 April	-3,222,206
	Movements in the year	
-86,173	Current service cost	-76,630
0	Past service cost	0
102,228	Estimated benefits paid (net of transfers in)	106,262
-12,725	Contributions by scheme participants	-13,748
-81,577	Interest costs	-74,641
306,189	Change in financial assumptions	-755,449
-6,626	Change in demographic assumptions	51,203
0	Experience gain/loss on defined benefit obligations	45,429
-3,222,206	Present value of schemes liability as at 31 March	-3,939,780

The movement in the fair value of scheme assets for the year to 31 March 2021 is as follows:

2019/2020 £'000	Fair Value of Police Pensions Scheme Assets	2020/2021 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
53,401	Other actuarial gain/loss(-)	54,219
36,102	Contributions by employer	38,295
12,725	Contributions by scheme participants	13,748
-102,228	Estimated benefits paid (net of transfers in)	-106,262
0	Present value of schemes assets as at 31 March	0

15 Pensions for Police Staff

Police staff can choose to join the Somerset County Council Local Government Pension Scheme, which is a defined benefit scheme based on career average salary. Government regulations define the level of funding required to meet the full cost of current and future pensions.

The total amounts paid into the fund by the PCC Group and the percentage of employees' contributions are shown below.

2019/2020		Pension Costs - Police Staff	2020/2021	
Payments	Percentage of Employees' Contributions		Payments	Percentage of Employees' Contributions
£'000			£'000	
13,147	106-240	PCC's contribution	16,301	130-296

During 2020/2021 the Constabulary paid into the fund at rates of between 130% and 296% of the rate which employees paid, depending upon the whole time equivalent salary paid to employees. Employer contributions to the Police Staff Pension Scheme are projected at £16,159,000 in financial year 2021/2022.

Since April 2020 the Constabulary has paid 16.3% of the employee salary in pension contribution (previously 13.2%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2020/2021 was £2,260,000, the amount due in 2021/2022 is £2,340,000.

It should be noted that the actuary has used an estimated value in respect of police staff employers pension contributions in arriving at the calculation of pension costs included in the comprehensive income and expenditure statement as disclosed in note 13.

A full valuation of the pension scheme liabilities was last undertaken as at 31 March 2019. This work has been updated for the 2020/2021 financial year by independent actuaries to the Somerset County Council pension fund, who have taken account of the requirements of IAS 19 to assess the liabilities of the fund. Liabilities have been calculated by reference to police staff who are members of the fund as well as those who are already receiving pensions. The estimate of the duration of the employer's liabilities is 26 years. Using the assumptions detailed in the tables below an estimate of the costs and liabilities associated with police staff pensions has been made.

Life Expectancy from Age 65 Years		
Current pensioners		
	Males	23.1
	Females	24.6
Retiring in 20 years		
	Males	24.4
	Females	26.0

The main assumptions used for the purposes of IAS 19 are shown as yearly percentages.

2019/2020		2020/2021
%		%
2.35	Discount rate	2.05
2.80	Rate of increase in salaries	3.85
1.80	Rate of increase in pensions in payment	2.85
2.60	Change in Retail Price Index (RPI)	3.15
1.80	Change in Consumer Price Index (CPI)	2.85

The return on the pension fund assets on a bid value basis for the year to 31 March 2021 is estimated to be 28.69%. The estimated value of the PCC's share of the fund's assets is £442,774,000 on a bid value basis (2019/2020 £335,238,000). The assets are made up of the following:

2019/2020		Assets	2020/2021	
£'000	%		£'000	%
		Equities		
335	0.1	UK - Quoted	0	0.0
21,020	6.3	Overseas - Quoted	1,769	0.4
64,701	19.3	UK - Unquoted	77,302	17.5
137,772	41.1	Overseas - Unquoted	227,837	51.5
9,052	2.7	Private equity	11,498	2.6
232,880	69.5		318,406	72.0
		Gilts - Public Sector		
8,816	2.6	UK fixed interest	12,495	2.8
11,319	3.4	UK index linked	12,495	2.8
335	0.1	Overseas index linked	446	0.1
20,470	6.1		25,436	5.7
		Other Bonds		
16,790	5	UK	20,785	4.7
17,192	5.1	Overseas	22,111	5.0
33,982	10.1		42,896	9.7
29,493	8.8	Property	30,596	6.9
18,413	5.5	Cash (invested internally)	25,440	5.7
335,238	100	Total assets	442,774	100

The following amounts were measured in line with the requirements of IAS 19.

2019/2020 £'000	Police Staff Pensions	2020/2021 £'000
335,238	Share of assets in pension fund	442,774
-604,677	Estimated liabilities in pension fund	-879,492
-1,550	Estimated unfunded liabilities	-1,623
-270,989	Deficiency in fund	-438,341

The movement in the present value of schemes obligations for the year 31 March 2021 is as follows:

2019/2020 £'000	Present Value of Police Staff Liabilities	2020/2021 £'000
-629,832	Present value of defined obligations as at 1 April	-606,227
	Movements in the year	
-28,254	Current service cost	-28,980
11,753	Estimated benefits paid (net of transfers in)	11,430
-4,913	Contributions by scheme participants	-5,493
-15,350	Interest costs	-14,177
110	Unfunded pension payments	105
82,507	Change in financial assumptions	-250,881
4,120	Change in demographic assumptions	6,434
-20,537	Experience loss(-)/gain on defined benefit obligations	6,708
-5,831	Past service cost, including curtailments	-34
-606,227	Present value of defined obligations as at 31 March	-881,115

The movement in the fair value of scheme assets for the year to 31 March 2021 is as follows:

2019/2020 £'000	Fair Value of Police Staff Scheme Assets	2020/2021 £'000
357,655	Fair value of scheme assets as at 1 April	335,238
	Movements in the year	
8,839	Interest on assets	7,997
-34,015	Return on assets less interest	89,556
-3,281	Other actuarial gain/loss(-)	0
-236	Administration expenses	-182
13,226	Contributions by employer	16,207
4,913	Contributions by scheme participants	5,493
-11,863	Estimated benefits paid (net of transfers in)	-11,535
335,238	Fair value of scheme assets as at 31 March	442,774

Further information in relation to the Police Staff Pension Scheme can be obtained from Peninsula Pensions, Great Moor House, Bittern Road, Sowton Industrial Estate, Exeter, EX2 7NL.

16 Payments In Advance

There are no payments in advance in either 2019/2020 or 2020/2021.

17 Creditors

All creditors are with the PCC and relate primarily to leave earned by employees but not taken before the year end, which employees can carry forward into the next financial year. Other employee overtime expenses accrued are also included. Therefore, total creditors for 2020/2021 is £10,912,000 (2019/2020 £8,151,000).

18 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2020 £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2021 £'000
Pension claim provision	138	0	800	938
Ill-health & termination benefits	104	-104	618	618
Overtime liability	2,433	-411	782	2,804
	2,675	-515	2,200	4,360

The pension claim provision relates to claims brought in relation to the discrimination found in the transitional arrangements to the new 2015 police pension scheme (known as the McCloud/Sargeant ruling). This provision has been increased by £800,000 during the financial year in recognition of the anticipated increases to the volume of claimants.

The ill health and termination benefits provision of £618,000 is in respect of redundancy pay and ill health retirement payments where approval was agreed at 31 March 2021.

The overtime liability provision at 31 March 2021 is in respect of claims for overtime worked in prior years.

19 Contingent Liabilities

We have reviewed the position in respect of contingent liabilities as at 31 March 2021.

Annual assessments are carried out to manage our key risks and set the level of our reserves. As a result, the following contingent liabilities have been identified:

19.1 McCloud/Sargeant

19.1.1 Impact on Police Officer pension liability

Two employment tribunal cases (McCloud/Sargeant) were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination. On 27 June 2019 the Supreme Court denied the Government's request for an appeal in the case. On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to pension benefits in response to the McCloud and Sargeant cases. The consultation closed on 11 October 2020 and the response was published on 4 February 2021 confirming the final remedy.

The remedy will apply to those members that were in active service on or prior to 31 March 2012 and on or after 1 April 2015. These members will choose which scheme they are to accrue benefits in over the remedy period (1 April 2015 to 31 March 2022). From 1 April 2022, everyone is assumed to accrue benefits in the 2015 scheme.

The scheme actuaries previously estimated the potential increase in scheme liabilities for Avon & Somerset force due to the for McCloud/Sargeant cases to be £200m of pensions scheme liabilities and this increase was reflected in the 2018/2019 accounts. In 2019/2020 scheme actuaries reviewed these assumptions at a force level and estimated a further increase of £17.2m in scheme liabilities.

The scheme actuary has updated their calculations for the final remedy, and this has been reflected in the IAS19 disclosure in the 2020/2021 accounts. The impact of the final remedy is a reduction in the defined benefit obligation by around £19m. The actuary had

previously assumed that all members who were previously in a final salary scheme would move back to that scheme. When calculating the impact of the remedy, the actuary has only included those members that were active as at 31 March 2012 and on or after 1 April 2015. The actuary has assumed that these members would choose the scheme that they could accrue the most benefits in over the remedy period based on the actuarial assumptions at the last valuation date. Given that members' final salary schemes tended to provide the higher benefit in the first place, the overall effect of the proposal is a slight reduction in the defined benefit liability.

The impact of a change in scheme liabilities arising from the McCloud/Sargeant judgment will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/2024, although this timetable is subject to change.

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

19.1.2 Impact on Police Staff pension liability

The government has confirmed that they expect to have to make an amendment to all public service schemes as a result of the McCloud judgment. Scheme actuaries have estimated the potential increase in scheme liabilities for Avon & Somerset force to be £5.648m of pensions scheme liabilities. This increase was reflected in the IAS 19 disclosure as a past service cost in the 2019/2020 accounts. The scheme actuaries do not believe that there are any material differences to the staff pension liability as a result of the government's final published remedy.

19.1.3 Compensation claims

In addition to the McCloud/Sargeant remedy, claimants have lodged claims for compensation for injury to feelings. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 31 March 2021, an estimated provision has been made for £938,000 in relation to compensation claims. There is a risk that the value of a settlement will be greater than the provision provided; however, the extent or likelihood of any further settlement is not possible to reliably estimate, so a contingent liability has been recognised.

19.2 COVID-19

The global COVID-19 pandemic commenced from mid-March 2020, creating additional requirements from the government on the public service provided by the Force. In the short term the financial impact of the pandemic has been mitigated by additional funding received from the Home Office. However, the pandemic will continue to have consequences for wider public finances going forward. The Comprehensive Spending Review announced by HM Treasury in December 2020 focused only on a one year settlement rather than the three year period previously planned. At present there is significant uncertainty in the level of funding beyond the 2021/2022 financial year, which is not provided for in these statements.

Additionally, in calculating our provisions we have had to make assumptions which may be inaccurate, leading to potential liabilities for any under-provision.

These amounts and the timings of when these liabilities will become due are unknown.

Office of the Chief Constable for Avon & Somerset

Avon & Somerset Police Officers Pension Fund Account Statements

This fund includes the income and expenditure in respect of police officers pensions which has been accounted for on an accruals basis. At the end of the financial year if the expenditure on the pension benefits is greater than the contributions received during the year, the PCC makes a payment to the pension fund and the Home Office pays a top-up grant for this liability to the PCC. The income received and expenditure paid to the pension fund is shown within the comprehensive income and expenditure statement within the PCC Group accounts, showing the net figure as nil. It should be noted that this statement does not take account of liabilities to pay pensions and other benefits after the year end.

This note provides a more detailed breakdown of the figures shown in note 14 of the accounts.

2019/2020 £'000	Police Officers Pension Fund Account	2020/2021 £'000
	Contributions receivable	
	Employers contributions:	
-29,562	Normal 31% contributions	-31,690
-1,338	Ill health/early retirements	-801
-30,900		-32,491
	Employee contributions	
-2,816	1987 Police Pension Scheme	-1,797
-90	2006 Police Pension Scheme	-35
-9,972	CARE Police Pension Scheme	-11,916
-12,878		-13,748
-729	Transfers in from other schemes	-406
	Benefits payable	
80,668	Pensions	83,718
21,902	Commutations and lump sum retirement benefits	14,585
102,570		98,303
	Payments to and on account of leavers	
60	Refund of contributions	95
65	Transfers out to other schemes	44
412	Other	1,621
537		1,760
58,600	Net amount payable for the year	53,418
0	Additional contribution from the local policing body	0
-58,600	Transfer from Police Fund to meet deficit	-53,418
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2021.

31 March 2020 £'000	Pension Fund Net Assets	31 March 2021 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<hr/> 0	Net assets	<hr/> 0

Office of the Chief Constable for Avon & Somerset

Glossary of Terms

Term	Definition
ACC	Assistant Chief Constable
Accounting policies	These are a set of rules and codes of practice we use when preparing the accounts.
ASPIRE	Internal Avon and Somerset development programme
Balance Sheet	This represents our overall financial position as at 31 March.
Capital programme	This is a list of projects for buying or improving fixed assets. With the exception of vehicles, items individually acquired typically under £12,000 are not treated as capital expenditure.
Cash flow statement	Summarises the income and outgoings of cash during the financial year
CC	Chief Constable
CCU	Counter Corruption Unit
CFO	Chief Financial Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
Closing value	The value at 31 March, the date when the accounts are closed.
CMB	Constabulary Management Board
Commutated sums	These are the lump sum amounts paid to officers when they retire, if they choose to have a lower pension.
Comprehensive income and expenditure statement	Summarises the income and expenditure during the financial year within the PCC's statement of accounts.
Contingent liabilities	A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Creditors	Amounts which are owed to others.
CSB	Constabulary Strategy Board
CTSFO	Counter Terrorism Specialist Firearms Officers
Current service cost	The value of projected retirement benefits earned by pension scheme members in the current financial year.
Debtors	Amounts which are due from others.
Expenditure and funding analysis	This shows the performance reported and the adjustments made to reconcile to the comprehensive income and expenditure statement.
Financial instruments	Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Term	Definition
Financial year	Refers to the period covered by the accounts and runs from 1 April to 31 March.
FRS	Financial Reporting Standards. Standards of accounting practice to be adopted to ensure that accounts provide a true and fair view.
GAAP	Generally Accepted Accounting Principles. These refer to the standard framework of guidelines for financial accounting used in any given jurisdiction and generally known as accounting standards.
GDPR	General Data Protection Regulation. Regulation in UK law on data protection and privacy.
GSC	Government Security Classification
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy.
HMRC	Her Majesty's Revenue and Customs. Responsible for the collection of tax in the UK.
IAS	International Accounting Standard. An international accounting standard to help harmonise company financial information across international borders. Subsequently superseded by International Financial Reporting Standards (IFRS).
IFRS	International Financial Reporting Standards. A set of international accounting and reporting standards that will help to harmonise company financial information across international borders.
ILM	Institute of Leadership and Management
IOPC	Independent Office for Police Conduct
IPR	Individual Performance Review
IPSAS	International Public Sector Accounting Standards
I&E	Income and Expenditure Account
JAC	Joint Audit Committee
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
Movement in reserves statement	Summarises the movement in the reserves of the OCC during the financial year.
MTFP	Medium Term Financial Plan
NNDR	The national non-domestic rates (or business rates) are collected by District Councils, paid to the Government and then distributed to all local authorities in proportion to population. The amount received by an authority is taken into account by the Government in determining the revenue support grant to be paid.
NPCC	National Police Chiefs' Council. The national coordination body for law enforcement and the representative body for police chief officers.
OCC	Office of the Chief Constable

Term	Definition
PCB	Police and Crime Board
PCC	Police and Crime Commissioner for Avon and Somerset
PCC Group	The term PCC Group refers to the Police and Crime Commissioner (PCC) for Avon and Somerset and the office of the Chief Constable (OCC).
PCP	Police and Crime Plan
PCSO	Police community support officer
PFEW	Police Federation of England and Wales. The statutory staff association for police Constables, Sergeants, Inspectors and Chief Inspectors in England and Wales.
PFI	Private Finance Initiative
Police pension top-up grant	The OCC operates a Pension Fund, which is balanced to nil at the end of the year. The PCC receives a top-up grant from the Home Office equal to this deficit to balance the fund.
Police revenue grant	The revenue grant is provided by the Home Office as part of the funding required by an authority to finance a budget in line with the Government's assessment. The balance of funding is from business rates, revenue support grant and council tax.
Precept	The amount of council tax collected on the PCC's behalf by local billing authorities.
Prepayment	A payment in advance for goods or services.
Provision	This is the money we keep to pay for known future costs.
Receipt in advance	Income received in advance of the financial year in which the services will be provided.
Seconded officers	These are police officers and staff who, for agreed periods, temporarily work for other organisations. Their salaries and expenses are shown as expenditure and the money the organisation pays us for their placements is shown as income.
SOLACE	Society of Local Authority Chief Executives
SRR	Strategic Risk Register
SWAP	South West Audit Partnership
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
UWE	University of the West of England
VRU	Violence Reduction Units