



2021/2022
**CHIEF CONSTABLE'S
STATEMENT
OF ACCOUNTS**



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 to 25 November 2021 Chief Constable from 26 November 2021 Phone: 01278 646212
Nick Adams	Chief Officer – Finance, Resources and Innovation Phone: 01278 646400
Address for chief officers:	Valley Road Portishead Bristol BS20 8QJ



Statement of Accounts 2021/2022

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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. Since his election in May 2021, the PCC has consulted on his first Police and Crime Plan, confirming during 2021/2022 that his priorities are:

1	Preventing and fighting crime
2	Engaging, supporting and working with communities, victims and partner organisations
3	Leading the police to be efficient and effective
4	Increasing the legitimacy of, and public confidence in, the police and criminal justice system

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 nine directorates, encompassing all aspects of operational and organisational delivery.

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

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.

Throughout 2021/2022 the Constabulary has four corporate strategies in place:

- 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 2022 is as follows:

Employees	Actual 2021/2022 FTE	Actual 2021/2022 Headcount	Actual 2021/2022 % Part-Time
Police Officers	3,069	3,130	9%
Police Community Support Officers	365	382	16%
Police Staff	2,664	2,961	29%
OPCC	27	38	50%
Total	6,125	6,511	19%

In addition, the Constabulary is supported by 289 Special Constables, 99 Police Cadets, and approximately 1,900 volunteers, of which 1,700 support community speedwatch throughout Avon and Somerset.

2 COVID-19

Throughout the entirety of 2021/2022 we have continued to live and work through the COVID-19 global pandemic. This has continued to present challenges, requiring us to continue with different ways of working so that we played our part in keeping people safe and protecting 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 continued throughout 2021/2022. Through this structure we managed all aspects of both our operational and organisational response to the pandemic:-

2.1 COVID-19 Operational Response

By the start of the 2021/2022 financial year, the COVID-19 pandemic had been on-going for over a year. Whilst some enforcement of COVID-19 rules was still required, particularly in the earlier parts of the year, this dropped away from the level seen in earlier lockdowns and our policing of these rules largely focussed on engagement, explanation and encouragement meaning that little enforcement action was required.

Whilst during the 2020/2021 financial year we saw significant reductions in demand on the Constabulary, by 2021/2022 the demand levels largely returned to normal and in fact in some areas showed an increase on pre-pandemic levels. One such example was in demand in the number of 999 calls received by the force, which increased by 36% compared to 2020/2021 (and by 20% compared to 2019/20). Despite this increase we were able to manage this demand with minimal impact on our performance. This was possible as we stood up our secondary communications centre, and split our call handling and despatch teams across both locations. In this way we were able to reinforce social distancing in the workplace, and minimise the potential for disruption arising from infection and self-isolation requirements.

We have continued to enjoy the support of a large number of our specials and volunteers. Throughout the year our specials have provided us with over 80,000 hours of service, the equivalent of an additional 38 full time officers. During the year there has been a focus from the Special Constabulary on supporting us through a range of value-added activities, with particular focus on early evening patrols to help reduce anti-social behaviour.

At the time these financial statements are being prepared the restrictions under which we have been living on and off for the past two years have all been lifted. As the public have embraced the lifting of restrictions, so we have seen an increase in our demand. This increase is now coinciding with our expected seasonal uplift in demand through spring and into summer, demand which we know will be heightened with the return of public events across our force area. We have forecast this increase in demand 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. At the outset of the pandemic in 2020/2021, we mobilised large numbers of our workforce to be able to work from home, supporting this with both hardware (laptops, screens etc.) and software (accelerating the introduction of Microsoft Teams).

Supporting and enabling this many staff to work in different ways and from different locations ensured that those who continued to work from our police stations, offices and other workplaces could do so in a safe and compliant environment. We stood up the provision of personal protective equipment (PPE), utilising the national distributions channels established across all policing. We also continued enhanced cleaning across our estate, as well as other measures to support safe working practices.

During the year we have established a re-setting project to oversee the planning of our post pandemic ways of working. Through this work we have sought to build on the learning and advantages we saw during the pandemic. Through this project we have introduced hybrid working as a permanent feature of our new ways of working. This involved us reviewing all role profiles across the Constabulary and confirming nearly 1,800 individuals could continue to work for the majority of their time from a non-police location as a permanent change to their way of working. A consultation was undertaken, with 1,600 individuals accepting a contractual variation to work permanently in a hybrid way, with the remainder opting to continue to work from a police location. As of April 2022 we have begun the process of moving to this new permanent way of working, enabling us to unlock the longer-term benefits from this.

3 Operational Performance

During the course of the year the Constabulary has continued to mature its performance reporting and management through the monthly integrated performance and quality report (IPQR). Building on this foundation the Constabulary has introduced a new Performance Control Strategy approach, which identifies key performance issues requiring targeted improvement activity, which are monitored and discussed in detail at the monthly Constabulary Management Board as well as at the PCC's Police and Crime Board. A set of 16 Key Performance Questions (K PQs) have been established to seek to harmonise and assess progress against a range of local and national outcome frameworks, including:-

- The PCC's priorities as set out in the Police and Crime Plan;
- The Home Office's national policing outcomes(as part of the Beating Crime Plan);
- The key lines of enquiry used by HMICFRS when conducting their Police Efficiency, Effectiveness and Legitimacy (PEEL) reviews; and
- Other national frameworks that are in development (i.e. Violence against Women and Girls national performance framework).

The above framework ensures we are able to assess where we are doing well and where improvements are needed.

In common with the national picture, our local context continues to provide a number of opportunities and challenges, characterised by:-

- Our officer numbers are increasing as we deliver our share of the Governments uplift programme, but the volume of police officer recruitment to achieve this means we have a large number of student officers to support through abstraction to college and through on the job tutoring;
- Our officer experience and profile means that we have some acute skills challenges, particularly in the number of accredited detectives within force. This results in a sub-optimal allocation of crime demand across our operational teams; and
- Our demand picture continues to evolve, with some significant increases in more complex crime types as detailed below.

Overall police recorded crime levels have increased by 14.7% since last year. This largely reflects crime patterns now returning to pre-COVID-19 levels. Throughout the COVID-19 period, key theft based and volume crime types such as theft, burglary and vehicle offences saw large reductions due to lockdown restrictions.

As theft based crimes levels have begun to return to pre-COVID-19, the force have continued to see significant increases in reported sexual offences (+37%), stalking and harassment (+26.3%), hate crime (+24.2%) and domestic abuse (+12.5%). These increases have been driven by improving victim confidence to report along with significant improvement activity we have put in place in recording crime more accurately.

Recording crime accurately is a key priority to us. A crime data integrity task force was established and has coordinated extensive improvement activity over the last 12 months. The outcome of this is that we have introduced new processes that have recorded approximately 12,000 additional crimes this year that otherwise would not have been recorded correctly (the equivalent to more than 8% of the total crime for the previous year). This step change is significant, and has contributed to crime types such as harassment, stalking, assaults and public order offence increases.

We have been a pathfinder in reviewing our end-to-end approach to investigating rape alongside independent academic experts as part of project Bluestone. The approach we have taken has brought national focus and has been led by our Chief Constable Sarah Crew who is the national lead for Rape and Serious Sexual Offences. Following extensive independent research and analysis, a wide range of change and improvement activities has seen the force reconfigure its approach to how it investigates rape. Whilst we are still implementing these changes, we have already seen strong indicators on the impact of this new approach. We have seen almost a 50% increase in the volume of rape charges this year compared to the previous year. Against a backdrop of a +32% increase in recorded rapes this year, our rape charge rate has risen from 3.9% to nearly 6%. Clearly there is more to do, but we are encouraged by the impact already being seen.

The performance in the Control Room, which has been recognised by HMICFRS as outstanding, has performed strongly against a backdrop of unprecedentedly high 999/emergency call volumes that has been raised as a national risk for all emergency services. The force have experienced a 36% increase in 999 calls this year compared to the previous year with the call volumes being the highest ever recorded. Despite the significant increases in 999 calls, the call abandonment rate for 999 calls has remained low at 0.2%. This is exceptional given the increased demands and comparisons to other similar forces who have seen much higher abandoned rates. As a result of protecting the 999 call abandoned rate, the 101 non-emergency call abandoned rate rose to an average of 7.2% (up from 2.3% the previous year). The victim satisfaction rate for initial contact with the police remained strong at 92.4%.

Public confidence, as measured by the crime survey for England and Wales, has remained paused following the COVID period, so recent data comparing Avon and Somerset police against other forces is not available. The latest national results from March 2020 placed the force at 78.6% (+0.4% on the previous year) which put Avon & Somerset at 8th when ranked nationally. Our own local public confidence survey, which captures a wider and more representative sample, shows overall public confidence at 73% for the last 12 months (-7.2% on previous year). With no recent available national survey to benchmark against, it remains challenging to assess the extent to which national / macro factors may have affected our recent local results versus specific local issues.

Overall victim satisfaction to reports of volume crime stands at 73.1% (-3.3% on previous year), with victims of anti-social behaviour reporting satisfaction rates of 71.6%, victims of burglary 68.9% (dwelling burglary victims 76.1%), victims of hate crime 73.4% and victims of violent crime 81.0%. Overall victim satisfaction with the way victims are treated remains strong at 90.5%.

Our most recent staff survey results showed us that 70% of staff feel happy at work which compares well to 56% over a four-year period. Staff reporting that they felt the Constabulary respects difference was 75.3%, which has increased from 58% over the same four-year period.

Despite our successes we recognise that there remain areas for improvement. Our file quality compliance rates against the new Directors Guidance Assessment show us at 38.2% against a national rate of 54.4%. This will be a key performance focus for the coming year.

Our response timeliness for immediate and priority incidents has remained below where we would want it to be. Progress and challenge here links strongly to the level of officer inexperience and skill level from large volumes of new police officers students under tutorship. This will improve over time, and will remain an ongoing area of focus for us.

Our positive outcome rate, which is the measure of sanctioned detection outcomes or a restorative justice outcome as a percentage of crimes recorded, is 11.5%. This outcome rate places us in the bottom quartile nationally; a position we recognise is not where we want to be. Whilst the large improvements made in recording more crime will play a factor here, 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.

HMICFRS last inspected the Constabulary under their PEEL framework during 2019/2020, with a further inspection not now expected later in 2022/2023. 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 2021 the then PCC approved a 2021/2022 net revenue budget of £340.9m, an increase of £21.0m (6.6%) on the previous year. This budget was funded through a combination of Government grants (£203.1m/59.6%), local council tax (£136.7m/40.1%) and use of reserves (£1.0m/0.3%). In total £335.6m was provided to the Chief Constable in order to support the provision of policing services to the communities of Avon & Somerset, an increase of £18.9m (6.0%).

In order to manage ongoing inflationary and other cost pressures the Constabulary needed to identify and deliver savings of £7.3m, which when combined with the increase in funding enabled us to deliver a balanced budget. This took our cumulative savings since 2010/2011 to nearly £90m.

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 2021/2022 was reported to the PCC in June 2022, and can be found published on the PCC’s website.

The Constabulary’s underlying net revenue expenditure in 2021/2022 was £334.1m. When compared to budget this means we have underspent by £6.8m (2.0%), 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, with the following being the most significant:-

- **Officer pay and allowances** – we underspent by £2.2m/1.4% against budget. This reflects the challenge of accurately forecasting officer pay costs at a time of uplift delivery. We have

seen an increase in the number of officer leavers during the year compared to the prior year, which has resulted in us having to revise our recruitment plans to assure ourselves of delivering our target headcount by March 2023. Our officer head count target for March 2022 was 3,108 with an actual reported of 3,130, resulting in a surplus of +22 against target;

- **Officer overtime** – we overspent by £1.0m/15.1% against budget. The overspend here is predominantly driven by operational activities supporting Covid-19 enforcement during the early part of the year, and mutual aid including support for the G7 summit in June 2021, and the COP26 event in October/November. To that extent this overspend is offset by either mutual aid income or specific grant funding from central government;
- **Staff pay and allowances** – we underspent by £2.8m/3.1% against budget. The biggest single factor affecting this is the underspend in our IT directorate. During the year we implemented a new structure within this directorate, including new investment to support a growth in our capacity. However, it has taken time to fill these new posts, reflecting very challenging market conditions. While progress has been made across the year, there remain vacancies in this directorate at the end of the year. Beyond this directorate we recognise underspends in our performance and insight team, our criminal justice department, our proactive “Remedy” teams and our major crime investigation teams;
- **Staff overtime** – we overspent by £0.5m/35.1% against budget. The staff overtime is largely driven by the vacancies, both in officer and other staff roles. In some cases this has also reflected the need to maintain service continuity while managing sickness and absences due to Covid-19 restrictions being in place;
- **PCSO pay and allowances** – we overspent by £1.1m/9.4% against budget. The over spend reflects the organisational decision to bolster our capacity around PCSO resourcing and supervisor capability in the short term enabling us to focus predominantly on officer recruitment in support of delivering our uplift target;
- **Income – special grants** – we received £1.6m/13.0% more in special grant than was budgeted for. This wholly as a consequence of an error in our budgeting for the Ministry of Justice grant funding for victim support services which was explained within our outturn reports;
- **Income – Other** – we received £2.7m/20.1% more in other income than was budgeted for. The single biggest aspect of this is our mutual aid income which was £1.6m greater than budget, and reflects the support offered to both the G7 summit and the COP26 event alongside other operations and events out of force. In addition there was an increase in funding in a number of other areas, including support for abnormal loads on our road network, apprenticeship incentive payments, operations rechargeable income and increases to our training income.

The following table summarises the revenue financial performance for 2021/2022 after the agreed adjustments have been made to account for the reported underspend:

	Budget	Expenditure	Over/ Under (-)
	£'000	£'000	£'000
Neighbourhood & partnerships	45,949	43,524	-2,425
Response	77,739	84,802	7,063
Operational support	56,771	54,325	-2,446
Investigation	36,893	34,070	-2,823
Collaboration	21,416	20,677	-739
Enabling services	79,756	78,704	-1,052
Central costs & miscellaneous	17,069	19,539	2,470
Constabulary sub total	335,593	335,641	48
Office of the PCC	1,757	1,709	-48
Commissioning	3,529	3,529	0
Total revenue expenditures	340,879	340,879	0

It should be noted that the figures above cannot be agreed directly to the comprehensive income and expenditure statement on page 36 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 2022, covers the five-year period from 2022/2023 through until 2026/2027. The below provides the headlines from this forecast, however we acknowledged that since the publication of this report there are already a number of factors which will further impact on this. We are therefore expecting to begin the update of these forecasts over the summer to inform our forward planning.

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	2026/2027 £'000
Budget requirement	348,140	358,707	370,838	381,993	392,914	402,500
Less total funding	-339,879	-356,364	-365,479	-377,006	-383,978	-390,925
Surplus(-)/deficit before savings	8,261	2,343	5,359	4,987	8,936	11,575
Savings	-7,261	-3,000	-3,179	-3,245	-3,312	-3,379
Planned use of reserves	-1,000	657				
Surplus(-)/deficit after savings	0	0	2,180	1,742	5,624	8,196

The key assumptions that underpin this forecast position are:

- Our funding is forecast to grow by £51.0m/15.0% p.a. by 2026/2027, driven by increases to both grant funding (+£18.2m/9.0% by 2026/2027) and increases to council tax funding (+£32.8m/24.0% by 2026/2027);
- Our budget requirement is forecast to increase by £58.2m/17.1% p.a. by 2026/2027, driven by a large number of factors, including:
 - inflationary adjustments to officer and staff pay in line with nationally agreed assumptions for the first three years, with a local assumption for the final 2 years – increasing costs by £32.0m p.a. by 2026/2027;
 - increases to budgets in support of delivering and sustaining the uplift in officer numbers in line with the target headcount of 3,291 to be achieved by March 2023 – generating budget growth of £11.5m by 2026/2027;
 - increases to national insurance costs to provide for the uplift in employer national insurance rates that took effect from April 2022 to support the Government's social care levy – an increase in costs of £1.9m;

- 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 £6.5m p.a. by 2026/2027;
- inflationary increases to general and specific (e.g. fuel, utilities, etc.) non-pay costs are assumed to add £6.1m p.a. by 2026/2027;
- investment and growth across the Constabulary, predominantly focused on continued investment into digital tools and capabilities to support frontline efficiency and effectiveness – an increase of £3.4m p.a. by 2026/2027;
- increases to our share in the cost of partnerships, reflecting the pay and other inflationary assumptions within these collaborations, as well as the investment into the South West Regional Organised Crime Unit as they pick up their share of officer uplift – an increase of £3.3m p.a. by 2026/2027;
- increases to the ring-fenced uplift grant funding by £0.8m effective from 2022/2023, which we expect to be maintained throughout our forecast in order to support our ability to maintain new officer numbers; and
- realisation of new planned and targeted revenue savings of £3.0m p.a. from 2022/2023, rising to £3.4m by 2026/2027.

5.2 Policing Precept

In December 2021, the Policing Minister announced flexibility for PCCs to raise the policing precept by up to £10 p.a. in each of the next three years 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 4.1%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm his approval of this increase and the underlying budget.

5.3 Capital Programme

The MTFP includes a capital programme of £88.3m over the next five years, with identified capital funding at the time this programme was presented of £84.0m, resulting in a capital funding deficit of £4.3m.

The capital programme includes forecast investment into ICT, Estate, Fleet and other assets – both to support ongoing maintenance and renewal of existing capabilities as well as to support new investment. While the plan outlines the expected areas of spend, many of the individual areas for investment will still need to present a business case for approval in order 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.

Our approach to accounting for the revenue underspend reported above has reflected on the deficit in funding across the five year programme, and sought to address this through the ring-fencing of some of the underspend into ring-fenced capital reserve.

5.4 Approach to Future Challenges and Funding

The Spending Review announced in the autumn of 2021 (SR21), provided clarity around the medium term financial commitment the Government was making to both deliver and sustain on its ambitions to growth police officer numbers by March 2023. While only indicative, we have now been provided with some certainty as to the total funding that will be available not just in 2022/2023, but also in 2023/2024 and 2024/2025.

Based on this and a number of assumptions made, we are forecasting a relatively stable financial position until 2024/2025, which includes those savings we have already identified and

planned. While a small deficit is currently forecast on these years, we recognise that at this stage it provides a manageable position.

Beyond 2024/2025 the position is less certain, particularly as we will be entering into a new Spending Review period. Our MTFP recognised key areas of uncertainty, including the cost of pensions which are expected to rise, as well as pressures which will result from a maturing workforce profile as more and more of our officers become experienced and therefore progress through the pay scales gradually increasing to the average cost of a police officer.

The MTFP published in February 2022 represents our best estimate based on all of the information available to us at that time. However, we recognise that there have already been changes to our context (e.g. inflation) which may well impact on our assumptions requiring us to review and further refine these. We continue to keep our assumptions under review, and expect to commence the process of forecasting our new MTFP over the summer and into the autumn so as to inform our planning.

Our ambition remains to be an innovative force, focussed on releasing capacity to ensure we continue to remain both efficient and effective in providing policing services to our communities. Continuing to invest in capabilities that unlock and release capacity is therefore a key area of focus for us over the coming years. Through this focus we aim to not only respond to the emerging and changing financial context within which we will be asked to operate, but also to release capacity that enables reinvestment into 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 is now provided by the South West Police Procurement Service (SWPPS), following a transfer of our team into this existing collaboration during the year. This service, which is hosted by Devon and Cornwall Constabulary on behalf of the five south west forces, ensures compliant delivery of contracted procurement with our suppliers.

During the course of 2021/2022 we have identified and delivered £1.8m through procurement and ongoing contract management. 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 £0.5bn are taken into account. The net liability of £4.3bn 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 2021/2022. 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 July 2018);
- 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:

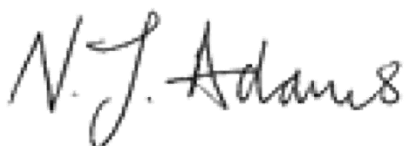
- **A statement of responsibilities** - This sets out the responsibilities of the OCC and the CFO in respect of the Statement of Accounts;
- **An annual governance statement** - These statements review the effectiveness of the OCC's internal control systems;
- **A comprehensive income and expenditure 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 2022** – 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 ongoing challenges created as we manage the immediate and ongoing demand pressures at the same time as both delivering officer uplift and maturing our workforce models that means it will take some time before we are able to fully achieve our target operating model. Our forward plans will help us navigate this period of growth and uncertainty, emerging from this with greater service strength which when coupled with our effective operational processes, tools, and capabilities will ensure we are well placed to realise our vision and deliver the outcomes our communities rightly expect of us.



Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC
30 November 2022

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').

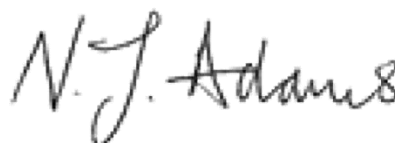
In preparing this Statement of Accounts, the Chief Finance Officer has:

- 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 20 to 35 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 2022 and its income and expenditure for the year ended 31 March 2022.



Sarah Crew
Chief Constable
30 November 2022



Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC
30 November 2022

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

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of the Chief Constable for Avon and Somerset (the 'Chief Constable') for the year ended 31 March 2022 which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Avon & Somerset Police Officers Pension Fund Account and Pension Fund Net Assets statements and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Chief Constable in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chief Constable's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Chief Constable to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Chief Constable. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Chief Constable and the Chief Constable's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's

ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Chief Finance Officer with respect to going concern are described in the 'Responsibilities of the Chief Constable and the Chief Finance Officer for the financial statements' section of this report.

Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Chief Constable obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Chief Constable, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

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

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

Responsibilities of the Chief Constable and the Chief Finance Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Chief Constable will no longer be provided.

The Chief Constable is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Police Reform and Social Responsibility Act 2011). We also identified the following additional regulatory frameworks in respect of the police pension fund: Public Service Pensions Act 2013, the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015 and the Police Pensions Regulations 2006.
- We enquired of senior officers and the Chief Constable concerning the Chief Constable's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and

- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers and the Chief Constable, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to unusual journals, including those posted by senior management.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud; and
 - journal entry testing, with a focus on unusual journals, including those defined above.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the net defined benefit pension liability.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Chief Constable including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Chief Constable's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Chief Constable's control environment, including the policies and procedures implemented by the Chief Constable to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements - the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Chief Constable's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Chief Constable

The Chief Constable is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

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

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

Report on other legal and regulatory requirements - Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Chief Constable for Avon and Somerset for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report; and
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Chief Constable for the year ended 31 March 2022.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

Use of our report

This report is made solely to the Chief Constable, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable those matters we are required to state to the Chief Constable in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable as a body, for our audit work, for this report, or for the opinions we have formed.

Jackson Murray

Jackson Murray, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

30 November 2022

Office of the 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 2022. It also details improvement areas to enhance further governance arrangements that the Constabulary plans to progress during 2022-2023.

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, and 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 2022 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, and clarifies the way in which the two corporations will govern both jointly and separately to do business in the right way, for the right reason, at the right time.

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 – 4.7*.

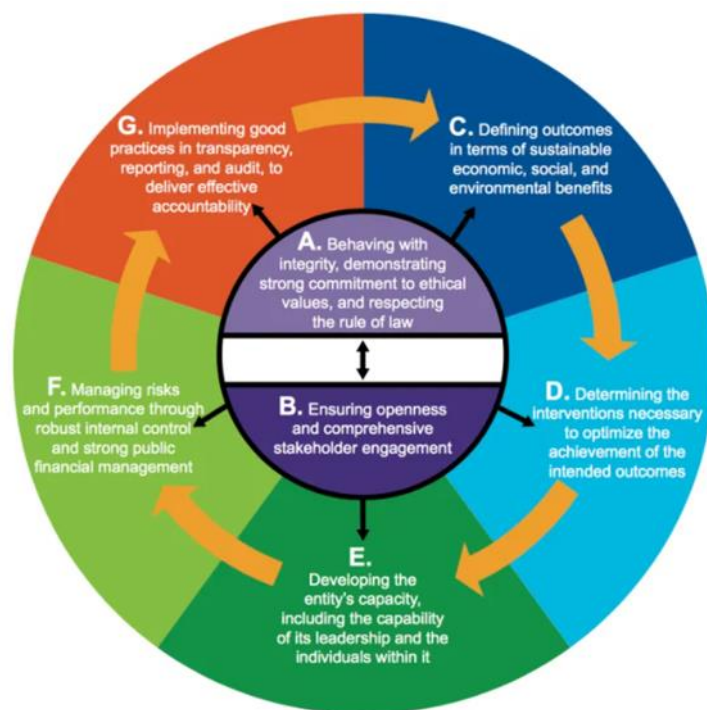


Figure 1: CIPFA Principles for Good Governance (taken from their publication 'Delivering Good Governance in Local Government: Framework 2016 Edition').

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

The Chief Constable has set out and communicated the mission and vision for policing in Avon and Somerset, underpinned by our values. These are:

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

The Constabulary operates in an open and transparent way, with the Chief Constable setting the tone for the organisation by creating a climate and culture of openness, support, and respect, reinforced through our values:

- Courageous;
- Caring;
- Inclusive; and
- Learning.

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. Our intent is demonstrated by our decision to provide all frontline officers with body worn video camera devices to support the integrity and continuity of evidence or intelligence gained and improve public trust and confidence in our contract.

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 or serious injury incidents
- Number of IOPC investigations

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.
- Whistleblowing – This policy outlines the responsibility of staff to report suspected fraud or corruption, or dishonest or unethical behaviour

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

Effective community engagement is central to achieving our vision and as such is one of the six pillars of our Neighbourhood Policing model. It is one of the objectives underpinning our Inclusion and Diversity Strategy and seeks to address how we will better understand and engage with our diverse communities and build stronger, more meaningful relationships. In the last 12 months, we have undertaken to review our approach to community engagement across our local policing (LPAs) and reflected on the alignment of our practice with the principles of informing, consulting, and co-operating as set out by the College of Policing.

Independent Advisory Groups (IAGs) enable us to create genuine partnerships with our communities. Using their insight and knowledge, we are able to shape our service for the benefit of all communities and instil trust and confidence, thus underpinning our legitimacy. IAGs play a critical role in community engagement and are cited within each of the engagement plans. Our strategic IAG has supported enormously, particularly in relation to the work regarding disproportionality in the local criminal justice system.

Avon and Somerset Constabulary has a strong IAG network and this has been recognised at both a regional and national level. The COVID-19 pandemic has brought significant challenges; however, many of our IAGs have continued to thrive and play a key role in being that ‘critical friend’ to the Constabulary. Our strategy delivery is monitored through our Confidence and Legitimacy committee, chaired by the Deputy Chief Constable.

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 to examine complaints made against the Constabulary.
- **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.

- **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 victims services who review the use of out of court disposals

Public consultation to inform decision making is commissioned where warranted. The OCC has access to consultation undertaken by the PCC and systematic data gathered from the 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.

Disproportionality in the local criminal justice system

In the 4th quarter of this year, we saw the launch of the Identifying Disproportionality in Avon and Somerset Criminal Justice System report. This report was commissioned in 2017, by the incumbent PCC at that time, in response to the 2017 government commissioned independent review into the treatment of, and outcomes for Black, Asian and Minority Ethnic individuals in the criminal justice system. The vision for the report was to bring together regional Criminal Justice Partners, to look at the overall system effect in producing differential outcomes for the various ethnic groups within the criminal justice system, using Lammy's recommendations as a starting point to proactively address local disparity issues in Avon and Somerset, using the reviews "explain or reform" principles. Along with the collection of robust relevant data as a central principle focus of the report, there were 3 further core principles that under pinned the work of the group of cross agency stakeholders:

- Building Trust
- Delivering Fairness
- Sharing Responsibility

Among the 83 recommendations in the report, which span multiple criminal justice agencies and partners, the Constabulary have a significant number of recommendations which it needs to carefully consider how it responds and works with partners and its communities to bring about meaningful change. We are currently, at time of writing, considering the appropriate governance and leadership necessary to lead our response to this critically important area of work.

Media collaboration

Working with trusted documentary producers, we are able to give access to areas of policing which are complex and often hidden from public view.

The purpose of working with documentary producers is not only to reassure and increase public confidence around how serious offences are investigated, but also to show the breadth and extent of work undertaken by officers and staff across a whole range of departments.

We recently worked with an all-female team from Hardcash Productions on the Channel 4 documentary *Rape: Who's on Trial?* that broadcast in November 2021. The programme showed how Avon and Somerset Police handles reports of rape and serious sexual offences, from the moment a victim makes an allegation, right through the investigation, to potential court proceedings and conviction. The series interviewed victims of offences and the officers investigating the crimes – and examined the wealth of complexities involved in getting cases to court and achieving successful prosecutions. The series won best Single Documentary at the 2022 Royal Television Society awards.

We are continuing to work with Story Films on a pioneering documentary following the work of our Professional Standards and Counter-Corruption Units, which will also be for Channel 4. The primary aim is to increase levels of openness and transparency in the work being undertaken to maintain and uphold high standards of professional behaviour. This is even more significant in the wake of the harrowing murder of Sarah Everard by a serving Met Police officer – which brought police misconduct sharply into the media focus. There is a substantial public interest in understanding more about how Professional Standards teams work, and to show how and why we work tirelessly to meet public expectations and maintain legitimacy in policing.

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.

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.

Our engagement also extends to meetings, both formal and informal, with Chief Executives and Directors of partner agencies and authorities, as well as with those holding a particular interest, for example, with Stand Against Racism & Inequality (SARI) or with the communities affected by Rural Crime.

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.

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

Our Medium Term Financial Plan (MTFP) establishes the desired outcomes of investment into policing through which the Chief Constable and her team are building a force fit for the future, capable of successfully delivering both the Government's national '**Beating Crime Plan**' and the PCC's '**Police and Crime Plan**' for Avon and Somerset. Regular reporting on our performance outcomes is a prominent fixture within our governance framework, specifically at the Constabulary Management Board and through the scrutiny applied by the PCC and their senior team at the Police and Crime Board.

The Strategic Planning Cycle provides the framework for the delivery of organisational change. The process to produce our Force Management Statement commences 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 and scrutinised through a business design forum led by chief officers. We track the delivery of change through benefits realisation and have a defined process to manage benefits within the project delivery and as part of the wider corporate change portfolio. These benefits define positive outcomes from change and can be financial or performance in nature. While we have these processes in place, we recognise that there is more we can and should do to mature these and ensure they are consistently applied.

Project Bluestone, our new evidence-based approach, which will transform the way police respond to and investigate Rape and Serious Sexual Offences (RASSO), has been developed in partnership with leading academics and in consultation with partners across the criminal justice system, as well as victim services. We have committed extra resource to the investigations team with planned investment for an additional **100 officers** and **12 police staff investigators** dedicated to investigating RASSO cases as part of our forward plans. Furthermore, we have instilled greater emphasis on early and collaborative work, including joint training, with the Crown Prosecution Service (CPS) to focus on the relevant parts of the investigation to minimise any additional trauma to victims and expedite decisions and charges and improved use of data, building stronger and more effective relationships with victim support services.

In addition to being rolled out locally, Project Bluestone is set to inform a national change in the policing approach to rape and serious sexual offences after being hailed as 'pioneering' in the Government's Rape Review, published in summer 2021.

Broader reporting on our performance outcomes is a prominent fixture within our governance framework, specifically at the Constabulary Management Board and through the scrutiny applied by the PCC and their senior team at the Police and Crime Board.

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

Our vision 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 financial and workforce 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.

Crime Data Taskforce

During 2021, we conducted a series of crime recording audits and identified several opportunities to significantly improve crime recording compliance. Led by a superintendent, a Crime Data Integrity Task Force was launched to oversee this work. The overarching mission of the task force was to achieve a cultural shift across the organisation by establishing crime data integrity as a 'critical enabler' in our vision to deliver outstanding policing for everyone, and to improve the organisation's understanding of and compliance with crime recording standards.

Since the launch of the Task Force, substantial progress has been made: A new centralised crime recording capability was established to record all additional crime identified at the point of screening. A suite of learning packages have been delivered comprising e-learning for all staff, a face-to-face course for all first-line supervisors, a bespoke input for command and control staff and a series of bite-size refresher packages. All potential inbound routes of crime have been mapped, and staff in relevant functions have been provided with guidance. Leaders have been held to account for achieving significant improvements in the accuracy of crime recording outcomes. Crime recording assurance activity has increased and is now reported on monthly. Finally, a new role has led to continuous improvements in crime recording, and the outcomes of recording capability have been expanded. Subsequent auditing activity has showed sustained improvements in our recording of crime, ensuring victims across Avon and Somerset get the investigative and protective services they are entitled to.

Performance Control Strategy

The Integrated Performance and Quality Framework (IPQF) was introduced to the force in June 2020. IPQF brings together national and local performance frameworks to enable robust monitoring and analysis across a range of focus areas. The benefits of the framework are that it is simpler (as it merges a range of frameworks), it provides a platform for higher quality reporting and understanding of issues, and it facilitates both operational and enabling business area focus. Central to the IPQF is a set of 16 'Key Performance Questions' (KPQ) that drive focus in key aspects of delivery for both operational and enabling business areas. These KPQs are graded in terms of judgement on progress and delivery. KPQ grading panels have been established on a rolling schedule to review and commission evidence to support the

judgements. The OPCC will be involved in the grading panels to ensure appropriate scrutiny and grading is reflected.

A key output of the IPQR is a 'Performance Control Strategy', which outlines and communicates current key performance challenges, along with the associated required improvement activity. This control strategy directs priority improvement activity, wider delivery plan improvement activity and feeds in to supporting governance committees. Local directorate, department and tasking meetings are also driven by the performance control strategy. Progress on performance control strategy activity, emerging issues and deep-dive analysis (called spotlights) are reported monthly to the Constabulary Management Board (CMB) as the first standing agenda item within the Integrated Performance and Quality Report (IPQR). The IPQR reports against the IPQF, providing an assessment of key performance questions; emerging issues and risks, progress within strategic areas of focus, spotlight analysis, deep-dives and assurance.

Data Strategy and Roadmap

During the last 12 months, a Data Strategy for the Constabulary has been developed following extensive engagement with key stakeholders. The aim of the strategy is *"to understand and safely unlock the power of data across the Constabulary and our partners to best support outstanding policing, whilst building staff, partner, and public trust and confidence in its use"*.

The Data Strategy is a detailed document that covers a current maturity assessment, a future assessment, and a capability assessment, and also provides the foundation for a detailed Roadmap for Change, as well as setting out the following seven key objectives:

- To develop our data culture whilst building confidence and empowering staff and stakeholder to make the best use of data;
- To ensure compliance and security at infancy for all our current and future data activities reducing the risks of accessing and sharing data;
- To develop the Force's data architecture and data management approach, embedding a preventative approach to managing data quality;
- To identify gaps between the organisation's goals and the data collected and used to address those goals;
- To identify opportunities for innovation to better exploit data to support the organisation;
- To ensure the Force's resources and efforts best align to the Data Strategy;
- To set out guidance on addressing digital obsolescence and ensuring continued access to data.

While the Data Strategy and roadmap represent a step in the right direction, we are yet to agree how we will deliver on the direction set in these documents and these decisions will be part of our priorities during the coming financial year.

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

We are in a period of unprecedented growth and are expected to deliver 456 officers against a 2019 baseline by March 2023, resulting in a target headcount of 3,291. To achieve the target and balance natural attrition we estimate nearly 1,300 new officers into policing in the 48 months between April 2019 and March 2023. Given the scale and pace of change this represents, we expected to see and are experiencing 'growing pains' and an implementation dip before we see the full positive potential of uplift investment in policing realised.

The huge logistical exercise of attracting, vetting, conducting medicals, inducting and onboarding, training, tutoring, posting and supporting the huge numbers of new and inexperienced officers places record demands on our enabling services and entails significant collaboration and coordination between operational and enabling services and our higher education institution (HEI) partner to deliver the numbers on time and effectively.

Data Strategy and Roadmap

Our Leadership Academy has been established, and through this we look to embed an inclusive leadership culture as well as catering for a diverse range of learners with a range of learning technology and delivery methods.

We recognise all our people are leaders in some way, either directly through their role or by nature of the interaction and service we deliver to the public. The academy will bring together communities of learners where social learning will be used to bring specific local challenges to life and groups of learners will be brought together to explore and resolve case studies and experiences.

Each year, the academy will focus on three critical enabling priorities that will positively impact leadership within our organisation. For 2021/2022 our priorities are bringing learning and development to the fore via the Individual Performance Review (IPR) process, leadership that demonstrates inclusion and wellbeing, and performance driven by digital literacy and data insight.

We have built the Leadership Academy around our values and the College of Policing's Competency and Values Framework (CVF), which sets out nationally recognised behaviours and values, which provides a consistent foundation for a range of our process and national processes. This framework ensures there are clear expectations of everyone working in policing.

CID improvement work

The current capacity of our investigations directorate has been assessed as high risk by our strategic risk assessment, as there remains potential for unmet demand across a range of specialist investigative areas. This risk is the result of a shortage of accredited detectives, a problem we have in Avon and Somerset that is mirrored across the service nationally.

We are mitigating this risk through our new investment activity. During the last 12 months, an Assistant Chief Constable has been appointed to provide strategic sponsorship of the improvement work, and we have created a new leadership position with a superintendent being appointed to lead the delivery of the 'transformation' needed across the organisation to rebuild our investigative capacity. We have defined the desired outcomes of:

- Making substantial and sustainable improvements in the Investigations Directorate;
- Optimising performance in relation to serious and complex crime;
- Strengthening focus on pursuing perpetrators;
- Improving victim care and outcomes;
- Maximising staff wellbeing and development.

Furthermore, we identified 5 work packages that are each being led by officers in the rank of Chief Inspector and focus on the following strands:

- Capacity & Capability;
- Culture & Leadership;
- Attraction & Retention;
- Demand Management;
- Visibility & Insight.

We recognise that over the last five years, the organisation has lost vast amounts of experience through natural attrition of experienced officers and the lack of new recruits coming into the organisation and in the investigative arena of complex crime. During this period we have seen a deskilling through the loss of experience, coupled with the changing complexity of criminality and composition of our workforce. Legislative changes such as the introduction of the AG/DG guidance and new Domestic Abuse Act have and will generate additional pressures, as will our continued role in supporting incidences of public disorder.

We have established the Investigations Professional Development Unity (IPDU) to provide a coordinated approach of entry into investigations with multiple pathways now available for officers and police staff each requiring support for coaching, mentoring, and tutoring.

Robotic Process Automation

We continue to explore innovative ways to design efficiencies into our operating process. Through our work on Robotic Process Automation (RPA) we have achieved a number of successes. Our approach is to start with simple and low risk areas of the business and develop these iteratively.

The benefits of this approach helps us make the best use of available technology, to free up time for our staff to complete other work. We have automated and deployed 30 processes in 22 months – an equivalent of 41 Full Time Equivalent (FTE) of digital working, delivering 52,000 hours of repetitive manual work. Our return on investment was achieved in August 2021. Some of the successes include:

Crime Classification – This solution enables the digital worker to classify crimes in our record management system. A data export provides corresponding crime classifications for each occurrence identified in a script export. This removes the manual effort of this activity being handed to a human team but also improves data quality. This automation seeks to provide consistency of information and operational intelligence across the record management system, helping to improve compliance and accuracy.

Linking Victims As Witnesses – Victims in the record management system must also be linked as witnesses within the case file. If this is not achieved, the victim statement will not be sent with the case file and the Crown Prosecution Service will then reject the case. The digital worker provides this automatic linking functionality saving officer time and effort to complete additional data linking and in doing so will improve data quality and drive down the number of case file rejections.

Data Quality – Our legacy data can be problematic and is significant in scale that human resources alone could not reduce the amount of errors. The RPA has rectified over 1.1 million records, solving issues link addresses not being linked, deleting blank record entities and linking record information such as phone and email.

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

Our risk management framework has been completely redesigned during 2021 and the new ways of working launched in November. The ownership of the framework fits into the blueprint for our Portfolio Management Office (PMO), where we have subject matter expertise among the team for the management of risk. The risk management framework interacts and complements our wider governance framework, with a clear threshold for the reporting escalating risks through our management and governance meeting structures.

We have established a set standard of risk capture and recording, moving away from localised and inconsistently recorded risk registers across the organisation to a singular enterprise level 'organisational risk register' (ORR). The ORR has variable data selection fields allowing for bespoke reporting to be defined to categories such as 'type of risk', 'governance level' and 'alignment to strategic objectives', among others.

We have re-written terms of reference for several meetings at a directorate leadership level, to embed risk management within the meeting regularly, supported by our PMO team. Risk management insights are now being used to support other activity around the organisation from assurance mapping, internal audit planning and agenda setting for governance committees. During quarter 4, our internal auditors provided an audit assessment of our approach and have made a small number of recommendations to further improve and strengthen our approach. A full risk management audit is scheduled during quarter 3 of the 2022/2023 audit plan.

Governance Framework

In our 2020/2021 statement, we mentioned the changes to our governance framework, which took effect from February 2021. These arrangements have been in situ for 12 months and have

taken time to embed and mature, and where necessary we have made some changes to fine tune the efficiency of each committee.

During the last 12 months, the Constabulary has introduced a new approach to the management of Business Cases for corporate change projects through its governance meetings. Our previous arrangements, whereby a continual feed of Business Cases on a monthly basis presented difficulties for strategic, resource and financial planning and we felt the need to mitigate the inherent risks with this approach. Central to our new approach is the presentation of Full Business Cases for approval only twice a year at the Strategic Planning Meetings in March and September, allowing greater opportunity to maximise our planning and resources to ensure maximum value for money and efficiency.

Furthermore, we have commissioned an external provider, Leapwise, who are a consultancy that specialises in strategy and organisation development to review our governance structure and strategic meeting leadership. The goal of the governance review is to make our decision-making even more effective, ensure we have truly productive meetings, and to develop how our leaders work together. The outcomes of this review will not be known until summer 2022.

Assurance Mapping

The force's internal Integrated Performance and Quality Framework (IPQF) comprises 16 key performance questions (KPQs) designed to prompt internal assurance activity and help us understand how near, or far, we are to achieving our goal of becoming an outstanding force. The KPQs capture both operational and enabling business areas, and are closely aligned with the HMICFRS PEEL question set. A process has been established to regularly and consistently assess and grade the performance of each KPQ, and this provides the framework for the force's assurance mapping activity.

An initial scoping meeting with the relevant business lead, key stakeholders and other appropriate roles takes place to set the judgement criteria for each KPQ and identify the evidence sources that will support this. Evidence is collated and presented with supporting commentary at a grading panel comprising the Chief of Staff leadership team, who assess the evidence against the criteria for a grading of 'good'. The OPCC are invited to both the scoping meeting and grading panel for added scrutiny and monitoring. The agreed grading decision is then presented, along with the supporting evidence and a clear rationale, to the Constabulary Management Board for consideration. This process was developed in consultation with the force's internal auditor SWAP (South West Auditing Partnership).

Using each KPQ as an anchor point enables the identification of interdependencies with other internal and external frameworks, such as National Outcomes, Police and Crime Plan Priorities, the force's Corporate Risk Register and corporate strategy objectives, and therefore enables a detailed map of assurance to be created. The process also recognises the dynamic nature of policing by moving away from fixed assurance frameworks that can quickly become out of date, to a flexible and current approach of judgement criteria setting that includes relevant business leads and stakeholders. Further work is required to check and test the process; synchronise the schedule with wider corporate reporting; and ensure information exchange with other corporate governance components.

Financial Planning and Management

The force has a strong track record of effective financial planning and budgetary control, balancing its budget annually and maintain control to operate within budget. More recently we have identified that there are some challenges within our financial planning processes, reflecting the fact that these are currently very reliant upon the use of excel spreadsheets which present inherent risks.

We are looking to mitigate this risk in the medium and long-term through our programme to define the future of our key corporate systems, which will include our finance system and association planning and reporting capabilities. In the short-term we have reviewed our processes to identify actions and areas for improvement, and will be sharing this with our internal auditors for their independent consideration as part of their planned review of financial controls in 2022/2023.

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

We engage 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. All JAC meetings are open to members of the public to attend and 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 public members to access these reports and their contents. Both the Constabulary and the OPCC adhere to the use of Government Security Classification (GSC) markings. In doing so, they can determine those documents that are suitable for publication through the PCC's and CC's websites to be 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 declared business interests, gifts, and hospitality.

The Constabulary is committed to ensuring it is open and transparent in the way that it conducts its business, in doing so adhering to the requirement laid out in the Freedom of Information Act requiring every public body to have a publication scheme. The purpose of the scheme is to define the types of information we will routinely publish through our website, such as policies and procedures, minutes of meetings, annual reports, and financial information. Our scheme is in line with the Information Commissioner's Office Model Publication Scheme for Police Forces.

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 Services (HMICFRS).

The JAC is an independent, non-executive body that plays a vital part in the governance and risk management of the Office of the Police and Crime Commissioner (OPCC) and the Office of the Chief Constable (OCC). The JAC is held quarterly and as noted above, is open to the public. The purpose of the JAC is to provide independent oversight and advice on governance and risk management, helping to engender greater public trust and confidence in the OPCC and OCC governance standards. The JAC also allows the PCC to discharge their statutory duties in holding the force to account, managing risk, and approving annual accounts and audit opinions. The JAC is where the independent Internal Audits are discussed, scrutinised, and agreed upon by the Committee, the OPCC, and the Constabulary in a formal governance setting.

The Internal Audit function, commissioned through the JAC on behalf of the OPCC and the OCC, is undertaken by a third-party auditor for additional independence. Our internal auditors are South West Audit Partnership (SWAP). Working with SWAP, we produce an annual audit plan that scheduled 11 audits during 2021/2022. Further details on the internal audit outcomes from 2021/2022 can be found in section 5.1 of this report.

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, whom which have responsibility for the development and maintenance of the governance environment.

For 2021/2022, 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 2021/2022 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 sub-committees, *see figure 2*) and improvement actions captured within the Constabulary Single Delivery Plan.

Health & Safety Committee	Confidence & Legitimacy Committee	People Committee	Demand & Capacity Committee	Finance & Assets Committee
<p>Chair Deputy Chief Constable</p> <p>Frequency Quarterly</p> <p>Type Statutory</p> <p>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</p>	<p>Chair Deputy Chief Constable</p> <p>Frequency Monthly</p> <p>Type Governance</p> <p>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)</p>	<p>Chair Chief Officer for People & Organisational Development</p> <p>Frequency Monthly</p> <p>Type Governance</p> <p>Remit Workforce diversity, inclusion, health, wellbeing, learning, development, people analytics workforce planning</p>	<p>Chair ACC Investigations & Operational Support</p> <p>Frequency Quarterly</p> <p>Type Governance</p> <p>Remit Compliance with Demand Status and Allocation Policy</p> <p>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</p>	<p>Chair Chief Officer Finance, Resources and Innovation</p> <p>Frequency Bi-monthly</p> <p>Type Governance</p> <p>Remit Medium Term Financial Planning. Ensure effective asset management planning for physical assets & procurement activity. Annual joint internal audit planning</p>

Figure 2: Overview of the 5 sub-committees that report to CMB

5.1 Internal Audit

In this section below, we detailed the findings of the Internal Audit reports from 2021/2022.

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 2021/2022, 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 4.

Quarter 1	<ul style="list-style-type: none"> ■ Remote Working – Cyber/Data Security ■ Organisational Learning from COVID-19 pandemic
Quarter 2	<ul style="list-style-type: none"> ■ Assurance Mapping ■ Use of Force ■ Criminal Justice/CPS Digital Working ■ Complaints Handling
Quarter 3	<ul style="list-style-type: none"> ■ Environmental Sustainability ■ Key Financial Controls
Quarter 4	<ul style="list-style-type: none"> ■ Clinical Governance within Custody ■ Victim Support Services ■ Risk Management

Figure 3: The 2021/2022 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 4.

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	
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 4: Audit Framework Definitions

In total our internal auditors made twenty-seven recommendations during 2021/2022, of which:

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

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

In this section below, we detailed the findings of the 2021/2022 inspection activity from HMICFRS.

'PEEL' Inspection

The primary framework by which police forces are inspected by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (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 our preparations for the PEEL inspection have begun ahead of inspection in the 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 its 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 performed well in this year’s effectiveness inspection and has 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 Police and Crime Plan and realising our vision.

We have strengthened our governance over the management and response to HMICFRS recommendations in the last 12 months through the creation of a steering group, chaired by C/Supt – Chief of Staff Directorate. The group formed in September and convenes every six weeks, focusing on the outstanding responses to open recommendations, providing internal scrutiny of the response and providing sign-off on the formal response being submitted to the HMICFRS. The steering group is a sub-group of our Confidence and Legitimacy Committee, chaired by the Deputy Chief Constable, and reports to the committee quarterly. Since the group has formed, they have reviewed and assessed 96 open recommendations.

At the end of March 2022, the current number of HMICFRS recommendations being managed by the Constabulary was 114. With 27 of these having had final responses sent to the HMICFRS for finalisation and closure.

5.3 Significant Risk

Given the extent of the modelling and assumptions required across the development of our Medium Term Financial Plan (MTFP), it is important that we have consideration of risks and the potential impact these could have on these forecasts and plans. The full detail on the risks identified can be found in the full and published MTFP document, located on the Police and Crime Commissioners website.

This year we have redeveloped our risk management framework, as detailed in section 4.6, and part of this work saw a new reporting format our ‘top level’ corporate risk. We recognised the need for continual improvement in our risk management approach and building on the work to establish our ‘organisational risk register, we developed a new corporate risk report (CRR) which is presented quarterly to the Joint Audit Committee and Constabulary Management Board. The corporate level risk report is informed by a top down perspective on the risk from the members of the Chief Officer Group and a bottom up, quarterly analysis of our organisational risk registers provided by our business leads in the Portfolio Management Office. The CRR document is now published, as part of the papers for the public access session of the Joint Audit Committee and can be found on the Police and Crime Commissioners website.

Two risks in particular are rated as high likelihood and high impact risks to the organisation delivering its strategic objectives and intent. The first is a risk centred around our People and is described in the CRR as:

“If we fail to, properly and at sufficient pace, institutionalise inclusion by embedding the right leadership and culture throughout the organisation while effectively managing unprecedented workforce growth, development and change, trust and confidence of the public, our partners and colleagues will drop, performance will falter and our legitimacy to protect and serve will be eroded”.

We have identified several areas of activity which is underway or planned to support the mitigation of the risk, and through our governance framework, assurance and scrutiny pathways, we continue to manage the likelihood and impact of the risk materialising. Section 4.6 makes reference to some of the context which supports the narrative of this risk.

The second risk relates to our Digital and Data risk exposure, and is described in the CRR as:

“Data is a critical asset for the constabulary and significant investment has been made to facilitate operational use of data. However, as data volumes continue to grow, enhanced enterprise-wide control will be necessary to unlock the true potential of data as an organisational asset”.

Further detail on the context behind this risk is detailed the CRR document.

6 Governance Issues

Over the last 12 months, we have continued to embed of current governance framework into the fabric of the organisation, having launched our existing arrangements in February 2021. During the year, we have refined elements of the framework, such as making amendments to committee structures and terms of references, which outline the role of our committees and the responsibilities they hold.

As described in section 4.6, we have made improvements to aspects of the governance framework during the year, implementing change based on lessons we have learned and reflected upon through experience. We also published our first governance handbook in the spring of 2021, which was written to inform and support better understanding within the organisation on the rules within which we choose and must operate to ensure consistent, evidence-based and ethical decision making. The handbook sets out those rules - taking colleagues through the legislation and industry standards that shape and influence our governance arrangements, then the detail of how that translates into our structures locally.

We look forward to the outcomes of the external lead consultancy work, see section 4.6, which will further support our continual improvement and supportive culture around effective governance and leadership of the organisation. While we recognise opportunities to improve aspects of our governance, we also reflect on the many good elements of our existing practice that have come to the fore over the last 12 months and in preparing this statement, we have identified no significant concerns during the internal review of the effectiveness of our governance arrangements.


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
Chief Constable
30 November 2022



Nick Adams LLB (Hons), FCA
Chief Finance Officer to the OCC
30 November 2022

Office of the Chief Constable for Avon & Somerset

Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

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.

Restated OCC Expenditure £'000	Restated OCC Income £'000	Restated Total 2020/2021 £'000	Comprehensive Income and Expenditure Statement - OCC			
			OCC Expenditure £'000	OCC Income £'000	Total 2021/2022 £'000	
467,342	-45,124	422,218	Police Services *	544,486	-46,347	498,139
-467,342	45,124	-422,218	Intragroup funding adjustment	-544,486	46,347	-498,139
0	0	0	Net cost of police services	0	0	0
		80,821	Net interest on pensions			86,681
		-80,821	Intragroup adjustment (pension interest cost)			-86,681
0	0	0	Financial and investment income and expenditure	0	0	0
		0	Taxation and non-specific grant income			0
		0	Surplus(-)/deficit on provision of services			0
		-752,781	Intragroup adjustment (Re-measurement of pension assets and liabilities) **			260,724
		752,781	Re-measurement of pension assets and liabilities (note 13) ***			-260,724
0	0	0	Other comprehensive income and expenditure	0	0	0
0	0	0	Total comprehensive income and expenditure	0	0	0

* Pension top-up grant (£52,775k 21/22, £53,418k 20/21) has moved from Taxation and non-specific grant income to net cost of services.

** Intragroup adjustment (re-measurement of pension assets and liabilities) (£260,724k 21/22, £752,781k 20/21) has moved from taxation and non-specific grant income to Other comprehensive income and expenditure.

*** Re-measurement of pension assets and liabilities have been combined with return on assets (£26,150k 21/22, £89,556k 20/21)

Office of the Chief Constable for Avon & Somerset

Movement in Reserves Statement 2020/2021 and 2021/2022

These statements show only the pension and holiday pay transactions for the years ending 31 March 2021 and 31 March 2022. All reserves are held by the PCC.

Movement in reserves statement 2020/2021					
	Restated Revenue General Fund	Restated Capital Receipts Reserves	Restated Total Usable Reserves	Restated Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2020	0	0	0	0	0
Total comprehensive income and expenditure	0	0	0	0	0
Adjustments between accounting & funding basis under regulations	0	0	0	0	0
Increase/decrease(-) in 2020/2021	0	0	0	0	0
Balance as at 31 March 2021	0	0	0	0	0

Movement in reserves statement 2021/2022					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2021	0	0	0	0	0
Total comprehensive income and expenditure	0	0	0	0	0
Adjustments between accounting & funding basis under regulations	0	0	0	0	0
Increase/decrease(-) in 2021/2022	0	0	0	0	0
Balance as at 31 March 2022	0	0	0	0	0

The prior period has been restated to reflect the presentational changes in the Comprehensive income and expenditure, this has resulted in no further adjustments required as there are no reserves held by the OCC.

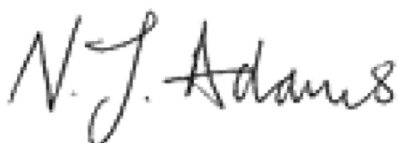
Office of the Chief Constable for Avon & Somerset

Balance Sheet as at 31 March 2022

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

Restated 2020 £'000	Restated 2021 £'000	Balance Sheet	2022 £'000
		Long term assets	
3,493,195	4,378,221	Long term intragroup debtor (note 2)	4,325,494
3,493,195	4,378,221	Total non-current assets	4,325,494
10,827	15,222	Intragroup debtor (note 2)	15,709
10,827	15,222	Total current assets	15,709
-8,151	-10,912	Creditors (note 17)	-11,280
-2,676	-4,310	Short term provisions (note 18)	-4,429
-10,827	-15,222	Total current liabilities	-15,709
		Long term liabilities	
0	-50	Provisions (note 18)	-25
-3,493,195	-4,378,171	Net defined pension liability (note 13 to 15) *	-4,325,469
-3,493,195	-4,378,221	Total long term liabilities	-4,325,494
0	0	Net assets	0
0	0	Total usable reserves	0
0	0	Total unusable reserves	0
0	0	Total reserves	0

* Restated prior period due to presentational change, where the Police pension asset (£442,774k) and Police pension liability (£4,820,945k) have been combined to Net defined pension liability (£4,378,171k).



Nick Adams LLB (Hons), FCA
Chief Finance Officer to OCC
30 November 2022

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 2022 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.

Restated 2020/2021 £'000	Cash Flow Statement	2021/2022 £'000
0	Net surplus(-)/deficit on the provision of services *	0
-1,684	Increase(-)/decrease in provision charged back to service	867
0	Charges for retirement benefits in accordance with IAS 19	0
4,445	Increase/decrease(-) in long and short term debtors	-499
-2,761	Increase(-)/decrease in long and short term creditors	-368
	Adjust net surplus or deficit on the provision of services for non-cash movements	0
0	Net increase(-)/decrease in cash and cash equivalents	0

* Restated Net Surplus/Deficit on provision of services to reflect changes in CIES

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 2021/2022 and the Accounts and Audit (Amendment) Regulations 2021 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 Accruals of Income and Expenditure

Activity is accounted for and recorded on an accruals basis. This means that income is recorded in the accounts when it becomes due, rather than when it is received, and the outstanding amounts are included as debtors. Expenditure is included in the accounts when the goods or services are received or supplied, and any outstanding amounts are included as creditors. The OCC established a de minimis level of £5,000 for accruals in both 2020/2021 and 2021/2022.

1.3 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.

1.4 Employee Benefits

1.4.1 Benefits Payable During Employment

Employee benefits that are due to be settled wholly within 12 months of the year end are recognised as an expense for services in the year which the employees rendered services for the Chief Constable. These include: salaries; annual leave; sick leave; bonuses; and non-monetary benefits (cars).

An accrual is made for the cost of holiday entitlements earned by employees but not taken before year end which employees can carry forward in to the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves statement to the accumulated absences account so that the holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the group to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. These benefits are charged on an accruals basis to the appropriate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

1.4.3 Post-Employment Benefits

Employees of the Chief Constable are members of four separate pension schemes:

- The Police Officer 1987 scheme (PPS);

- The Police Officer 2006 scheme (NPPS);
- The Police Officer 2015 scheme (CARE);
- The Local Government Pension scheme (CARE).

1.4.3.1 Police Officers Pension Scheme

All police officers pension schemes are accounted for as defined benefits schemes.

The liabilities of the police officers pension scheme are included in the balanced sheet on an actuarial basis using the projected unit method. The projected unit method is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at its single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

1.4.3.2 Local government pension scheme

All police staff and PCSOs are members of the Local Government Pension Scheme which is accounted for as a defined benefits scheme.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all police schemes. These estimated cashflows are then used to derive a single equivalent discount rate (SEDR). The discount rate derived is such that the net present value of the notional cashflow, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA-rated corporate bond yield curve.

The assets of the Somerset County Council pension fund attributable to the group are included in the balance sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property securities – current bid price
- Property – market value

1.4.3.3 Net Pensions Liability

The change in the net pensions liability for the pension scheme is analysed into the following components:

Service cost comprising:

- Current service cost – this is the increase in liabilities as a result of years of service earned this year which is allocated in the CIES to the services for which the employees worked;
- Past service cost – this is the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the CIES;
- Net interest on the net defined benefit liability or asset – this is the change during the period in the net defined benefit liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability or asset at the beginning of the period and

taking into account any changes in the net defined liability or asset during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- The return on plan assets excludes the amounts included in the net interest on the net defined benefit liability or asset which is charged to the pensions reserve as Other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme.
- Actuarial gains and losses are changes in the net pension's liability that arise because events have not coincided with assumptions made at the last valuation or because the actuaries have updated their assumptions. These changes are charged to the pensions reserve as Other Comprehensive Income and Expenditure.

1.5 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.

1.6 Joint Arrangements

Joint Arrangements are classified as either Joint Operations or Joint Ventures. Joint Operations are where activities are agreed through a shared control (usually through a shared board) and the parties have 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 Group does not participate in any joint ventures.

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

The Police and Crime Commissioner has entered into collaborative arrangements with other police forces and local authorities. Details of these are disclosed in the notes to the accounts.

1.7 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.

1.8 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

In applying the accounting policies set out in Note 1, the Chief Constable has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements in the Statement of Accounts are:

- As a result of the Police Reform and Social Responsibility Act 2011 (the Act), two corporations sole were formed - the Police and Crime Commissioner (PCC) for Avon and Somerset and the Office of the Chief Constable (OCC). The PCC is responsible for the formal oversight of the Avon and Somerset Police and the Chief Constable, including setting the strategic direction and holding the police to account; whilst the Chief Constable has the direction and control over the force's officers and staff. For accounting purposes, the PCC is the parent entity of the Office of the Chief Constable and together they form the PCC group.

The accounting recognition of the PCC Group assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice.

The PCC receives all government funding and income, and the Chief Constable uses the PCC's financial resources against an annual budget in order to discharge their operating policing responsibilities. The Chief Constable does not hold any cash or reserves. The PCC has the responsibility for managing the financial relationship with third parties.

All the assets, liabilities and reserves of the PCC Group are recognised on the PCC Balance Sheet except for the liabilities for employee benefits. As a result, there is a nil balance on the Chief Constable's Movement of Reserves Statement and no cash transactions on the Chief Constable's cashflow statement. The financial results of the PCC resources used by the Chief Constable are shown in the Comprehensive Income and Expenditure Statement (CIES). As the Chief Constable does not hold reserves the financial consequences recognised in the CIES are offset by intra-group adjustments to reflect the funding of PCC resources consumed at the request of the Chief Constable to give a nil balance on the General Reserves of the Chief Constable at the year end. These intra-group adjustments are mirrored in the PCC accounts to reflect the funding of resources at the request of the Chief Constable.

Police pension costs are recognised in the Chief Constable's Accounts in accordance with IAS 19 (Employee Benefits). The liability for police pensions on the Chief Constable's Balance Sheet however is offset by an intra-group debtor reflecting the PCC's responsibility to provide funds from the police fund each year to enable the Chief Constable to administer police pension payments. Similarly, within the Chief Constable's CIES the IAS 19 pension costs are offset by intra-group funding adjustments within the Net Cost of Policing Services and within 'Financing and Investment' lines. The PCC's Balance Sheet shows a matching liability and police pension reserve to reflect its responsibility to provide funds for the payment of police pensions. The same accounting treatment has been adopted in respect of accumulated absences due to employees, but not taken at the reporting date. The liabilities in the Chief Constable's Balance Sheet are offset by an intra-group transfer from the PCC's to reflect the fact that the PCC ultimately funds the Chief Constable's employee costs.

- A judgement has been made to include the impact of the McCloud/Sargeant ruling. Whilst the regulations underpinning the Local Government Pension Scheme (LGPS) and police pension schemes have not yet been amended, a change to the remedy is not anticipated.

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.

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:

- IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material

IFRS 16 Leases has not been adopted and is too early to judge the 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 2024 due to the impact of COVID-19 on audit

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	3,859,563	3,931,493	4,004,932
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,940,197	3,931,493	3,922,843
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	3,995,655	3,931,493	3,868,626
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	4,118,672	3,931,493	3,753,227

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	860,297	882,422	905,139
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	884,878	882,422	879,991
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	902,538	882,422	862,823
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	917,718	882,422	848,542

4.2 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2022 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.

As reported to Management	Adjustments to arrive at the chargeable to general reserves	2020/2021 Restated			OCC Expenditure and Funding Analysis	As reported to Management	Adjustments to arrive at the chargeable to general reserves	2021/2022		
		Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E				Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E
£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
323,430	40,587	364,017	58,201	422,218	Police Services	335,640	48,360	384,000	114,139	498,139
-323,430	-40,587	-364,017	-58,201	-422,218	Intragroup adjustment	-335,640	-48,360	-384,000	-114,139	-498,139
0	0	0	0	0	Net cost of police services	0	0	0	0	0
0	0	0	80,821	80,821	Net interest on pensions	0	0	0	86,681	86,681
0	0	0	-80,821	-80,821	Intragroup adjustment (Pension interest cost)	0	0	0	-86,681	-86,681
0	0	0	0	0	Financial and investment income and expenditure	0	0	0	0	0
0	0	0	0	0	Taxation and non-specific grant income	0	0	0	0	0
0	0	0	0	0	Surplus(-)/deficit on provision of services	0	0	0	0	0

* Net cost of police services now include the pension grant top up. Prior year has also been restated to include the movement of the pension top up in to net cost of police services.

** The remeasurement of pension asset & liability has been moved from Taxation and Specific grant income to Other comprehensive income, below the surplus / deficit on provision of services.

Capital Purposes £'000	2020/2021			OCC Expenditure and Funding Analysis Adjustment between accounting & funding basis	2021/2022			
	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000		Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
9,911	51,324	-3,034	58,201	Police Services	-2,322	121,391	-4,929	114,139
-9,911	-51,324	3,034	-58,201	Intragroup adjustment	2,322	-121,391	4,929	-114,139
0	0	0	0	Net cost of police services	0	0	0	0
0	80,821	0	80,821	Net interest on pensions	0	86,681	0	86,681
0	-80,821	0	-80,821	Intragroup adjustment (Pension interest cost)	0	-86,681	0	-86,681
0	0	0	0	Financial and investment income and expenditure	0	0	0	0
0	0	0	0	Taxation and non-specific grant income	0	0	0	0
0	0	0	0		0	0	0	0
0	0	0	0	Difference between surplus on the general fund and deficit on the provision of services	0	0	0	0

7 Income and expenditure analysed by nature

Restated '2020/2021 £'000	Income and Expenditure analysed by nature	2021/2022 £'000
258,652	Employee costs	276,705
15,327	Premises costs	14,508
4,135	Transport costs	5,017
33,807	Supplies & services	31,499
14,836	Partnership costs	16,140
13,140	Misc, central, & grants	14,070
20,150	Depreciation, amortisation, & impairment	11,695
53,877	Employee benefit expenses	122,077
80,821	Net interest on pensions	86,681
53,418	Police pension top up grant	52,775
-548,163	Intragroup adjustment	-631,167
0	Total expenditure	0
-15,787	Sales, rent, fees, & charges	-16,712
-1,606	Seconded officers	-1,383
-10,074	Counter terrorism policing grant	-11,499
-1,124	Serious violence grant	-774
-3,843	Uplift grant	-2,474
-2,828	Officer pensions grant	-2,828
-9,862	Other specific grants	-10,606
45,124	Intragroup adjustment *	46,276
0	Total income	0
0	Surplus/deficit on provision of services	0

* The 2020/21 comparative Intragroup adjustment lines for Expenditure and Income presented above, have been altered to reflect the presentational changes seen within the CIES to ensure consistency in reporting

8 Paying Staff

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
	169,366	11,128	180,494	0	180,494

Disclosure of Remuneration for Senior Employees 2021/2022						
Post Holder Information (post title and name)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2021/2022	Pension Contributions	Total Remuneration Including Pension Contributions 2021/2022
		£	£	£	£	£
Chief Constable - A Marsh	1	46,064	2,388	48,452	0	48,452
Chief Constable - S Crew	1	125,105	5,297	130,402	38,782	169,184
		171,168	7,685	178,853	38,782	217,636

Note 1 A Marsh retired from the role of Chief Constable with effect from 01/07/2021, and S Crew was appointed as Temporary Chief Constable with effect from 02/07/2021, before being made permanent in the role on 26/11/2021. The annualised salary is £166,911.

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 2020/2021
		£	£	£	£	£
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.

Disclosure of Remuneration for Senior Employees 2021/2022

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2021/2022	Pension Contributions	Total Remuneration Including Pension Contributions 2021/2022
		£	£	£	£	£
Deputy Chief Constable	1	34,426	2,670	37,096	10,672	47,768
Temporary Deputy Chief Constable	2	111,411	0	111,411	0	111,411
ACC - Investigations & Operational Support		33,331	0	33,331	0	33,331
Temporary ACC - Investigations & Operational Support	3	84,521	0	84,521	24,464	108,985
ACC - Neighbourhoods, Partnerships & Response	4	2,372	0	2,372	719	3,090
ACC - Neighbourhoods, Partnerships & Response	4	125,546	0	125,546	36,594	162,140
Chief Officer - Finance, Resources and Innovation		119,220	12,677	131,897	19,433	151,330
Chief Officer - People and Organisational Development		118,576	6,229	124,805	18,564	143,368
Force Medical Officer - D Bulpitt		154,884	0	154,884	25,246	180,130
		784,287	21,576	805,863	135,691	941,554

Note 1: The Deputy Chief Constable replaced the Chief Constable on a temporary basis with effect from 02/07/2021.

Note 2: The ACC Investigations & Operational Support became the temporary Deputy Chief Constable with effect from 02/07/2021; this became permanent with effect from 27/01/2022. The annualised salary is £137,703.

Note 3: A temporary ACC Investigations & Operational Support was appointed on 02/07/2021. The annualised salary is £105,600.

Note 4: The ACC – Neighbourhoods, Partnerships, & Response retired on 07/04/2021, with the new ACC in the role having been appointed on 22/02/2021. 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.

Restated 2020/2021 Number	Pay Range	2021/2022 Number
239	£50,000 - £54,999	278
147	£55,000 - £59,999	210
60	£60,000 - £64,999	67
7	£65,000 - £69,999	19
10	£70,000 - £74,999	12
5	£75,000 - £79,999	6
6	£80,000 - £84,999	6
8	£85,000 - £89,999	5
5	£90,000 - £94,999	6
1	£180,000 - £184,999	0
488		609

Prior year restated to remove the senior employees which are included in the tables for remuneration.

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

For further details on gender pay please see our gender pay gap report, which has been published on the Avon and Somerset website.

9 Exit Packages

The costs for fourteen staff redundancies were recognised during the 2021/2022 year, the details of which are presented in the table below. This follows eight redundancies in 2020/2021.

Compulsory & Voluntary Redundancies 2020/2021		Exit Packages	Compulsory & Voluntary Redundancies 2021/2022	
Number	£'000	Banding	Number	£'000
3	36	£0 - £19,999	7	82
3	80	£20,000 - £39,999	6	155
1	44	£40,000 - £59,999	1	44
1	65	£60,000 - £79,999	0	0
8	225		14	281

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.

2020/2021 £'000	External Audit Costs	2021/2022 £'000
14	Chief Constable: Fees for external audit services paid to Grant Thornton	20
<u>14</u>		<u>20</u>

As part of the Government's response to the Redmond Review, the DLUHC provided a grant of £7,443 in 2021/2022 to assist with the anticipated rise in fees, driven by new requirements on auditors, including new burdens relating to the implementation of the Redmond Recommendations and the National Audit Office's Code of Audit Practice 2020. Fees paid by the CC in 2021/2022 were based on the scale fee, and totalled £19,538. The final fees for the audit have not yet been confirmed.

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 2021/2022 (£nil in 2020/2021).

11.2 Other Related Parties

The Home Office and the Department for Levelling Up, Housing, and Communities 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 £20,355 in 2021/2022 (£338,176 in 2020/2021). Payments were also made to the Avon and Somerset Constabulary Force Club in 2021/2022 of £7,045 (£11,562 in 2020/2021).

12 Joint Arrangements

The OCC participates in a number of joint arrangements, contributions to which are disclosed below:

2020/2021		2021/2022
Expenditure £'000	Joint Operations	Expenditure £'000
3,361	South West Regional Organised Crime Unit	3,153
1,339	Firearms Training	1,410
518	Counter Terrorism Specialist Firearms Officers	587
5,074	Major Crime Investigation (Brunel)	5,451
7,158	South West Forensic Services	7,547
1,135	South West Region - Special Branch	1,094
45	Regional ACC	53
26	Disaster Victim Identification / Casualty Bureau	27
402	Other Regional Programmes	326
19,058	Total	19,648

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 30.7% share of net expenditure. Other partners are Devon and Cornwall (31.8%), Dorset (13.5%), Gloucestershire (12.1%) and Wiltshire (11.9%). The total net cost of the operation, after government grants and sundry income, was £10,277,501 in 2021/2022 (£10,362,943 in 2020/2021).

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 2021/2022 was 41.8% for Avon and Somerset, 32.7% for Gloucestershire, and 25.5% for Wiltshire. The total cost of the operation was £3,181,816 in 2021/2022 (£3,009,167 in 2020/2021).

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 £1,095,186 in 2021/2022 (£966,040 in 2020/2021). 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 £8,517,449 in 2021/2022 (£7,927,695 in 2020/2021).

12.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (36.6%), Devon and Cornwall (30.5%), Dorset (18.7%) and Wiltshire (14.2%) to provide forensic services. The total cost of the operation was £21,016,000 in 2021/2022 (£19,890,400 in 2020/2021).

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 £3,850,500 in 2021/2022 (£3,996,900 in 2020/2021).

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 (30.7%), Gloucestershire (11.9%), Devon and Cornwall (31.8%), Dorset (13.5%) and Wiltshire (12.1%). The total cost for the ACC was £172,085 in 2021/2022 (£138,973 in 2020/2021).

12.8 Disaster Victim Identification / Casualty Bureau

This is a collaboration between Avon and Somerset (30.7%), Gloucestershire (11.9%), Devon and Cornwall (31.8%), Dorset (13.5%) and Wiltshire (12.1%) to provide two posts to assist with officer deployment across the South West. The total cost of the operation was £89,300 in 2021/2022 (£83,800 in 2020/2021).

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 £1,063,877 in 2021/2022 (£1,238,320 in 2020/2021).

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	
	2020/2021 £'000	2021/2022 £'000	2020/2021 £'000	2021/2022 £'000
Comprehensive income and expenditure statement				
Cost of services:				
Current service cost	28,980	51,604	76,630	127,680
Administration expenses	182	208	0	0
Past service cost including curtailments	34	127	0	0
Financing and investment income and expenditure:				
Net interest cost	6,180	8,809	74,641	77,872
Total post employment benefits charged to the comprehensive income and expenditure statement	35,376	60,748	151,271	205,552
Other post employment benefits charged to the comprehensive income and expenditure statement				
Return on plan assets	89,556	26,150	0	0
Changes in demographic assumptions	6,434	0	51,203	0
Changes in financial assumptions	-250,881	63,171	-755,449	126,996
Experience gain/loss(-) on defined benefit obligations	6,708	-1,731	45,429	-5,891
Other actuarial gain/loss(-)	0	0	54,219	52,029
Total other comprehensive income	-148,183	87,590	-604,598	173,134
Movement in reserves statement				
Reversal of net charges made for retirement benefits in accordance with the code	-35,376	-60,748	-151,271	-205,552
Actual amount charged against the general fund balance for pensions in the year				
Employer's contribution to scheme	16,102	17,416	31,690	33,459
Retirement benefits payable to pensioners	105	107	6,605	7,246

2021 £'000	IAS 19 Pension Liabilities	2022 £'000
-3,939,780	Police officers	-3,931,493
-438,341	Police staff	-393,976
-4,378,121		-4,325,469

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 £34,198,000 in financial year 2022/2023. 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.

2020/2021 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2021/2022 £'000
6,605	Payments to pensioners	7,246

2020/2021 £'000	Pensions Account	2021/2022 £'000
100,063	Benefits paid to officers	102,332
-46,645	Less contributions received from officers	-49,557
53,418	Balance met from PCC Group	52,775

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	2021/2022	2020/2021
Current pensioners		
Males	21.1	21.1
Females	23.4	23.3
Retiring in 20 years		
Males	22.4	22.3
Females	24.9	24.8

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

2020/2021 %		2021/2022 %
2.00	Discount rate	2.60
3.85	Rate of increase in salaries	4.30
2.85	Rate of increase in pensions in payment	3.30
3.35	Change in Retail Price Index (RPI)	3.75
2.85	Change in Consumer Price Index (CPI)	3.30

The movement in the present value of scheme liabilities for the year to 31 March 2022 is as follows:

2020/2021 £'000	Present Value of Police Pension Scheme Liabilities	2021/2022 £'000
-3,222,206	Present value of schemes liability as at 1 April	-3,939,780
	Movements in the year	
-76,630	Current service cost	-127,680
0	Past service cost	0
106,262	Estimated benefits paid (net of transfers in)	107,156
-13,748	Contributions by scheme participants	-14,422
-74,641	Interest costs	-77,872
-755,449	Change in financial assumptions	126,996
51,203	Change in demographic assumptions	0
45,429	Experience gain/loss on defined benefit obligations	-5,891
-3,939,780	Present value of schemes liability as at 31 March	-3,931,493

The movement in the fair value of scheme assets for the year to 31 March 2022 is as follows:

2020/2021 £'000	Fair Value of Police Pensions Scheme Assets	2021/2022 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
54,219	Other actuarial gain/loss(-)	52,029
38,295	Contributions by employer	40,705
13,748	Contributions by scheme participants	14,422
-106,262	Estimated benefits paid (net of transfers in)	-107,156
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.

2020/2021		Pension Costs - Police Staff	2021/2022	
Payments £'000	Percentage of Employees' Contributions		Payments £'000	Percentage of Employees' Contributions
16,301	130-296	PCC's contribution	17,478	130-296

During 2021/2022 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 £17,412,000 in financial year 2022/2023.

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 2021/2022 was £2,340,000, the amount due in 2022/2023 is £2,420,000.

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 2021/2022 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		2021/2022	2020/2021
Current pensioners			
	Males	23.1	23.1
	Females	24.7	24.6
Retiring in 20 years			
	Males	24.4	24.4
	Females	26.1	26.0

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

2020/2021 %		2021/2022 %
2.05	Discount rate	2.60
3.85	Rate of increase in salaries	4.15
2.85	Rate of increase in pensions in payment	3.15
3.20	Change in Retail Price Index (RPI)	3.45
2.85	Change in Consumer Price Index (CPI)	3.30

The return on the pension fund assets on a bid value basis for the year to 31 March 2022 is estimated to be 8.39%. The estimated value of the PCC's share of the fund's assets is £488,920,000 on a bid value basis (2020/2021 £442,774,000). The assets are made up of the following:

2020/2021		Assets	2021/2022	
£'000	%		£'000	%
		Equities		
0	0.0	UK - Quoted	0	0.0
1,769	0.4	Overseas - Quoted	0	0.0
77,302	17.5	UK - Unquoted	88,006	18.0
227,837	51.5	Overseas - Unquoted	252,381	51.6
11,498	2.6	Private equity	14,641	3.0
318,406	72.0		355,028	72.6
		Gilts - Public Sector		
12,495	2.8	UK fixed interest	9,998	2.0
12,495	2.8	UK index linked	14,668	3.0
446	0.1	Overseas index linked	0	0.0
25,436	5.7		24,666	5.0
		Other Bonds		
20,785	4.7	UK	33,131	6.8
22,111	5.0	Overseas	14,178	2.9
42,896	9.7		47,309	9.7
30,596	6.9	Property	39,269	8.0
25,440	5.7	Cash (invested internally)	22,648	4.7
442,774	100	Total assets	488,920	100

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

2020/2021 £'000	Police Staff Pensions	2021/2022 £'000
442,774	Share of assets in pension fund	488,920
-879,492	Estimated liabilities in pension fund	-881,385
-1,623	Estimated unfunded liabilities	-1,511
-438,341	Deficiency in fund	-393,976

The movement in the present value of schemes obligations for the year 31 March 2022 is as follows:

2020/2021 £'000	Present Value of Police Staff Liabilities	2021/2022 £'000
-606,227	Present value of defined obligations as at 1 April	-881,115
	Movements in the year	
-28,980	Current service cost	-51,604
11,430	Estimated benefits paid (net of transfers in)	12,390
-5,493	Contributions by scheme participants	-5,989
-14,177	Interest costs	-17,998
105	Unfunded pension payments	107
-250,881	Change in financial assumptions	63,171
6,434	Change in demographic assumptions	0
6,708	Experience loss(-)/gain on defined benefit obligations	-1,731
-34	Past service cost, including curtailments	-127
-881,115	Present value of defined obligations as at 31 March	-882,896

The movement in the fair value of scheme assets for the year to 31 March 2022 is as follows:

2020/2021 £'000	Fair Value of Police Staff Scheme Assets	2021/2022 £'000
335,238	Fair value of scheme assets as at 1 April	442,774
	Movements in the year	
7,997	Interest on assets	9,189
89,556	Return on assets less interest	26,150
0	Other actuarial gain/loss(-)	0
-182	Administration expenses	-208
16,207	Contributions by employer	17,523
5,493	Contributions by scheme participants	5,989
-11,535	Estimated benefits paid (net of transfers in)	-12,497
442,774	Fair value of scheme assets as at 31 March	488,920

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 2020/2021 or 2021/2022.

17 Creditors

All creditors are accounted for by the PCC. Those which are accounted for within the CC are employees' leave not taken before the year end that can be carried forward into the following financial year, and other employee overtime expenses. Total creditors for 2021/2022 is £11,280,000 (2020/2021 £10,912,000).

18 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2021 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2022 £'000
Pension claim provision	938	-938	0	0	0
Ill-health & termination benefits	618	0	-618	1,259	1,259
Overtime liability	2,804	0	-546	937	3,195
	4,360	-938	-1,164	2,196	4,454

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 released in full during the financial year in recognition of the settlement of the Leigh day claims by government.

The ill health and termination benefits provision of £1,259,000 is in respect of ill health retirement payments where approval was agreed at 31 March 2022.

The overtime liability provision at 31 March 2022 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 2022.

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 was reflected in the IAS19 disclosure in the 2020/2021 accounts. The impact of the final remedy was a reduction in the defined benefit obligation of approximately £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 judgement. Our scheme actuaries have estimated the potential increase in scheme liabilities for Avon & Somerset force to be £5.648m. 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 were heard by the Employment Tribunal in December 2021. Claims for financial losses for the Leigh day claims have been settled by government during 2021/22 therefore the provision that was held at 31 March 2021 has been released. However, there are a series of claims brought by the Police Federation that are still to be considered but as they are similar in nature to the Leigh Day claims a precedent may already have been set. There is a potential risk that the Police Federation claims will not be settled by Government and the extent or likelihood of any further settlement is not possible to reliably estimate, so a contingent liability has been recognised.

19.2 Other Pension cases

There are 2 further cases which are included in the report from our actuaries:

Goodwin Case – This case relates to differences between survivor benefits payable to members with same-sex or opposite-sex survivors and has been identified in several public sector pension schemes. There is not yet a remedy in place and our actuaries have not made allowances for the impact of this within the liabilities existing at 31 March 2022 due to there being insufficient information upon which to make an accurate estimation.

O'Brien Case – This case relates to the discrimination against part-time judges in the calculation of pensions. A ruling stated that service prior to 7 April 2000 must be taken into account under the Part Time Workers Directive (PTWD) for the purpose of calculating a retirement pension. The Government have stated that those who have previously claimed under the PTWD would be entitled to further remedy in respect of service prior to 7 April 2000. A remedy has not yet been decided and there isn't sufficient data available for actuaries to make an estimate on the impact of this to our pension liabilities

19.3 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 could continue to have consequences for wider public finances going forward.

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.

2020/2021 £'000	Police Officers Pension Fund Account	2021/2022 £'000
	Contributions receivable	
	Employers contributions:	
-31,690	Normal 31% contributions	-33,459
-801	Ill health/early retirements	-811
<u>-32,491</u>		<u>-34,270</u>
	Employee contributions	
-1,797	1987 Police Pension Scheme	-881
-35	2006 Police Pension Scheme	-40
-11,916	CARE Police Pension Scheme	-13,501
<u>-13,748</u>		<u>-14,422</u>
-406	Transfers in from other schemes	-864
	Benefits payable	
83,718	Pensions	85,395
14,585	Commutations and lump sum retirement benefits	15,779
<u>98,303</u>		<u>101,174</u>
	Payments to and on account of leavers	
95	Refund of contributions	139
44	Transfers out to other schemes	1
1,621	Other	1,017
<u>1,760</u>		<u>1,157</u>
53,418	Net amount payable for the year	52,775
0	Additional contribution from the local policing body	0
-53,418	Transfer from Police Fund to meet deficit	-52,775
<u>0</u>	Net amount payable/receivable for the year	<u>0</u>

This note shows the pension fund account assets and liabilities as at 31 March 2022.

31 March 2021 £'000	Pension Fund Net Assets	31 March 2022 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<u>0</u>	Net assets	<u>0</u>

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.
Cash flow statement	Summarises the income and outgoings of cash during the financial year
CC	Chief Constable
CFO	Chief Financial Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
CMB	Constabulary Management Board
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.
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.

Term	Definition
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.
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
OCC	Office of the Chief Constable
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).
PCSO	Police community support officer
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.

Term	Definition
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
SWAP	South West Audit Partnership
SWPPS	South West Police Procurement Service
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
VRU	Violence Reduction Units



Further information can be obtained online at:-

www.avonandsomerset-pcc.gov.uk (PCC Website)

www.avonandsomerset.police.uk (Constabulary Website)

Or in writing to:-

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