

Office of the Chief Constable for Avon & Somerset

Officers of the Office of the Chief Constable

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Office of the Chief Constable for Avon & Somerset



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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 the 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, partner agencies and organisations, the Chief Constable, and senior leaders within the Constabulary. Throughout 2023/24 the PCC's priorities have been

- ✚ Preventing and fighting crime
- ✚ Engaging, supporting and working with communities, victims and partner organisations
- ✚ Leading the police to be efficient and effective
- ✚ 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 which 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 Directorate
- ✚ Response Directorate
- ✚ Criminal Investigations Directorate
- ✚ Operational Support Directorate
- ✚ Information Technology Directorate
- ✚ Finance and Business Services Directorate
- ✚ People and Organisational Development Directorate
- ✚ Office of the Chief of Staff Directorate
- ✚ Legal and Compliance Services Directorate

The Constabulary also partners with other police forces in the region to provide aspects of its service, including Forensic Science Services, Specialist Operational Training, and Major Crime Investigation.

The Constabulary’s Mission, Vision and Values are:

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

The Constabulary has an annual planning cycle, incorporating service, workforce, finances, and assets. Through this annual cycle the strategic plan is monitored, reviewed and revised to ensure we continue to deliver against the PCC’s priorities, achieve our mission and bring our organisational values to life.

Over the course of 2023/2024 we have developed a clear strategy, through which we have confirmed the outcomes that define what the measures by which achieving our vision of “Outstanding Policing for everyone” will be. We have set out 18 outcomes, some of which are defined as organisational outcomes, some as people outcomes and some as financial outcomes, but all underpinning and supporting our five public outcomes which are

- ✚ There are high levels of trust and confidence among all the communities we serve
- ✚ We respond quickly and well to emergencies
- ✚ People who use our services have high levels of satisfaction
- ✚ We are cutting crime and protecting the vulnerable from criminals
- ✚ We bring offenders to justice and disrupt their criminality

Our initiatives and activities have been marshalled into eight change programmes under a single portfolio. These programmes are working on big, transformative change that build on a clear understanding of the root causes of how to improve our service. Alongside this we will continue to enhance our services by adapting as we go – unlocking continuous improvement, and ensuring we are truly effective at business as usual, getting the basics right in each encounter we have, to deliver on our mission to Serve, Protect and Respect.

The Constabulary has undergone a period of rapid growth in police officer numbers in support of delivering the Government’s officer uplift plans. In the last five years we have recruited nearly 1,700 new officers into Avon and Somerset, the majority of which (nearly 1,400) have been through our Police Constable Degree Apprenticeship (PCDA) or Degree Holder Entry Programme (DHEP). The staffing information for both organisations as at 31 March 2024 is as follows

Employees	Actual FTE	Actual Headcount
Police Officers	3,294	3,351
Police Community Support Officers	282	294
Police Staff	2,733	3,042
OPCC	34	37
Total	6,343	6,724

In addition, the Constabulary is supported by 209 Special Constables, 57 Police Cadets and approximately 1,857 volunteers, of which 1,714 support community speedwatch throughout Avon and Somerset.

2 Operational Performance

The monthly Integrated Performance and Quality Report (IPQR) presents an overview of our performance and identifies key areas for improvement based on our Performance Control Strategy. This report is closely monitored and discussed in detail at the monthly Constabulary Management Board, as well as at the PCC's Governance and Scrutiny Board, Performance Accountability Board and local Directorate Leadership meetings, where actions and interventions needed to maintain and enhance performance are determined.

A new performance framework was introduced in September 2023 that aligned more strongly with the HMICFRS PEEL questions asked of us as part of their inspection process. The framework uses the PEEL questions as a lens to understand progress against a number 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 His Majesty's Inspector of Constabularies and Fire and Rescue Services (HMICFRS) when conducting their Police Efficiency, Effectiveness and Legitimacy (PEEL) reviews
- ✚ Other national frameworks (i.e. police race action plan, violence against women and girls' national performance framework)

Progress against the above frameworks is consistently monitored to provide good visibility across a range of measures. This occurs throughout our enhanced governance approach, where our committees have their own suite of KPI's that align to the force's strategic outcomes, with 'insight reports' updating on progress and emerging issues that ensure the Chair is able to assess where we are doing well and where improvements are needed.

Our local context continues to reflect several national opportunities and challenges, characterised by

- ✚ Our officer numbers have increased as we have delivered our share of the Government's Uplift programme, but the volume of police officer recruitment to achieve this has meant we have a large number of student officers to support through abstraction to college and 'on the job' tutoring
- ✚ Our officer experience and profile means that we continue to 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
- ✚ Our demand picture continues to evolve, with continued increases in calls for service from the public, better crime recording practices and increases in serious and complex demand volumes being sustained

Overall police recorded crime levels have increased by +6.5% compared to prior year. More than half of this annual increase can be attributed to our improved crime recording standards, resulting in better capturing and recording of crime types. This includes increases in crimes such as rape (+35%), harassment (+52%) and child safeguarding-based offences (+150%). The remainder of this increase in recorded crime levels reflects the +42% increase in the high-volume crime of shoplifting. This increase reflects the national picture and links closely to the impact of 'cost of living' challenges.

'Neighbourhood crime', a national measure comprising personal robbery, vehicle offences, residential burglary, and theft from person offences, remains stable with a +2.9% change from the previous year. This measure saw a significant reduction (-18%) at the time of the Covid-19 pandemic and this is a position we have continued to sustain despite the lifting of these restrictions.

Recording crime accurately is a key priority to us as it underpins the service we provide to victims. We have continued to progress, evolve and invest as part of an extensive improvement plan in this

area. While we know we have further to go, the increase in overall recorded crime reflects the progress we are making here.

Our trailblazing, end-to-end approach to investigating rape, introduced locally as part of our Operation Bluestone, has led the way nationally, shaping the approach now being adopted by forces across the country. Through our work here we have continued to see sustained improvements in rape charge volumes (+80%) and our charge rates, improving to 8% up from the 7.5% reported last year. Given the increased numbers of recorded rapes we are now seeing as we improve recording practices and the public have greater confidence in reporting to us, this represents a significant performance improvement.

The force have continued to see an increase in calls for service from the public. This year we saw a further increase of +13% in the volume of 999 calls received (+14% in 2022/23). We now receive more than 350,000 999 calls p.a. Despite the continued increase in 999 calls, the abandoned rate for these calls remained very low at 0.3%. As an ongoing consequence of prioritising 999 calls, the 101 emergency calls abandoned rate has risen to 11.7% (up from 10.5% last year). The victim satisfaction rates for initial contact remain good at 88.5% for the last 12 months (+3.2% on prior year).

The latest national data for public confidence (September 2023), as measured by the crime survey for England and Wales, shows the force positioned mid-table (22nd/43) with a confidence rate of 65.9% - in line with national average. Our own local public confidence survey shows similar overall public confidence levels at 64.5% for the last 12 months (-2.1% on previous year). Nationally there has been an increasingly complex and strained relationship between policing and the public, reflecting a series of national scandals and public failings. As part of our approach to transparency, we opened our doors to a documentary film crew four years ago to show how we are investigating police officer misconduct. The product of this was three hour-long documentaries aired on Channel 4 in early 2024 under the title "To Catch a Copper". We will continue to throw open our doors transparently to shine a light in ways that help us recover the lost confidence of our communities.

Overall victim satisfaction to reports of volume crime stands at 68.2% (+0.4% on prior year), with victims of anti-social behaviour reporting satisfaction rates of 74.4% (+3.4%), victims of burglary 58.2% (dwelling burglary victims at 80.2%), victims of hate crime 68.7% (+2.3% on prior year) and victims of violent crime 68.2% (-1.8%). Overall satisfaction with the way victims are treated remains strong at 84.4% (-1.1%).

Whilst we have maintained areas of strong performance, we recognise that there are areas that require improvement

- ✚ Our file quality compliance rates, as measured against the Director of Public Prosecutions guidance assessment, shows us at around 43% compared to a national average rate of 57%. This will remain a key performance focus for the coming year
- ✚ Despite improvements seen over the last 6 months, our response times for immediate and priority incidents are still below desired levels. The progress and challenges in this area are closely connected to the level of experience and skill among our officers, particularly due to the large influx of new police officers and students under tutelage. While we expect this situation to improve gradually, it will remain a focal point for ongoing attention and improvement
- ✚ Our positive outcome rate, measuring the sanctioned detection or restorative justice outcomes as a percentage of recorded crime, is 11.2% (-0.6%). This rate places us in the lower end of national benchmarks, a position which we recognise is not where we want to be. Whilst the large improvements made in recording more crime will play a factor here, we will continue to bring focus to this through our ongoing investigative standards work

During 2022/23 the Constabulary were inspected by HMICFRS under their PEEL framework, the nine areas being reviewed and graded with the following outcomes

Outstanding	Good	Adequate	Requires Improvement	Inadequate
Treatment of the public	Developing a positive workplace	Preventing crime	Recording data about crime	
	Good use of resources	Protecting vulnerable people	Investigating crime	
			Responding to the public	
			Managing offenders	

While it is pleasing to receive recognition for areas of outstanding and good performance, we acknowledge that there remain areas where we need to improve, particularly as we continue to work through the growing pains of an organisation that has introduced such high volumes of new officers in a relatively short period of time.

The force will be inspected again in 2024 with findings expected to be published in early 2025. Through this inspection we will be highlighting the improvements made against previous HMICFRS recommendations, as well as setting out where we are in our ongoing work to realise our vision.

3 Financial Performance

3.1 Revenue Expenditure

In 2023/2024 the approved net revenue budget was set at £369.5m, an increase of £15.8m (4.5%) on the previous year. This budget was funded through a combination of Government grants (£212.3m/57.5%) and local council tax (£157.2m/42.5%).

Of this budget, £364.9m was provided to the Chief Constable to support the provision of policing services to the communities of Avon & Somerset, an increase of £16.6m (4.8%).

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 to provide public transparency of our financial performance. The financial performance report for 2023/2024 was reported to the PCC in June 2024 and can be found published on the PCC’s website.

The Constabulary’s underlying net revenue expenditure in 2023/2024 was £366.7m. When compared to budget this means we have underspent by £2.8m (0.8%), prior to adjustments for provisions and for transfers to earmarked reserves. Once these adjustments were made this underspend was fully accounted for.

This revenue performance was the consequence of several factors, with the following being the most significant

- ✚ **Officer pay and allowances** – we overspent by £4.9m/2.8% against budget. This reflects the pay award agreed at 7% with effect from September 2023, thereby driving a cost increase greater than the 3.0% increase we had originally budgeted for. The pressure created by the pay award was in part recognised by the Government who provided additional grant funding (see income below) to compensate
- ✚ **Officer overtime** – we overspent by £3.3m/50.9% against budget. The overspend here is predominantly driven by both the reality of resourcing the abstraction and support to student

officers while managing incoming demand from the public, as well as by specific policing events locally and nationally, including deployment of officers to support the Kings coronation, the policing of protests in London and policing of football matches. Some of this overspend is offset by income for special policing services or mutual aid reimbursement (see income below)

- ✚ **Staff pay and allowances** – we overspent by £1.6m/1.6% against budget. In common with officer pay the reason for this overspend was the 7% pay award which mirrored that agreed for police officers. We estimate that this added £2.6m to our costs above the 3.0% originally budgeted for and therefore, were it not for this, we would recognise an underspend of £1.0m, thereby reflecting the vacancies we have seen in staff roles throughout the year
- ✚ **Staff overtime** – we overspent by £1.2m/94.8% against budget. The staff overtime is driven by the underlying vacancies. Areas which have seen the most acute pressures include our command-and-control function, our enquiry offices, our speed enforcement team and our intelligence and tasking directorate, all of which have seen staff turnover during the year
- ✚ **Pensions** – we underspent by £0.6m/6.5% against budget, which largely reflects the actual cost of our injury pensions being less than was budgeted for
- ✚ **Premises** – we underspent by £0.5m/3.0%, which reflects underspends on both energy costs and on rent and rates costs
- ✚ **Transport** – we overspent by £0.5m/9.4%, which is predominantly a reflection of inflationary increases, repairs and maintenance costs of our fleet of vehicles, as well as travel overspends for our student officers
- ✚ **Supplies and services** – we overspent by £0.5m/1.2%, reflecting underspends on computing costs because of lower cloud consumption costs incurred, an underspend against the funding to reduce the backlog in digital forensic submissions reflecting the status of this outsourced work and overspends in relation to legal services costs where we had to outsource our data protection officer role for a large period of the year while we recruited into this role. In addition we overspent on the rollout of new jackets to operational officers and staff, increased kennelling costs associated with the seizure of dangerous dogs and increased fees for training, including additional Degree Holder Entry Programme fees
- ✚ **Partnerships** – we have underspent by £0.9m/4.5%, which is largely reflective of vacancies within the South West Regional Organised Crime Unit, our Major Crime Investigation Team and our shared specialist training function, offset by overspends on Scientific Investigations
- ✚ **Income** – we received £15.0m/45.5% more in income than was budgeted for. This includes additional specific purpose grant funding in support of the officer and staff pay awards (£7.5m), grant funding for temporary over-achievement of officer uplift (£1.8m), grant funding in support of IT cost pressures (£0.5m), additional income for policing at Hinkley Point and income relating to the use of our custody facilities by the Ministry of Justice as part of their Operation Safeguard (£0.6m). We also over-achieved our income budget for operational mutual aid and special services income (£1.2m), offsetting overtime pressures as above and over-achieved against our investment income by £1.9m, reflecting the strong returns seen throughout the year

The following table summarises the revenue financial performance for 2023/2024 after the agreed adjustments have been made to account for the reported underspend:

	Budget	Expenditure	Over/ Under (-)
	£'000	£'000	£'000
Neighbourhood & Partnerships	59,435	54,818	(4,617)
Response	87,961	94,744	6,783
Operational support	52,737	52,557	(180)
CID	40,539	46,886	6,347
Collaboration	24,248	23,052	(1,196)
Enabling services	92,740	92,133	(607)
Central costs & miscellaneous	7,209	(2,089)	(9,298)
Constabulary sub total	364,868	362,100	(2,767)
Office of the PCC	2,212	2,208	(5)
Commissioning	2,393	2,389	(4)
Total revenue expenditures	369,473	366,697	(2,776)

It should be noted that the figures above cannot be agreed directly to the comprehensive income and expenditure statement on page 30 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.

3.2 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.

4 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 2024, covers the five year period from 2024/2025 through until 2028/2029. The below provides the headlines from this forecast.

4.1 Revenue Budget

Our immediate revenue forecasts show our costs increasing at a faster rate than our revenue funding. This reflects the inflationary challenges in pay and non-pay budgets, alongside specific risks and issues such as with the costs of police pensions.

	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	£'000	£'000	£'000	£'000	£'000
Budget requirement	397,481	415,176	427,520	439,886	451,063
Less total funding	-391,103	-397,843	-405,405	-413,164	-421,131
Surplus(-)/deficit before savings	6,378	17,333	22,115	26,722	29,932
Savings	-6,378	-17,333	-17,794	-17,875	-17,927
Planned use of reserves	0	0	0	0	0
Surplus(-)/deficit after savings	0	0	4,321	8,847	12,005

The key assumptions that underpin this forecast position are

- ✚ Our funding is forecast to grow by £51.9m/14% p.a. by 2028/2029, driven by increases to both the core grant funding (+£20.3m/9.5% by 2028/2029) and to council tax funding (+£31.6m/20.1% by 2028/2029)
- ✚ Our budget requirement is forecast to increase by £60m/16% p.a. by 2028/2029, driven by many factors, including
 - inflationary adjustments to officer and staff pay incorporating the full year of the 7% pay award, and then +3% in 2024/25, +2.5% in 2025/26 and +2.0% in each year thereafter, increasing costs by £53.3m p.a. by 2028/2029
 - 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 £7.1m p.a. by 2028/2029
 - inflationary increases to general and specific (e.g. fuel, utilities, etc) non-pay costs are assumed to add £9.0m p.a. by 2028/2029
 - growth and commitments across the Constabulary of £8.8m p.a. by 2028/2029, including support for further permanent growth in police officer numbers, as well as targeted growth in police staff posts in areas such as victim services and vetting and growth in non-pay costs reflecting investment into our estate and the costs of our IT provision to enable ongoing transformation
 - 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 in line with their allocation officer uplift and investment into our South West Forensic function to support service improvements and the costs of achieving new accreditation standards – an increase of £6.8m p.a. by 2028/2029
 - increases to the ring-fenced uplift grant funding by £11.8m effective from 2024/2025, reducing to £9.3m p.a. by 2028/2029, which reflects the continued funding in support of maintaining and over-recruiting our officer numbers against target, as well as the increased funding in support of the additional police officer pension costs, which increased in April 2024
 - increases to income budgets, reflecting inflationary increases and forecast increases in return on investments – an increase of £2.5m in 2024/2025, reducing to an increase of £0.7m p.a. by 2028/2029

- adjustments to budgets recognising a reduction of £2.5m p.a. from 2024/2025, reflecting the changes against our previous plans, including elements of inflationary provision set aside in 2023/2024 which, when compared to the actual cost incurred, could be released from budget on a recurring basis
- realisation of new planned and targeted revenue savings of £8.2m p.a. from 2024/2025, rising to £17.9m by 2028/2029

4.2 Policing Precept

In December 2023 the policing minister confirmed that PCCs would have flexibility to raise the policing precept by up to £13 p.a. for an average band D property in setting the 2024/2025 budget. This provided additional flexibility to previous announcements, reflecting the continued inflationary pressures faced by forces alongside the Government's ambition to maintain police officer uplift numbers. In accordance with this announcement and after public consultation, the PCC chose to recommend a raise of the maximum amount, an increase of 4.9%. Following review, the Police and Crime Panel endorsed this proposal, enabling the PCC to confirm approval of this increase and the underlying budget.

4.3 Capital and Projects

The MTFP includes a capital and projects programme of £114m over the next five years, with identified funding at the time this programme was presented of £105.2m, resulting in a funding deficit of £8.8m.

This 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 to progress.

ICT forecast spend include £17m of forecast costs of replacing existing personal issue equipment (e.g. laptops, mobile phones and body worn video cameras) and infrastructure (e.g. video conferencing and digital interview recording equipment). Our plans also include £26m on ICT projects, including the provision of a new Enterprise Resource Planning (ERP) system, a new Digital Evidence Management System, the roll out of new digital communications devices to replace our legacy airwave radio systems as well as several smaller projects.

Forecast spend on estate of £40m includes some ongoing capital replacement and repairs work, a number of projects including plans in Yeovil, Chard, Minehead, Frome, Bath, South Bristol (Broadbury Road) and Central Bristol (Trinity Road) as well as force-wide projects to introduce electric vehicle charging capabilities across our estate and a project to upgrade our achieving best evidence (ABE) interview suites.

Our programme also includes £19m to support the ongoing replacement of our vehicle fleet, while enabling further gradual transition to electric powered vehicles.

We will continue to review options for how we can close the deficit in our funding and this has already included how we have accounted for our year-end revenue underspend, as well as working with other forces for recognition and funding in support of the costs we forecast we will incur in transitioning to a fleet of electric vehicles.

4.4 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 grow police officer numbers by March 2023. Despite the economic uncertainties, this commitment was largely met through the 2023/2024 and 2024/2025 funding settlements, albeit additional precept flexibility was required to manage inflationary pressures. Forecasting beyond this is a challenge and will only be confirmed after a general election, now confirmed as 4th July 2024.

Our forecasts therefore reflect our prudent assessment as best we can make it at this stage. Our MTFP recognises the immediate challenges of balancing the 2024/2025 and 2025/2026 budgets, whilst recognising that further savings will be needed across the medium term.

Balancing our budgets is only half of the challenge. We are an innovative police force and we remain focussed on releasing the capacity of our officers and staff to improve our efficiency and effectiveness in the services we provide to the public. Such innovation requires the financial capacity to support investment and therefore the identification of savings is as much about supporting this need as it is to balance our budgets. In this respect our savings plans are integral to our wider strategic planning as an organisation.

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.

5 Procurement

Our strategic procurement service is provided by the South West Police Procurement Service (SWPPS). 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 2023/2024 we have identified and delivered £1.5m savings through procurement and ongoing contract management. The delivery of procurement savings is an important component of demonstrating how we achieve value for money.

6 Accounting for Pensions

In line with International Accounting Standard (IAS) 19 on employee benefits, we are reporting a significant pensions liability of £3.2bn. This is reduced when the pension scheme assets of £0.6bn are considered. The net liability of £2.6bn is offset by an intragroup debtor with the PCC. More details are disclosed in notes 13-15. The liability has no impact on the reported outturn and the usable reserves.

7 Basis of Preparation

This Statement of Accounts has 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 His Majesty's Treasury.

This Statement of Accounts summarises the financial year for 2023/2024. The income and expenditure, assets, liabilities and reserves which are recognised in the PCC's accounts and in the Chief Constable's accounts, reflect the current legislative framework as well as the local arrangements operating in practice. The key elements of the legislative framework and local arrangements include

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

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

These financial statements include the following

- ✚ **A Statement of Responsibilities** - This sets out the responsibilities of the OCC and the CFO in respect of the Statement of Accounts
- ✚ **An Annual Governance Statement** - These statements review the effectiveness of the OCC's internal control systems
- ✚ **A Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing policing services in accordance with generally accepted accounting practices, together with the costs of providing pensions for officers and staff
- ✚ **A Movement in Reserves Statement** – This statement shows the movement during the year in reserves and affirms that no actual reserve balances are held by the OCC at the end of the accounting period
- ✚ **A Balance Sheet as at 31 March 2024** – 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 the 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 CFOs 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 maturing our workforce capacity and capability 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.

Signature

Nick Adams LLB (Hons), FCA

Chief Finance Officer to OCC

Date

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 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
- ✚ made sure that the internal control systems are effective – pages 20 to 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 2024 and its income and expenditure for the year ended 31 March 2024.

Sarah Crew
Chief Constable

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

Office of the Chief Constable for Avon & Somerset

Annual Governance Statement

1 Introduction

1.1

This Annual Governance Statement sets out how the Avon & 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 & Somerset Police and Crime Commissioner (PCC) and the Chief Constable in place for the year ended 31 March 2024. It also details improvement areas to enhance further governance arrangements that the Constabulary plans to progress during 2024/25.

1.2

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

1.3

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

1.4

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).

1.5

The annual review (see 1.4) 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 Responsibilities

2.1

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.

2.2

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 (PCP), which sets the Force's strategic direction and priorities. These will be subject to review in 2024/25 further to the May 2024 PCC election.

2.3

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 for how these arrangements enable the delivery of 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.

2.4

The PCC and OCC share most core systems of control, including corporate finance, procurement, payroll and HR systems, a shared finance department, shared financial controls, and shared IT, legal, and information governance functions.

2.5

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

3.1

The **Governance Framework** comprises systems, processes, culture, and values by which the Constabulary is directed and controlled.

3.2

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.

3.3

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.

3.4

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

4 The Governance Framework

4.1

A joint governance framework, collectively known as the Joint Scheme of Governance, has been in place for the year ended 31st March 2024 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision-making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders.

4.2

The Joint scheme of Governance was reviewed and refreshed by the OPCC in 2022 and clarifies the way in which the two organisations will govern both jointly and separately to do business in right way, for the right reason at the right time.

4.3

The OCC Governance Framework was also reviewed by an independent external consultancy in 2022 and implemented by the Constabulary Portfolio Management Office (PMO). We have continued to evolve this throughout 2023/24, with key changes including the introduction of

- ✚ A new monthly **Portfolio Steering Board** replacing a quarterly Change Portfolio Committee to proactively manage portfolio delivery.
- ✚ A monthly **Investigative Standards Forum** (tactical investigative management); and
- ✚ A bi-monthly **Operational Improvement Committee** largely focussing on service improvements for Response and Neighbourhood teams.

4.4

The management of the Constabulary Governance Framework is discharged to the central PMO for routine management. The PMO ensures all Terms of Reference are updated annually (completed autumn 2023) and meeting logistics are planned in September of each year for the next 18 months (i.e. up to the end of the subsequent financial year).

4.5

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.

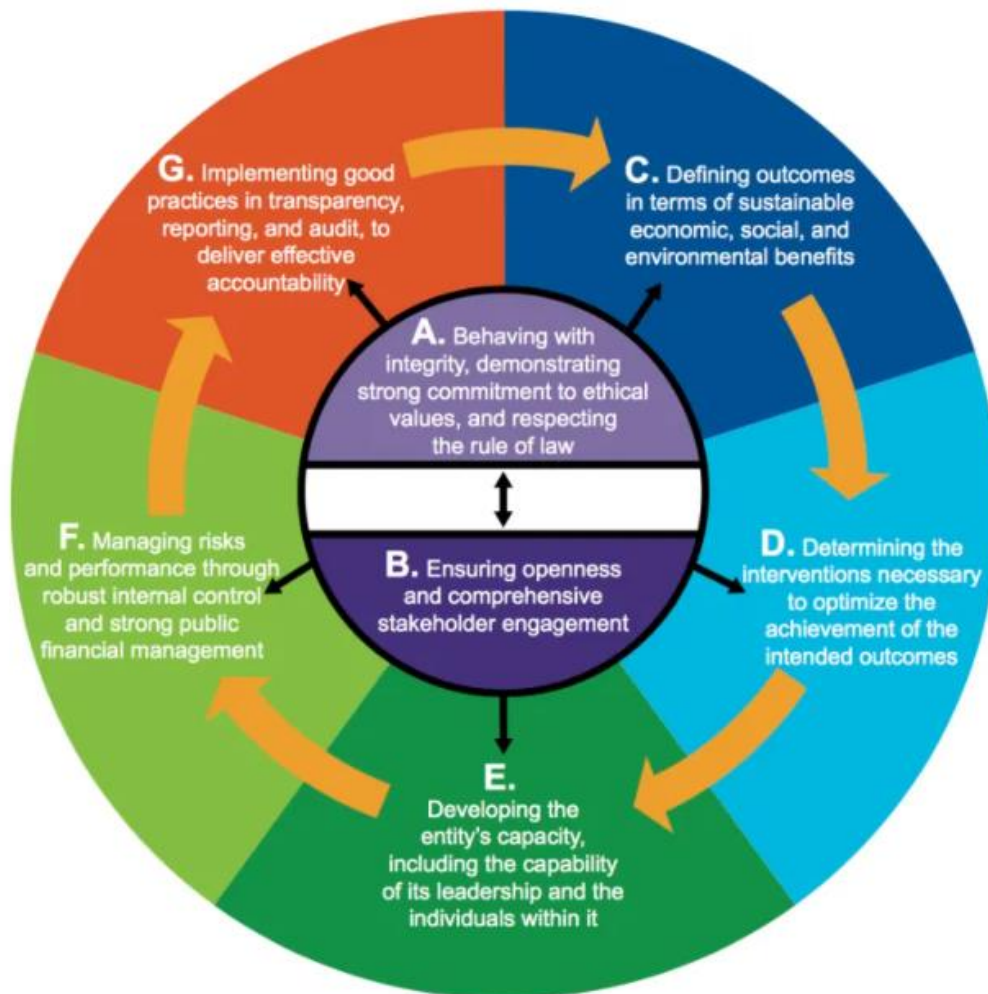
4.6

The Constabulary has continued to mature its **Corporate Risk** and **Organisational Risk** Management processes linking directly to existing governance arrangements. Organisational Risks

with mitigated risk values between 9 and 12 (on the 5 x 5 risk matrix) are aligned to Committees for regular Committee Risk Reporting whereby the PMO select risks for review, discussion, update, and action.

4.7

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.





CIPFA Principles for Good Governance

5 The CIPFA Principles

5.1 **Principle 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 & Somerset, underpinned by our values. These are

-  **Mission** Serve. Protect. Respect
-  **Vision** Outstanding policing for everyone



Value

Caring. Courageous. Inclusive. Learning

The Chief Constable, and the Chief Officer Group set the tone for the organisation by creating a climate and culture of openness, support, and respect, reinforced regularly through internal communication and engagement, and demonstrating how we live our values every day.

A new **Code of Ethics** was launched by the College of Policing in January 2024 comprising three separate complementary products: Ethical Policing Principles, Guidance on Ethical and Professional Behaviour and a Code of Practice for Ethical Policing. The Code has been developed to help Forces create the environment and culture where people can follow the Code of Ethics and succeed. A number of activities are now being progressed to embed the new code into the Constabulary. These include internal and external messaging, reviewing of all policy and procedure documents, inclusion within recruitment, promotion and vetting processes, inclusion within internal First Line Managers CPD, mandatory College Learn training modules, inclusion within the annual Individual Performance Review (IPR) process and inclusion within our planned 2024/25 People Survey. Assurance of embedding is governed through the People Committee.

The Code of Ethics is now also reflected through robust **Procedure Management** with appropriate narrative included in all Procedures and management information available to track completions. The reference in Constabulary procedures reads as follows: “Ethical policing requires courage, respect and empathy, and public service. These principles help us make and reflect on our professional decisions, guiding us in our day-to-day duties. They form the basis of the Code of Ethics helping people in policing to do the right things, in the right way, for the right reasons. In an organisation where decisions are often made in high pressure situations, adherence to a strong ethical framework is paramount. The Code of Ethics is more than just a set of regulations, it reflects our commitment to increasing trust within our communities. By upholding these ethical standards, we ensure that the public can rely on us to act justly, transparently, and with integrity. The procedures, direction and processes set out in this document support these principles and aid decision making”.

The Constabulary IPR software (to be replaced from 2025/26) has a mandatory Integrity Health Check configured which helps Line Managers structure integrity conversations with staff plus links to useful resources. The Health Check is comprehensive and covers areas such as professional boundaries, GDPR awareness, Business Interests, Notifiable Associations, Standards of Professional Behaviours, Annual Security Questionnaire and Changes in Personal Circumstances. The Health Check must be completed before IPR finalisation.

The Professional Standards Department oversees complaints, misconduct, and vetting processes that provide the formal structures for maintaining the right behaviours. 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.

The Professional Standards Department works in a variety of ways to ensure that everyone who works in Avon and Somerset Constabulary demonstrates the highest levels of personal and professional standard of behaviours. The department receives and records complaints from members of the public against those who work in Avon & Somerset Constabulary, each complaint is assessed and managed in accordance with the Police Complaints and Misconduct Regulations 2020 and IOPC Statutory Guidance.

As part of the Force Management Statement 2023/24 submission for Professional Standards several strengths in service delivery were identified including the delivery of Operation HOLDEN (organisation wide vetting review), increased vetting aftercare and vetting reviews, use of HMICFRS reports and recommendations to drive improvements, local continuous improvement activity and the development of system interfaces to make the process of vetting more efficient and effective. Professional Standards are developing a new performance framework, which link strongly to the Constabulary's corporate change programme "Building Trust and Confidence". Further efficiency gains through robotics process automation are expected which will complement the unit investment secured in 2023 which has seen the introduction of new roles such as a PSD Researcher and Sexual Misconduct Liaison Officer.

Our Ethics Committee strengthens our approach to ethical decision making by meeting six times per year, chaired by an independent academic. It provides a platform to debate and engage in ethical dilemmas and decisions related to effective service delivery.

5.2 Principle B: Ensuring openness and comprehensive stakeholder engagement

Engaged Communities

The Constabulary has a comprehensive Independent Advisory Group (IAGs) Framework built around a range of IAG's reflecting strategic areas, geography, and young persons and these continue to evolve proactively. We have commissioned a review of our Delegated Safeguarding Partnerships support and will look to design a revised delivery model through consensus with Chief Executives.

A significant amount of activity has been delivered as part of our Constabulary Portfolio of Change and the **Race Action Plan** Project. During the last twelve months we have developed a Deferred Prosecution Model Business Case and undertaken a commissioning process. We have supported the "I want to be seen poem and accompanying film" by local city poet Miles Chambers. We have developed an anti-racism strategy developed following collaborative workshops both internally and externally. We have established a Community Engagement Network. We have completed a deep dive analysis of disproportionality within police staff and police officer recruitment processes and promotion process. We have delivered Race Matters CPD for front line officers. We have revised and developed our Stop & Search policy. We have supported a Stop & Search social media piece in collaboration with creative power town - created by young people for young people on understanding their rights. We have introduced lived experience tactical advisors introduced within PSD. We have built new partnerships with local community media outlets - UJIMA and BCFM. We have reviewed the seven point promise to better support staff who have been victim of racial abuse or assault.

We are continually planning our next steps. We are developing our Annual Report marking the one year anniversary since institutional racism was declared. We are launching a Deferred Prosecution Model and a decision making app for officers. We are extending our Race Matters training across the organisation. We plan to introduce an Influencers Network and also an Independent Scrutiny and Advisory Board. We are introducing platforms to better understand our data and to identify further areas of disproportionality. Furthermore, we are introducing a QR code and feedback process following Stop & Search encounters. We are introducing a process to initiate early community engagement following any critical incident involving use of powers. Finally, we are using the findings

of the deep dive analysis into recruitment/promotion processes to develop action plans to improve representation.

We continue to support and participate in the PCC scrutiny panels, through which local people from a diverse range of backgrounds monitor the use of policing powers such as the use of force, or the use of stop and search.

The Joint Audit Committee continues to operate on a quarterly basis providing the opportunity for independent external scrutiny of Constabulary delivery focussing on audit assessments and risk management.

An Engaged Workforce

The annual Constabulary People Survey was undertaken in the autumn on 2023 with just under 4,000 responses received. This level of employee engagement continues to provide a range of answers that has helped shape and influence our future plans.

Overall, our results show a stable and even improving picture, but we do not underestimate the challenges we have faced. Our continued aim is to create an environment where everyone feels able to put their hand up and suggest improvements, or challenge where they think we can do better and where everyone feels cared for.

The People Survey provides a snapshot for the organisation, but we understand the need to keep conversations going throughout the year. Covering the summer and autumn period in 2023 were the Chief Officer Talk Time sessions. These informal events were extremely popular – 43 sessions were held across 19 locations and 8 bases with over 650 attendees. Feedback was captured and consolidated by the Staff Office to identify themes.

Additionally, a series of off-site 'Leadership Time' workshops held between November 2023 and February 2024 enabled Chief Officers to engage with all leaders across the organisation. Through these sessions the role of all leaders in leading for the change we all want to see was explicitly set out and discussed.

Media Collaboration

The Constabulary worked with a documentary maker, Story Films, on a three-part series for Channel 4 giving the public a unique insight into the work of the Professional Standards Department and Counter Corruption Unit. These programmes aired from January 2024. We recognise that fundamental to us being able to deliver our vision of outstanding policing for everyone is the public having trust and confidence in the police. One of our values is "Courageous". We recognised that if we want to demonstrate legitimacy and win back trust and confidence, we must believe in our willingness to be transparent with the people we serve. This wasn't an easy decision to make but we saw it as an opportunity to practice what we preach and show real openness of how we handle allegations of misconduct.

This media collaboration showed we were not afraid to own up when we had got things wrong, and that this was an important part of the process of how we put them right. By facing into these issues, we showed our communities that we are committed to addressing them, committed to being better and not hiding from the public when they need to trust us. The documentary provided the opportunity to demonstrate how we are changing our organisational culture to help us deliver policing more effectively through rebuilding public trust and confidence.

5.3 Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Constabulary has a Sustainability Plan that it approved in 2021. This plan established new and stretching targets for the organisation to achieve by 2026/27. The Constabulary's Sustainability Plan focusses on four over-arching themes: 1. Climate Action 2. Responsible Consumption 3. Sustainable Communities 4. Internal and external partnerships to deliver change.

We report on progress through an Annual Sustainability Report presented to our Constabulary Management Board in Q1 each year. This was presented in May 2023, with the next update expected in Q1 2024/25. In May 2023 we reported how our carbon consumption stood at 36% of what it had been in 2010/11, reflecting the progress made to date and in particular our switch to renewable energy tariffs for electricity supply. The report explained the work we're taking forward to further decarbonise our estate, increase our use of onsite renewables such as PV cells on our police stations and buildings, and progress work towards greater use of electric vehicles throughout our fleet.

Our Medium-Term Financial Plan (MTFP) is reviewed and refreshed annually to forecast out for a five-year planning horizon. Through this plan we identify how we will make investment into policing that enable the Chief Constable and the Senior Officer Team to build a Force capable of successfully delivering outstanding policing for everyone.

The latest published MTFP shows a balanced budget in both 2024/25 and in 2025/26 based on current plans, with a growing deficit thereafter requiring further savings to be realised. The Constabulary Portfolio of Change provides the delivery mechanism for achieving a balanced budget in the years ahead.

5.4 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Constabulary manages its **BAU performance** interventions through the IPQR (Integrated Performance Quality Report) and PQA (Performance & Quality Assessment) process as part of the formal governance framework through the monthly Constabulary Management Board.

Products produced by our Performance & Insight Team provide organisational oversight of a complex performance landscape in a logical way. Central to the IPQR is the Performance Control Strategy which reflects the agreed Force level performance priorities for local improvement focus and delivery for crime and data integrity, investigative standards, rape and serious sexual offences, response timeliness, crime prevention and protecting the vulnerable. Each of these areas have individual Improvement Plans with performance tracked objectively through consistent metrics and reported to monthly Constabulary Management Board meetings.

Additionally, there is a clear focus on the outcomes linked to HMICFRS recommendations, with progress ratings provided by assigned business leads. The Performance & Quality Assurance process supports a sequenced deep dive into each of the HMICFRS PEEL Inspection Questions.

The organisation has made a conscious decision to not set additional recommendations through the Constabulary Management Board. Other elements of the formal governance framework (largely at

Committee level), where more tactical / local interventions are discussed, are subject to PMO disciplines of Meeting Capture and Action Log management.

Complementing Business As Usual performance interventions processes is the delivery of transformative change through the **Constabulary Portfolio**. The objectives of portfolio delivery are twofold – for the Constabulary to achieve outstanding policing outcomes and realise requisite budgetary savings. The Portfolio construct is 8 x Programmes of work as below

- ✚ **Programme #1** – Right Service, Right People, Right Time
- ✚ **Programme #2** – Protecting the Vulnerable and Putting Victims First
- ✚ **Programme #3** – Investigative Standards and Tackling Perpetrators
- ✚ **Programme #4** – Building the Foundations for a Skilled Workforce
- ✚ **Programme #5** – Digital, Data, and I.T. Futures
- ✚ **Programme #6** – Developing a Cost Conscious Organisation
- ✚ **Programme #7** – Building Trust and Confidence
- ✚ **Programme #8** – Estate & Fleet Fit for the Future

Across the Portfolio are over 50 live Projects (as of May 2024) covering a breadth of activity. This includes developing our response to the national Right Care Right Person approach, developing our holistic to vulnerability, embedding the national SOTERIA / BLUESTONE approach across investigations, investing in our leadership model, balancing and delivering a complex national, regional and local information technology landscape, balancing our revenue position, understanding how we can provide public confidence and reassurance and finally developing our physical assets so that we have a modern and efficient estate. This list is not exhaustive. The cumulative improvements will be significant.

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

Uplift Growth

As of the end of March 2023, we have achieved our officer target headcount on 3,291 after delivering, a net increase of 456 officers as our share of the national police officer uplift. In addition, we achieved recruitment of a further 40 officers to assist with national targets. Through the settlement announcement, £8.7M of grant funding has been ringfenced for uplift and will only be payable to us in arrears upon maintaining officer numbers. A further one-off grant will also be paid in 2024/25 to maintain the surplus 40 officers through until at least March 2025. Delivering and maintaining this growth in police officer headcount has been and will remain a focus for the Constabulary.

Workforce Planning

We understand the need to maintain and develop our police officers effectively and to achieve this we have invested in our Workforce Planning (WFP) capability. The Workforce Planning Unit growth brought about the introduction of roles including that of insight specialists. The primary responsibility of this role is to improve our analytical offering to the organisation in providing recommendations, with insight, to support decision-making on key people matters.

Since new roles have started, we have

- ✚ Improved the presentation and accuracy of existing trajectories of staffing establishment numbers relating to key organisational roles including the Communications Department, allowing for better business decision making using insight

- ✚ Analysed organisational vacancies, considering the level of vacancy, time vacant amongst other metrics, to support better understanding of business need
- ✚ Reviewed disproportionality in our processes, such as recruitment of Officers and Promotion, making recommendations for areas to consider further investigation or improvement activity
- ✚ Interrogated our attrition statistics in some key business areas to support business modelling, understanding where we have attrition to e.g. internal or external, its volume and frequency and at what point within a career it occurs

Further work in this area is planned to continue to help strengthen our capacity and capability planning.

Leadership

We are always thinking about ways we can improve our training offer and supporting staff through targeted continued professional development. For 2024, we have a focus on two new courses being delivered as part of the First Line Leaders Programme. This Programme will be transformational and do more to define leaders and managers individual roles, responsibilities, and accountability, at every level of the organisation. The Programme was a year in the planning, taking initial College of Policing materials but expanding for our local context.

January saw the launch of the First Line Leaders Launchpad course for Officers and Staff who have been newly promoted to substantive First Line Manager roles. The five-day course covers the key areas of Leading Self; Leading Others; Leading Teams; Leading Situations; and leading Culture and gives a comprehensive and practical approach to understand, develop, and implement good leadership practices. The First Line Leaders Accelerator course went live in February for Officers and Staff in existing substantive First Line Manager roles. This is a three-day course learning to lead teams, lead situations, and lead culture. These courses sit alongside the Future First Line Leadership course launched in October 2023.

We recognise the expectation to have leadership training – after all everyone is a leader. Leadership is a skill we all must learn – simply having the potential to lead is not enough. Learning is one of our four values and goes hand in hand with leadership. We understand that good leaders never stop learning and developing, taking their development into their own hands, constantly on a journey of improvement.

As part of the new Training Programme, we have launched the Target Leadership Model, which clearly defines the competencies all Team Leaders should be aiming for in their own leadership practice. It's relevant to everyone as it sets out our clear expectations.

Additionally, the Avon & Somerset Leadership Days cumulatively bring together more than 1,000 leaders from across the organisation to focus on the Avon & Somerset strategy, specifically the Strategic Imperatives and how they relate to each individual leaders' team. These leadership days will be repeated in January 2025 to further embed the strategy, progress through the five-year strategic plan, and have a focus on the tangible outcomes.

5.6 Principle F: Managing risks and performance through robust internal control and strong public financial management

The Constabulary Governance Framework has further evolved during 2023/24 and demonstrates robust approaches to the management of performance indicators, organisational and corporate risk, and financial management.

Performance indicators (KPIs)

Through our strategic planning workshops in 2022/23 Senior Leaders identified eighteen strategic outcomes and for each several KPIs were aligned. Their management (i.e. tracking progress against target) has been aligned to specific meetings within the formal governance framework to ensure regular scrutiny and accountability. Committee Insight Reports are developed and presented by our Performance & Insight Team.

Risk Management

Constabulary risk management processes and framework were subject to a favourable internal audit review in 2022 and continue to evolve 2-3 years after implementation. Risk is managed at two levels – Organisational Risk (mapped by Directorates and Departments) and Corporate Risk (seven static risks subject to quarterly review). Risks are assessed using a subjective 5 x 5 risk matrix with mitigated risk values determine how / where risks are managed within the governance framework. Risk escalations are used to provide options for resolution of risks as required. The Joint Audit Committee provides external and independent scrutiny of the corporate risks which adds transparency and legitimacy to the process. The PMO is a member of the National Risk Management Group to capture any national learning to further develop the approach with a focus in 2024 on risk appetite and risk training.

Financial Management

Financial Management within the Constabulary is intrinsic within all levels of the governance framework. The strategic financial goals and challenges are reviewed at our quarterly Strategic Planning Meetings which also receives regular updates on the development and headlines of the Medium-Term Financial plan (MTFP). Our Medium-Term Financial Plan (MTFP) provides the financial outlook, context, and resourcing principles for the annual budget setting process. It outlines, in broad terms, the specific service and funding issues over the 5-year period and how the PCC will, within these financial constraints, fund priorities and ensure financial sustainability and resilience. Our MTFP needs to be responsive to changing national and local conditions and is therefore a living document subject to annual review, with our current plan covering 2024/25 – 2028/29.

This MTFP reflects the tightened financial constraints within which everyone is now managing. The plan builds on the announcements made in the Governments police funding settlement in December 2023, reflecting the growth in grant funding and the policing precept increase for 2024/25. The plan then builds on these assumptions in subsequent years, forecasting that funding will increase by £49.6M/13.4% by the 2028/29 financial year. These forecasts are made within the context that policing in Avon & Somerset continues to be under-funded compared to our need and to comparable forces around the country. Our funding per head of population is below national average, and below the funding levels seen in those force areas with one of the other core cities in England and Wales. The Government continues to confirm its intention to consult on the formula for the distribution of police funding, however this has not yet commenced. We remain hopeful that the Governments review of the police funding formula will address some of this imbalance. The MTFP has annual formal sign-off via the Constabulary Management Board and OPCC Governance & Scrutiny Board. These arrangements are well-established.

At a more tactical level the Finance & Assets Committee meets six times a year working to a set agenda with sequenced substantive agenda items. These include the annual Efficiency Savings Report, Year End Accounts and Annual Governance Statement Plan, Quarterly Revenue and Capital Outturn Report, Reserves Reporting and Financial Planning Assumptions. Constabulary investment

decisions are framed through Outline and Final Business Cases that are subject to scrutiny and sign-off via the Portfolio Steering Board, Constabulary Management Board and Governance & Scrutiny Board.

5.7 Principle 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 and decision notices from meetings such as the Joint Audit Committee (JAC) and the Governance and Scrutiny Board (GSB). The Chief Constable and Deputy Chief Constable also participate in the publicly broadcast Performance and Accountability Board, which aims to increase public confidence, transparency, and engagement by carrying out effective scrutiny and accountability concerning core policing functions, especially pertaining to performance against the PCCs Police and Crime Plan and the National Crime and Policing measures.

JAC is an independent, non-executive body that plays a vital part in the governance and risk management of the OPCC and the OCC. JAC meetings are held quarterly and open to members of the public to attend. The purpose of the JAC is to provide independent oversight and advice on governance and risk management, allowing 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. All papers presented to JAC, including risk registers and documents from our internal and external auditors, are published on the PCC's website allowing public members to access these reports and their contents. In addition, quarterly financial performance reports presented to the GSB are also published, with all documentation adhering to Government Security Classification (GSC) markings.

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, a number of areas for audit were covered in 2023/24. Some of these audits included tutoring (Reasonable grading), POCA (Reasonable), Estates (Limited), Key Financial Controls (Reasonable), Cash Handling (Reasonable), Corporate Performance Management (Reasonable), Wellbeing (Reasonable).

Transparency is also displayed through the development, submission (to HMICFRS) and publication (via the external website) of the annual Force Management Statement (FMS). This comprehensive annual organisational self-assessment is central to our strategic planning cycle and has been used to support an organisational SWOT analysis to inform our Q4 Strategic Planning Meeting and influence our portfolio design. The FMS includes a number of subjective assessments looking at demand, resources and capabilities built around 4 HMICFRS questions pertaining to Demand, Assets, Business Plans and Risks. These assessments are repeated for over 40 Directorate, Department, and thematic areas of service delivery and provide an extremely candid view of performance, planning and challenges.

6 Review of Effectiveness

6.1

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.

The central oversight and management of the Constabulary Governance Framework provides consistency and identifies opportunities for further efficiencies. For 2023/24, this position has been further strengthened by a new Chief Officer Group ACC role with responsibility for Strategic Performance, Planning and Change.

The iterative development of the governance framework has continued since the independent support with a focus on efficiency and within the last twelve months the following changes have been made

- ✚ Alignment of the Investigative Standards Forum to the governance framework.
- ✚ The introduction of the Operational Improvement Committee
- ✚ The commitment to publish timed agendas to help manage business in a timely manner
- ✚ The pre-briefing of the Chair for specific meetings (e.g. Constabulary Management Board and Portfolio Steering Board) to highlight key discussion points
- ✚ The annual revision of all Terms of Reference documents for all Governance Framework Meetings (next scheduled by the PMO for June 2024)
- ✚ A commitment to forward diary management working in September to map all meetings for the subsequent financial year (i.e. an 18-month window)
- ✚ A focus on meeting behaviours moving away from presentations where possible
- ✚ A focus to ensure fewer more meaningful actions are set / captured

The PMO produces Meeting Capture Summaries (not minutes) which capture decisions for audit trail but not unnecessary detail.

A formal Post Implementation Review of the Governance Framework has been scheduled but has been delayed recognising the need to allow for an establishment way of working to establish over a 12 month period noting there have been substantive changes as late as early 2024.

6.2 His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

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

'PEEL' Inspection

The primary framework by which police forces are inspected by HMICFRS is called 'Police Efficiency, Effectiveness and Legitimacy' (PEEL). This programme has evolved over time to become an intelligence-led, continual assessment approach, rather than the annual PEEL inspections we used in previous years. HMICFRS assess forces against the characteristics of good performance, and more clearly link their judgments to causes of concern and areas for improvement. The judgements are made across five tiers, those being

- ✚ Outstanding
- ✚ Good
- ✚ Adequate
- ✚ Requires improvement
- ✚ Inadequate

As a result, HMICFRS can state more precisely where they consider improvement is needed and highlight more effectively the best ways of doing things. However, these changes mean that it isn't

possible to make direct comparisons between the grades awarded this year with those from previous PEEL inspections. A reduction in grade, particularly from good to adequate, does not necessarily mean that there has been a reduction in performance, unless specifically stated in the Force’s report.

The HMCIFRS 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. Avon & Somerset were inspected in October 2022, with the HMCIFRS final report published in March 2023, in which we were assessed and graded as follows

Outstanding	Good	Adequate	Requires Improvement	Inadequate
Treatment of the public	Developing a positive workplace	Preventing crime	Recording data about crime	
	Good use of resources	Protecting vulnerable people	Investigating crime	
			Responding to the public	
			Managing offenders	

The next PEEL Inspection of Avon & Somerset is in 2024, Initial fieldwork has begun with more formal inspection activity scheduled for the autumn ahead final reporting to follow in January 2025. The updated HMCIFRS inspection outcomes will be reported in the 2025 Annual Governance Statement.

6.3 Significant Risks

The latest assessment of the Corporate Risk Register was completed in March 2024. The RAG assessments of the 7 x corporate risks are highlighted in the table below.

Corporate Risk Mitigated Value Assessments		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Significant (4)	Severe (5)
Likelihood	Very likely (5)					
	Likely (4)				Information Governance, Data & Digital	
	Possible (3)			Governance	Service, Infrastructure	Finance, People, Confidence & Legitimacy
	Unlikely (2)					
	Very unlikely (1)					

The latest assessment illustrates that 4 of the 7 corporate risks currently have a mitigated risk value of over 16 and therefore could be classified as “significant” risks at this time. However, for each there are defined mitigations in place. For **Finance**, our proactive savings identification work means we

are reporting a balanced budget for 2024/25 and 2025/26. For People, we recognise the relative levels of inexperience with our workforce but are investing heavily in Leadership Models and Training. For Information, Governance, Data & Digital we are implementing a new Information Governance Framework and developing our Artificial Intelligence Strategy. For Confidence & Legitimacy, we understand the impact but also benefits of the Story Films documentary but also the influence of the national context on public perceptions of legitimacy. The corporate risks are scheduled for their next review in June 2024.

7 Governance Issues

7.1

Throughout 2023/24, we have continued to evolve our governance arrangements and looked to identify and implement efficiencies. There is now a greater understanding of our governance mechanisms and how they drive our day to day business. We have used elements of governance such as the Portfolio Steering Board to land and support our new 7 stages of project management. We have ensured other organisational processes such as risk management, benefits management and organisational learning are hard-wired into our governance arrangements. The new Constabulary Portfolio of Change makes use of the governance framework not only for stage gate reviews but also Programme Highlight reporting at Committee level.

Finally, while we recognise the healthy state of our internal governance, we remain aware of the need to continually review our existing partnership and collaborative governance arrangements. There is now increased visibility of highlight reporting of regional governance forums via the Constabulary Management Board, and we have recently agreed investment to support work with delegated safeguarding partners.

8 Conclusion and Certification

8.1

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
May 2024

Nick Adams LLB (Hons), FCA
Chief Finance Officer to the OCC
May 2024

Office of the Chief Constable for Avon & Somerset

Comprehensive Income and Expenditure Statement for Year Ended 31 March 2024

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.

OCC Expenditure £'000	OCC Income £'000	Total 2022/2023 £'000	Comprehensive Income and Expenditure Statement - OCC	OCC Expenditure £'000	OCC Income £'000	Total 2023/2024 £'000
539,901	-53,969	485,932	Police Services	487,582	-67,874	419,708
-539,901	53,969	-485,932	Intragroup funding adjustment	-487,582	67,874	-419,708
0	0	0	Net cost of police services	0	0	0
		110,987	Net interest on pensions			121,500
		-110,987	Intragroup adjustment (pension interest cost)			-121,500
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
		1,879,534	Intragroup adjustment (Re-measurement of pension assets and liabilities)			117,909
		-1,879,534	Re-measurement of pension assets and liabilities (note 13)			-117,909
0	0	0	Other comprehensive income and expenditure	0	0	0
0	0	0	Total comprehensive income and expenditure	0	0	0

Office of the Chief Constable for Avon & Somerset

Movement in Reserves Statement 2023/2024 and 2022/2023

All reserves are held by the PCC.

Movement in reserves statement 2023/2024					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	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 2023/2024	0	0	0	0	0
Balance as at 31 March 2024	0	0	0	0	0

Movement in reserves statement 2022/2023					
	Revenue General Fund	Capital Receipts Reserves	Total Usable Reserves	Total Unusable Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2022	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 2022/2023	0	0	0	0	0
Balance as at 31 March 2023	0	0	0	0	0

Office of the Chief Constable for Avon & Somerset

Balance Sheet as at 31 March 2024

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

2023 £'000	Balance Sheet	2024 £'000
	Long term assets	
2,644,892	Long term intragroup debtor	2,634,843
2,644,892	Total non-current assets	2,634,843
17,075	Intragroup debtor	19,104
17,075	Total current assets	19,104
-12,975	Creditors (note 17)	-14,570
-4,100	Short term provisions (note 18)	-4,534
-17,075	Total current liabilities	-19,104
	Long term liabilities	
-25	Provisions (note 18)	0
-2,644,867	Net defined pension liability (note 13 to 15)	-2,634,843
-2,644,892	Total long term liabilities	-2,634,843
0	Net assets	0
0	Total usable reserves	0
0	Total unusable reserves	0
0	Total reserves	0

Signature

Nick Adams LLB (Hons), FCA

Chief Finance Officer to OCC

Date

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 2024 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.

Cash Flow Statement		
2022/2023		2023/2024
£'000		£'000
0	Net surplus(-)/deficit on the provision of services	0
328	Increase(-)/decrease in provision charged back to service	-410
1,367	Increase in long and short term debtors	2,005
-1,695	Increase(-) in long and short term creditors	-1,595
	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

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 2023/2024 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.

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

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 2022/2023 and 2023/2024.

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 employee'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 this 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 can become 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 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 Comprehensive Income and Expenditure Statement (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 end 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 group 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 as an expense to the appropriate line in the comprehensive income and expenditure statement when the group has an obligation, and are measured at the best estimate at the balance sheet date of the expenditure to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the balance sheet and estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required or a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service.

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 operational 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 by CIPFA and are unlikely to have a material impact on the financial statements.

- ✚ Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- ✚ Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- ✚ Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- ✚ International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- ✚ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

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 Liability

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.

Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes are closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sargeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

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	2,580,129	2,621,719	2,664,431
Projected service cost	37,944	39,507	41,125
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,626,496	2,621,719	2,616,970
Projected service cost	39,534	39,507	39,479
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,660,453	2,621,719	2,584,040
Projected service cost	41,148	39,507	37,923
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	2,711,015	2,621,719	2,535,512
Projected service cost	40,930	39,507	38,118

Police Staff Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	521,323	531,786	542,567
Projected service cost	16,176	16,843	17,535
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	532,752	531,786	530,830
Projected service cost	16,854	16,843	16,832
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	541,809	531,786	522,064
Projected service cost	17,545	16,843	16,166
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	548,924	531,786	515,228
Projected service cost	17,470	16,843	16,232

4.2 Short and Long Term Provisions

In determining the provisions set aside at 31 March 2024 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.

2022/2023						2023/2024				
As reported to Management	Adjustments to arrive at the chargeable to general reserves	Net expenditure chargeable to general fund	Adjustment between accounting and funding basis	Net expenditure in the comprehensive I & E		As reported to Management	Adjustments to arrive at the chargeable to general reserves	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
348,285	53,320	401,605	84,327	485,932	Police Services	364,871	65,969	430,840	-11,132	419,708
-348,285	-53,320	-401,605	-84,327	-485,932	Intragroup adjustment	-364,871	-65,969	-430,840	11,132	-419,708
0	0	0	0	0	Net cost of police services	0	0	0	0	0
0	0	0	110,987	110,987	Net interest on pensions	0	0	0	121,500	121,500
0	0	0	-110,987	-110,987	Intragroup adjustment (Pension interest cost)	0	0	0	-121,500	-121,500
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

Adjustments to arrive at the chargeable to general reserves column consists of the transfers to & from reserves and intercompany charges.

2022/2023				OCC Expenditure and Funding Analysis	2023/2024			
Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000		Capital Purposes £'000	Pension Adjustment £'000	Other Adjustment £'000	Total Adjustment £'000
-1,131	87,945	-2,487	84,327	Police Services	2,194	-13,615	289	-11,132
1,131	-87,945	2,487	-84,327	Intragroup adjustment	-2,194	13,615	-289	11,132
0	0	0	0	Net cost of police services	0	0	0	0
0	110,987	0	110,987	Net interest on pensions	0	121,500	0	121,500
0	-110,987	0	-110,987	Intragroup adjustment (Pension interest cost)	0	-121,500	0	-121,500
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

2022/2023 £'000	Income and Expenditure analysed by nature	2023/2024 £'000
294,084	Employee costs	318,874
13,138	Premises costs	17,355
6,068	Transport costs	5,501
41,356	Supplies & services	44,457
16,206	Partnership costs	18,744
15,600	Misc, central, & grants	20,782
11,179	Depreciation, amortisation, & impairment	15,235
89,361	Employee benefit expenses	-11,974
110,987	Net interest on pensions	121,500
52,909	Net deficit on Police Pension fund	58,607
-650,888	Intragroup adjustment	-609,081
0	Total expenditure	0
-18,313	Sales, rent, fees, & charges	-18,532
-1,395	Seconded officers	-1,362
-12,294	Counter terrorism policing grant	-17,930
-718	Serious violence grant	-801
-4,688	Uplift grant	-8,090
-13,466	Officer pensions grant	-18,331
-2,828	Other specific grants	-2,828
53,702	Intragroup adjustment	67,874
0	Total income	0
0	Surplus/deficit on provision of services	0

The employee benefit expense line includes the holiday pay charge, pension costs and employers' contribution. This year it is a credit value due to the pension costs being lower than the employer's contribution.

8 Paying Staff

Disclosure of Remuneration for Senior Employees 2023/2024					
Post Holder Information (post title and name)	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
	£	£	£	£	£
Chief Constable - S Crew	175,706	8,570	184,276	54,469	238,745
	<u>175,706</u>	<u>8,570</u>	<u>184,276</u>	<u>54,469</u>	<u>238,745</u>

Disclosure of Remuneration for Senior Employees 2022/2023						
Post Holder Information (post title and name)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2022/2023	Pension Contributions	Total Remuneration Including Pension Contributions 2022/2023
		£	£	£	£	£
Chief Constable - S Crew		168,020	11,466	179,486	52,086	231,572
		<u>168,020</u>	<u>11,466</u>	<u>179,486</u>	<u>52,086</u>	<u>231,572</u>

Disclosure of Remuneration for Senior Employees 2023/2024

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2023/2024	Pension Contributions	Total Remuneration Including Pension Contributions 2023/2024
		£	£	£	£	£
Deputy Chief Constable - N Watson	1	97,843	0	97,843	0	97,843
Deputy Chief Constable - J Reilly	2	65,365	0	65,365	19,294	84,659
ACC - Strategic Improvement		131,845	0	131,845	38,547	170,392
ACC - Investigations & Operational Support		120,061	0	120,061	34,894	154,955
ACC - Neighbourhoods, Partnerships & Response	2	76,443	0	76,443	22,341	98,784
T/ACC - Neighbourhoods, Partnerships & Response	3	40,438	0	40,438	12,282	52,720
Chief Officer - Finance, Resources and Innovation		126,068	12,677	138,745	23,449	162,194
Chief Officer - People and Organisational Development	4	120,500	0	120,500	21,018	141,518
Force Medical Officer - D Bulpitt	5	130,992	0	130,992	24,364	155,356
		909,555	12,677	922,232	196,189	1,118,421

Note 1 The Deputy Chief Constable retired on 31/10/2023

Note 2 ACC - Neighbourhoods, Partnerships & Response left this role on 31/10/2023 and was promoted to Deputy Chief Constable on 01/11/2023

Note 3 Temporary ACC - Neighbourhoods, Partnerships & Response appointed on 27/11/2023

Note 4 Chief Officer - People and Organisational Development permanently appointed on 08/05/2023

Note 5 Force Medical Advisor reduced their working hours to 16 hours per week from 01/11/2023

Disclosure of Remuneration for Senior Employees 2022/2023

Post Holder Information (post title)	Note	Salary (including fees & allowances)	Benefits in Kind	Total Remuneration Excluding Pension Contributions 2022/2023	Pension Contributions	Total Remuneration Including Pension Contributions 2022/2023
		£	£	£	£	£
Deputy Chief Constable - N Watson		151,413	0	151,413	0	151,413
ACC - Strategic Improvement		119,294	0	119,294	34,656	153,950
ACC - Investigations & Operational Support	1	10,268	0	10,268	2,975	13,244
ACC - Neighbourhoods, Partnerships & Response		127,830	0	127,830	37,302	165,132
Chief Officer - Finance, Resources and Innovation		120,330	12,677	133,007	19,614	152,620
Chief Officer - People and Organisational Development	2	101,945	8,200	110,145	16,617	126,762
Chief Officer - People and Organisational Development	3	17,456	0	17,456	2,660	20,115
Force Medical Officer - D Bulpitt		161,854	0	161,854	26,382	188,236
		810,389	20,877	831,266	140,206	971,472

Note 1 New ACC appointed on 27/02/2023

Note 2 Chief Officer – People and Organisational Development left ASC on 05/02/2023

Note 3 Chief Officer – People and Organisational Development temporarily appointed on 06/02/2003

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.

2022/2023 Number	Pay Range	2023/2024 Number
406	£50,000 - £54,999	543
252	£55,000 - £59,999	301
117	£60,000 - £64,999	209
26	£65,000 - £69,999	77
10	£70,000 - £74,999	17
13	£75,000 - £79,999	14
5	£80,000 - £84,999	10
5	£85,000 - £89,999	10
7	£90,000 - £94,999	1
2	£95,000 - £99,999	9
0	£100,000 - £104,999	1
1	£105,000 - £109,999	2
844		1,194

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 10 staff redundancies were recognised during the 2023/2024 year, the details of which are presented in the table below.

Compulsory & Voluntary 2022/2023		Exit Packages	Compulsory & Voluntary 2023/2024	
Number	£'000	Banding	Number	£'000
19	201	£0 - £19,999	6	43
5	134	£20,000 - £39,999	4	107
0	0	£40,000 - £59,999	0	0
0	0	£60,000 - £79,999	0	0
24	335		10	150

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.

2022/2023 £'000	External Audit Costs	2023/2024 £'000
	Chief Constable:	
26	Fees for external audit services paid to Grant Thornton	58
<hr/>		<hr/>
26		58
<hr/>		<hr/>

As part of the Government's response to the Redmond Review, the Department for Levelling Up, Housing, and Communities (DLUHC) provided a grant of £22,251 split by PCC £14,685 and CC £7,565 (2022/23 £21,886 split by PCC £14,105 and CC £7,780) 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 PCC in 2023/2024 were based on the scale fee. 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 PCC or to be controlled or influenced by the PCC. In doing this we are required 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 PCC and the OCC were 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. Sarah Crew is the Chief Constable. During 2023/2024 we have rendered £3,255 of services relating to the installation of an alarm at her home, following risk assessment of her role (no services were provided in 2022/2023).

11.2 Other Related Parties

The Home Office and the DLUHC exert significant influence on the PCC Group through legislation and grant funding.

The PCC also 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 £228,997 in 2023/2024 (£21,065 in 2022/2023). Payments were also made to the Avon and Somerset Constabulary Force Club in 2023/2024 of £6,705 (£14,641 in 2022/2023).

12 Joint Arrangements

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

2022/2023 Expenditure £'000	Joint Operations	2023/2024 Expenditure £'000
4,099	South West Regional Organised Crime Unit	5,073
1,619	Firearms Training	1,820
744	Counter Terrorism Specialist Firearms Officers	781
5,548	Major Crime Investigation (Brunel)	5,915
8,126	South West Forensic Services	8,743
103	Regional ACC	164
23	Disaster Victim Identification / Casualty Bureau	34
368	Other Regional Programmes	381
20,630	Total	22,911

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 £16,535,394 in 2023/2024 (£13,358,978 in 2022/2023).

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 2023/2024 was 39.9% for Avon and Somerset, 33.7% for Gloucestershire, and 26.3% for Wiltshire. The total cost of the operation was £4,131,185 in 2023/2024 (£3,679,798 in 2022/2023).

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 £1,457,290 in 2023/2024 (£1,386,930 in 2022/2023).

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 £9,242,729 in 2023/2024 (£8,668,710 in 2022/2023).

12.5 South West Forensic Services

South West Forensic Services is a collaboration between Avon and Somerset (34.9%), Devon and Cornwall (36.1%), Dorset (15.2%) and Wiltshire (13.8%) to provide forensic services. The total cost of the operation was £25,102,653 in 2023/2024 (£22,812,481 in 2022/2023).

12.6 Regional ACC

This post was put in place from May 2016 to oversee the regional collaborations for Forensics, Special Branch, SW ROCU, and Counter Terrorism Policing South West. 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 £529,422 in 2023/2024 (£324,764 in 2022/2023).

12.7 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 £111,479 in 2023/2024 (£75,200 in 2022/2023).

12.8 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 £1,190,601 in 2023/2024 (£1,182,565 in 2022/2023).

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 costs are then reversed through the movement in reserves statement so that there is no impact on the general fund, this transaction is then netted off by an intragroup adjustment in the MIRS to move the charge to the PCC accounts, this is evident through note 6 Expenditure and Funding Analysis table.

	Police Staff		Police Officers		Total	
	2022/2023 £'000	2023/2024 £'000	2022/2023 £'000	2023/2024 £'000	2022/2023 £'000	2023/2024 £'000
Comprehensive income and expenditure statement						
Cost of services:						
Current service cost	47,203	14,864	101,916	40,665	149,119	55,529
Administration expenses	267	254	0	0	267	254
Past service cost including curtailments	97	143	0	0	97	143
Financing and investment income and expenditure:						
Net interest cost	10,007	-1,349	100,980	122,849	110,987	121,500
Total post employment benefits charged to the comprehensive income and expenditure statement	57,574	13,912	202,896	163,514	260,470	177,426
Other post employment benefits charged to the comprehensive income and expenditure statement						
Return on plan assets	22,279	-39,123	0	0	22,279	-39,123
Changes in demographic assumptions	-63,726	-6,758	0	-10,022	-63,726	-16,780
Changes in financial assumptions	-419,207	-13,007	-1,651,214	-43,730	-2,070,421	-56,737
Experience gain/loss(-) on defined benefit obligations	59,708	1,585	224,308	6,067	284,016	7,652
Changes in effect of asset Ceiling	0	45,861	0	0	0	45,861
Other actuarial gain/loss(-)	1,131	0	-52,813	-58,782	-51,682	-58,782
Total other comprehensive income	-399,815	-11,442	-1,479,719	-106,467	-1,879,534	-117,909
Movement in reserves statement						
Reversal of net charges made for retirement benefits in accordance with the code	-57,574	-13,912	-202,896	-163,514	-260,470	-177,426
Actual amount charged against the general fund balance for pensions in the year						
Employer's contribution to scheme	18,292	22,562	36,422	39,477	54,714	62,039
Retirement benefits payable to pensioners	104	123	6,720	7,379	6,824	7,502

2023 £'000	IAS 19 Pension Liabilities	2024 £'000
-2,611,528	Police officers	-2,621,719
-33,339	Police staff	-13,124
-2,644,867		-2,634,843

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 have paid 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 £45,880,000 in financial year 2024/2025.

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.

2022/2023 £'000	Cost of Injury and Ill-Health Benefits - Police Officers	2023/2024 £'000
6,720	Payments to pensioners	7,379

2022/2023 £'000	Pensions Account	2023/2024 £'000
105,793	Benefits paid to officers	116,273
-52,884	Less contributions received	-57,666
52,909	Balance met from PCC Group	58,607

A full valuation of the pension scheme liabilities was undertaken for 31 January 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 officer's pensions has been made.

Life Expectancy from Age 65 Years	2023/2024	2022/2023
Current pensioners		
Males	21.3	21.2
Females	23.4	23.5
Retiring in 20 years		
Males	22.5	22.5
Females	24.7	25.0

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

2022/2023 %		2023/2024 %
4.80	Discount rate	4.90
3.90	Rate of increase in salaries	3.90
2.90	Rate of increase in pensions in payment	2.90
3.20	Change in Retail Price Index (RPI)	3.25
2.90	Change in Consumer Price Index (CPI)	2.90

The movement in the present value of scheme liabilities for the year to 31 March 2024 is as follows

2022/2023 £'000	Present Value of Police Pension Scheme Liabilities	2023/2024 £'000
-3,931,493	Present value of schemes liability as at 1 April	-2,611,528
	Movements in the year	
-101,916	Current service cost	-40,665
111,341	Estimated benefits paid (net of transfers in)	122,655
-15,386	Contributions by scheme participants	-17,017
-100,980	Interest costs	-122,849
1,651,214	Change in financial assumptions	43,730
0	Change in demographic assumptions	10,022
-224,308	Experience gain/loss on defined benefit obligations	-6,067
-2,611,528	Present value of schemes liability as at 31 March	-2,621,719

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2022/2023 £'000	Fair Value of Police Pensions Scheme Assets	2023/2024 £'000
0	Present value of schemes assets as at 1 April	0
	Movements in the year	
52,813	Other actuarial gain	58,782
43,142	Contributions by employer	46,856
15,386	Contributions by scheme participants	17,017
-111,341	Estimated benefits paid (net of transfers in)	-122,655
0	Present value of schemes assets as at 31 March	0

15 Pensions for Police Staff

Police staff can choose to join the Somerset 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.

2022/2023		Pension Costs - Police Staff	2023/2024	
Payments £'000	Percentage of Employees' Contributions		Payments £'000	Percentage of Employees' Contributions
18,286	130-296	PCC's contribution	20,827	130-296

During 2023/2024 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 £22,376,000 in financial year 2024/2025.

Since April 2023 the Constabulary has paid 18.6% of the employee salary in pension contribution (previously 16.3%) for current active members and an annual fixed sum to pay for past service deficit recovery. The fixed sum paid in 2022/2023 was £2,420,000, the amount due in 2023/2024 is £868,000.

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 January 2021. This work has been updated for the 2023/2024 financial year by independent actuaries to the Somerset 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 21 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		2023/2024	2022/2023
Current pensioners			
	Males	21.1	21.4
	Females	23.0	23.2
Retiring in 20 years			
	Males	22.4	22.7
	Females	24.4	24.7

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

2022/2023		2023/2024
%		%
4.80	Discount rate	4.95
3.90	Rate of increase in salaries	3.90
2.90	Rate of increase in pensions in payment	2.90
3.20	Change in Retail Price Index (RPI)	3.15
2.90	Change in Consumer Price Index (CPI)	2.90

The return on the pension fund assets on a bid value basis for the year to 31 March 2024 is estimated to be 2.83%. The estimated value of the PCC's share of the fund's assets is £564,523,000 on a bid value basis (2022/2023 £487,693,000). The assets are made up of the following

It should be noted that as interest rates have increased over recent periods, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £45.86m. The calculation assumes that:

- ✚ There is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund
- ✚ The Employer is a scheduled body and assumed to participate indefinitely
- ✚ Primary contributions are considered to be a minimum funding requirement
- ✚ The minimum funding requirement exceeds the current cost of accrual and so the potential economic benefit from future contribution reductions is nil

- ✚ An additional liability of £12,111k is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus
- ✚ The value of the asset ceiling is therefore (£12,111k).

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19.

2022/2023		Assets	2023/2024	
£'000	%		£'000	%
		Equities		
52,671	10.8	UK - Unquoted	56,484	10.0
292,031	59.9	Overseas - Unquoted	338,905	60.0
19,057	3.9	Private equity	19,205	3.4
363,758	74.6		414,594	73.4
		Gilts - Public Sector		
8,719	1.8	UK fixed interest	12,071	2.1
8,719	1.8	UK index linked	12,127	2.2
17,437	3.6		24,198	4.3
		Other Bonds		
34,825	7.14	UK	45,735	8.0
15,850	3.3	Overseas	22,868	4.0
50,675	10.4		68,603	12.0
39,130	8.0	Property	40,572	7.2
16,693	3.4	Cash (invested internally)	16,556	2.9
487,693	100	Total assets	564,523	100

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

2022/2023	Police Staff Pensions	2023/2024
£'000		£'000
487,693	Share of assets in pension fund	564,523
0	Changes in Asset Ceiling	-45,861
-519,921	Estimated liabilities in pension fund	-530,773
-1,111	Estimated unfunded liabilities	-1,013
-33,339	Deficiency in fund	-13,124

The movement in the present value of schemes obligations for the year 31 March 2024 is as follows

2022/2023 £'000	Present Value of Police Staff Liabilities	2023/2024 £'000
-882,896	Present value of defined obligations as at 1 April	-521,032
	Movements in the year	
-47,203	Current service cost	-14,864
15,084	Estimated benefits paid (net of transfers in)	17,771
-6,406	Contributions by scheme participants	-7,557
-22,843	Interest costs	-24,264
104	Unfunded pension payments	123
419,207	Change in financial assumptions	13,007
63,726	Change in demographic assumptions	6,758
-59,708	Experience loss(-)/gain on defined benefit obligations	-1,585
-97	Past service cost, including curtailments	-143
-521,032	Present value of defined obligations as at 31 March	-531,786

The movement in the fair value of scheme assets for the year to 31 March 2024 is as follows

2022/2023 £'000	Fair Value of Police Staff Scheme Assets	2023/2024 £'000
488,920	Fair value of scheme assets as at 1 April	487,693
	Movements in the year	
12,836	Interest on assets	25,613
-22,279	Return on assets less interest	39,123
-1,131	Other actuarial gain/loss(-)	0
-267	Administration expenses	-254
18,396	Contributions by employer	22,685
6,406	Contributions by scheme participants	7,557
-15,188	Estimated benefits paid (net of transfers in)	-17,894
487,693	Fair value of scheme assets as at 31 March	564,523

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 2023/2024 or 2022/2023.

17 Creditors

All creditors are accounted for by the PCC. Those which are accounted for within the OCC 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 2023/2024 is £14,570,000 (2022/2023 £12,975,000).

18 Short and Long Term Provisions

Short and Long Term Provisions	Balance 1 April 2023 £'000	Reversed Unused £'000	Used in Year £'000	New in Year £'000	Balance 31 March 2024 £'000
Ill-health & termination benefits	126	0	-126	616	616
Overtime liability	3,999	0	-1,813	1,732	3,918
	<u>4,125</u>	<u>0</u>	<u>-1,939</u>	<u>2,348</u>	<u>4,534</u>

The ill health and termination benefits provision of £616,000 is in respect of ill health retirement payments where approval was agreed at 31 March 2024.

The overtime liability provision at 31 March 2024 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 2024.

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 Compensation claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

19.2 Other Pension Cases

There is one further case which has been 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 2024 due to there being insufficient information upon which to make an accurate estimation

19.3 Airwave Solutions

On 22nd December 2023, it was announced that Airwave Solutions Ltd (Motorola) lost their appeal against the Competitions and Markets Authority (CMA) ruling that they had been in effect over charging for Airwave services. As a result, Avon and Somerset Constabulary were issued a credit

note and discounts of current invoices which to the end of 31 March 2024 total £167,204. The value and detail of the credit and discounts remains a subject of ongoing work between the Home Office, who are the central contract managers of the Airwave contract, and Motorola/Airwave.

There is a risk that Motorola/Airwave have further right to appeal against this finding which, if the appeal is upheld, would reverse the credit notes and discounts already received.

Office of the Chief Constable for Avon & Somerset

Police Officer's 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

2022/2023 £'000	Police Officers Pension Fund Account	2023/2024 £'000
	Contributions receivable	
	Employers contributions:	
-35,930	Normal 31% contributions	-39,477
-925	Ill health/early retirements	-175
-36,855		-39,652
	Employee contributions	
-11	1987 Police Pension Scheme	-10
-1	2006 Police Pension Scheme	-1
-15,374	CARE Police Pension Scheme	-17,006
-15,386		-17,017
-643	Transfers in from other schemes	-997
	Benefits payable	
89,100	Pensions	98,193
15,893	Commutations and lump sum retirement benefits	17,249
104,993		115,442
	Payments to and on account of leavers	
170	Refund of contributions	148
101	Transfers out to other schemes	159
529	Other	523
800		830
52,909	Net amount payable for the year	58,606
0	Additional contribution from the local policing body	0
-52,909	Transfer from Police Fund to meet deficit	-58,606
0	Net amount payable/receivable for the year	0

This note shows the pension fund account assets and liabilities as at 31 March 2024

31 March 2023 £'000	Pension Fund Net Assets	31 March 2024 £'000
	Current assets	
0	Amounts due from Central Government	0
	Current liabilities	
0	Amounts owing to pensioners	0
<hr/>		<hr/>
0	Net assets	0
<hr/>		<hr/>

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
APCC	The Association of Police and Crime Commissioners
APACCE	Association of Policing and Crime Chief Executives
ASPIRE	Internal Avon and Somerset development programme
Balance Sheet	This represents our overall financial position as at 31 March
BAU	Business As Usual
BCFM	BBC Local Radio – BCFM 93.2 FM
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
CCLA Property Fund	Churches, Charities and Local Authorities property fund. Manages investments for charities, religious authorities and the public sector
CFO	Chief Financial Officer
CIES	Comprehensive Income and Expenditure
CIPFA	Chartered Institute of Public Finance and Accountancy
CMB	Constabulary Management Board
Collection fund adjustment account	Difference between council tax cash received and the amount shown in the comprehensive income and expenditure statement
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
CoPaCC	Compares Police and Crime Commissioners
CPD	Continuous Personal Development
Creditors	Amounts which are owed to others
CSB	Constabulary Strategy Board
CSP	Community Safety Partnerships
CTSFO	Counter Terrorism Specialist Firearms Officers
Current assets and liabilities	Assets or liabilities which can be turned into cash or fall due within one year of the balance sheet date
Current service cost	The value of projected retirement benefits earned by pension scheme members in the current financial year
DARA	Domestic Abuse Risk Assessment
DASH	Domestic Abuse Stalking & Harassment
Debtors	Amounts which are due from others

Term	Definition
Depreciation	An amount set aside to pay for the gradual loss in value of our assets
DLUHC	The Department for Levelling Up, Housing, and Communities, formerly the Ministry of Housing, Communities and Local Government
The Drive Project	The Drive Project challenges and supports high-harm, high-risk perpetrators to change whilst working closely with partner agencies – like the police and social services – to manage risk and disrupt abuse
ERP	Enterprise Resource Planning
Expenditure and Funding Analysis	This shows the performance reported and the adjustments made to reconcile to the comprehensive income and expenditure statement
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction
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
Fixed assets	These are items such as land, buildings, vehicles and major items of equipment, which give benefit to us for more than one year
FMS	Force Management Statement
FRS	Financial Reporting Standards. Standards of accounting practice to be adopted to ensure that accounts provide a true and fair view
GAAP	Generally Accepted Accounting Principles. These refer to the standard framework of guidelines for financial accounting used in any given jurisdiction and generally known as accounting standards
GDPR	General Data Protection Regulations
GSB	Governance and Scrutiny Board
GSC	Government Security Classification
Historical Costs	These are the amounts paid at the time we bought the assets
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HMICFRS PEEL	The HMICFRS PEEL assessment stands for Police Effectiveness, Efficiency and Legitimacy
IAG	Independent Advisory Group
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)
I&E	Income and Expenditure Account
ICT	Information, Communications and Technology
IFRS	International Financial Reporting Standards. A set of international accounting and reporting standards that will help to harmonise company financial information across international borders

Term	Definition
ILM	Institute of Leadership and Management
Intangible fixed assets	Assets that are not physical such as software licences
IOPC	Independent Office for Police Conduct
IPM	Independent Panel Member
IPR	Individual Performance Review
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
IVC	Independent Custody Visitor
JAC	Joint Audit Committee
KPI	Key Performance Indicator
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LOBO loans	Lender Option Borrower Option loans are where the interest payable is agreed at the time the money is borrowed. If the lender wants to change the interest rate the borrower has the choice to pay at the new rate or repay the loan
LQC	Legally Qualified Chair
LRF reserve	Local Resilience Forum reserve
Minimum revenue provision	This is the lowest amount allowed by the Government which has to be charged to the accounts for repaying loans
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
OPCC	Office of Police and Crime Commissioner Staff employed by the Police and Crime Commissioner
Operation Holden	Organisation wide vetting review
PACCTS	Police and Crime Commissioners Treasurer's Society
PCB	Police and Crime Board
PCC	Police and Crime Commissioner for Avon and Somerset
PCC Group	The term PCC Group refers to the Police and Crime Commissioner (PCC) for Avon and Somerset and the office of the Chief Constable (OCC)
PCP	Police and Crime Plan
PCSO	Police community support officer
PFI	Private Finance Initiative
PMO	Portfolio Management Office
POCA	Proceeds of Crime Act
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 Governments assessment. The balance of funding is from business rates, revenue support grant and council tax

Term	Definition
Precept	The amount of council tax collected on the PCC's behalf by local billing authorities
Prepayment	A payment in advance for goods or services
Provision	This is the money we keep to pay for known future costs
PSD	Professional Standards Department
PV cell	A photovoltaic cell, commonly called a solar cell, is a nonmechanical device that converts sunlight directly into electricity
PWLB	This is the Public Works Loan Board, which is an organisation financed by the Government. It lends money to PCC's on set terms so that they can buy capital items
QR code	A machine-readable code consisting of an array of black and white squares, typically used for storing URLs or other information for reading by the camera on a smartphone
RAG	Responsible Authorities Group
Receipt in advance	Income received in advance of the financial year in which the services will be provided
Revaluation reserve	This account represents the increase in value of our assets since 1 April 2007 over the amount originally paid for them
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
Soteria/Bluestone	The national operating model for the investigation of rape and serious sexual offences (RASSO) arose from the work of Operation Soteria Bluestone
SPR	Strategic Policing Requirement
SWAP	South West Audit Partnership
SWOT	A framework for analysing the strengths, weaknesses, opportunities and threats related to the problem being considered
SWPPS	South West Police Procurement Service
SW ROCU	South West Regional Organised Crime Unit
TOR	Terms of Reference
UJIMA	Ujima Radio 98.0 FM
VRU	Violence Reduction Units