The Police and Crime Commissioner for Wiltshire

Group Statement of Accounts

2021/2022

Contents of the 2021/22 Police and Crime Commissioner for Wiltshire's Group Statement of Accounts

Narrative Report

The Police and Crime Commissioner for Wiltshire is required to publish an Annual Group Statement of Accounts. The Statement is presented in a format which complies with International Financial Reporting Standards (IFRS), the Code of Practice on Local Authority Accounting 2021/22 and the Accounts and Audit Regulations 2015.

The Statement of Accounts which follow disclose the 2021/22 financial results for the Police and Crime Commissioner for Wiltshire (PCC) and for the Group accounts as a whole (PCC and Chief Constable). Comparative figures for 2020/21 are also shown. The Chief Constable for Wiltshire Statement of Accounts is available separately.

The Statement of Accounts also reflect the local arrangements in place for Wiltshire Police and the guidance and regulations provided through the Police Reform and Social Responsibility Act 2011, the Financial Management Code of Practice for the Police Service 2019, Financial Regulations for the Police and Crime Commissioner for Wiltshire's Group and the scheme of delegation between the Police and Crime Commissioner and the Chief Constable.

The Office of the Police and Crime Commissioner for Wiltshire and the Chief Constable for Wiltshire Police.

The Police Reform and Social Responsibility Act 2011 sets out requirements for the Office of the Police and Crime Commissioner for Wiltshire (OPCC) and the Chief Constable for Wiltshire (CC) as two separate legal entities (corporations sole).

The Chief Constable is responsible for maintaining the Queen's peace and holds office under the Crown but is appointed by and accountable to the Police and Crime Commissioner for the delivery of efficient and effective policing through suitable management of available resources.

For accounting purposes the concept 'substance over form' requires that the economic substance of transactions and events must be recorded in the financial statements rather than just their legal form in order to present a true and fair view of the affairs of the entity. These accounts are produced in line with this concept and present the entity's financial position as set out in its financial regulations, scheme of delegations and other local arrangements.

The Chief Constable for Wiltshire has full operational control of Officers and staff with the exception of the OPCC staff and the related costs are disclosed in the Chief Constable's accounts and the Group Comprehensive Income and Expenditure Statement. This includes the Pensions costs.

The Police and Crime Commissioner has strategic control of all assets and liabilities and is responsible for establishing reserves and controlling all Cashflow. Due to this all balances or transactions recognised in the Group's Balance Sheet, Movement in Reserves Statement or Cashflow Statement are the responsibility of the Police and Crime Commissioner of Wiltshire. All income is recognised in the Comprehensive Income and Expenditure Statement of the Police and Crime Commissioner.

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief Constable's Balance Sheet. To recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities there is a long term pension creditor in his Balance Sheet of equivalent value to the pension liability. To represent the Chief Constable's use of the PCC's assets, the CC receives charges equivalent to the running costs and capital financing incurred by the PCC. This charge is recognised in the Comprehensive Income and Expenditure Statements.

Strategic Objectives & Performance

The Commissioner's Police and Crime Plan 2022-2025 set out the four key policing priorities for the next four years:

Priority 1 – A police service that meets the needs of its communities
- Increasing public confidence, trust and our policing engagement with communities
- Provide a quality of police service to all our communities
- Giving the Police the right tools for the job

Priority 2 – Reduce violence and serious harm
- Violence reduction and domestic abuse
- Violence Against Women and Girls
- Child abuse and Child Exploitation
- County Lines and Serious Organised Crime and exploitation

Priority 3 – Tackle crimes that matter most to local communities
- Anti-social Behaviour
- Road safety
- Rural crime and heritage crime
- Fraud, cyber crime and hate crime

Priority 4 – Improve the experience of victims and deliver justice
- Victim care and support
- Mental Health
- The criminal justice system
- Restorative Wiltshire
- Reduce re-offending

The Chief Constable is allocated a revenue budget and is responsible for operational planning to deliver these priorities.

The revenue budget consists of just over 80% staffing which, alongside reductions in funding and change in demand, leads to new challenges in the way policing needs to be delivered. Wiltshire Police has invested in new technology and remains focused on partnerships and collaborations that will bring costs down and improve effectiveness. Further details of joint operations are available in the notes to the accounts.

In response to the Commissioner's key policing priorities, the Chief Constable has set out a Control Strategy for the force.

2021/22 Control Strategy priorities:

- Exploitative Drug Networks and Drug Markets
- Modern Slavery and Human Trafficking
- Youth Violence and Gang Culture
- Serious and Organised Crime including Organised Crime Groups (with greater emphasis on Cyber, Fraud and Rural Criminality specifically linked to Organised Crime)
- Child Exploitation encompassing Criminal Exploitation and Child Sexual Abuse and Exploitation.

There are clear themes running throughout the priority areas – 'Drugs', 'Cyber Capabilities', 'Vulnerability and Exploitation' and 'Mental Health'. Digital technology is used to carry out offending in all the above areas and at the heart of all of the above are vulnerable victims, witnesses or offenders that are often being exploited.

The Control Strategy is a means of providing additional focus on some of the areas that have the greatest threat, harm and risk to the local communities or present the biggest gaps in terms of intelligence or understanding.

Quarterly and Annual reports are produced for the PCC to report performance for the key policing priorities and these are also scrutinised by the Police and Crime Panel.

Events that Impact the 2021/22 Accounts

COVID 19 Pandemic

During 2021/22 the COVID 19 pandemic continued to impact on the way we deliver policing activities. As the Government's response moved away from an approach involving lockdowns, testing and isolation towards the lifting of restrictions and a general 'business as normal', the PCC has followed this guidance with an organisational restart cell (ORC) formed to lead the workforce to its 'new normal'. The Cell is looking at each area of work to ensure that the way the organisation operates in future is fit for purpose in a post pandemic world.

The following narrative sets out how the organisation has managed the situation, continued to deliver effective operational policing and the impact it is having on the PCC's finances.

Impact on Service Provision

Demand on most front line areas decreased during the onset of the most restrictive Government regulations as crime reduced. During 2021/22 the demand on policing has largely returned to pre-COVID levels as the Governmental restrictions were lifted. Some areas of demand have in fact increased. There is particular concern surrounding the vulnerable in the community. Reporting and services available in this area have been promoted on social media. Domestic Abuse and Cyber Crime is a place where demand has increased.

Demand in certain enabling services has increased as there is a greater requirement for information, planning, and procurement.

Remote working from home has become a key strategy. The agile approach invested in some years ago has enabled this to occur for all non-frontline staff. A review of staff roles was undertaken and staff who can perform the majority of their work from home have been offered new contracts as agile workers. Wellbeing of staff is a priority for the organisation and a focus has been on how to support staff while working remotely. A number of support measures have been implemented including an agile working portal and a wellbeing hub to provide a large number of resources in support of staff.

The provision of Personal Protective Equipment (PPE) continues to be a critical matter and has been closely monitored as we see staff returning to offices. A national procurement chain was established which superseded the requirement for local procurement.

Communications played a vital role in ensuring that the large quantity of evolving guidance, best practice, direction and legal changes are effectively cascaded to appropriate audiences using various communications channels with regular updates published via email.

Recruitment and training have had to adapt rapidly with remote interviews and online training made available. This has been a particular challenge while the organisation strives to achieve an uplift in officer numbers in line with the Government expectation.

Reserves, financial performance and financial position

Spend is now significantly reducing as we move towards a return to the 'new normal' and PPE stocks and initial investments are in place.

Throughout the pandemic the PCC has strived to pay suppliers as early as possible in a bid to support businesses and charities during this period of economic uncertainty. The earlier payment of invoices along with additional unplanned spend on the response to COVID 19 does have an impact on cash flow, this is monitored frequently and no concerns exist. The revenue budget usually relies on £0.200m of investment income. During 2021/22 the organisation experienced a shortfall in this due to cash flow and low interest rates and the actual investment income achieved was £0.033m.

The closure of the building sector has led to some delays in capital build projects with a 3 month delay the standard. This will result in some capital slippage but this will be positive for cash flow.

Due to contingency planning in the previous year, reserves were available in 2021/22 to support the shortfall relating to COVID 19 impacts and prevent a significant impact on the PCC's financial sustainability.

There are concerns around future funding of the service with uncertainty on levels of both local and central income. The Government are frequently providing more guidance on support available, with all PCCs across the country in the same position this will be managed during 2022/23.

Recovery Plan

The initial command structure in relation to COVID 19 was primarily focussed on the response to the pandemic, both on our local communities and on the workforce. As the COVID 19 emergency has developed the focus has changed towards delivering in a post COVID 19 world.

Towards the end of April 2021 the Silver group was stood down as new issues were significantly reducing. In its place the organisation implemented an Organisational Restart Cell (ORC) and its aim is to lead the workforce to its ‘new normal’. The Cell is looking at each area of work to ensure that the way the organisation operates in future is fit for purpose in a post pandemic world.

The Restart Programme’s vision is to enable our people to deliver effectively for our public wherever they are working - in our communities, in our offices or from home.

The key objectives are:

- To ensure a safe working environment for our people, that is flexible to any future unknown COVID-19 pandemic threats and outbreaks
- To maximise the opportunities to create an agile modern 21st century working environment and employment offer
- To implement a model that sustains and enhances the delivery of our operational services to the public
- To ensure the effective and efficient use of our current and future estates
- To reduce the carbon footprint
- To maximise the use of technology as a key enabler to success
- To maximise the opportunity for innovation, drawing on emergent practice from both within policing and the wider private sector

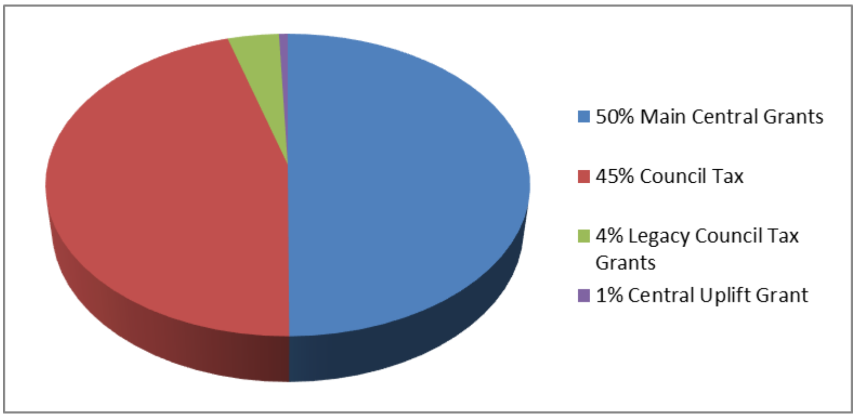
Managing Risk, Lessons Learned and Innovation

A specific COVID 19 risk register is used to document the overarching main risks emanating from the emergency. A strategic decision log documents key strategic decisions through the Organisational Restart Cell. This includes those with significant financial implications on the force.

Learning and Innovation have been identified as key areas in establishing the new normal and developing our response to a potential further wave or other pandemic emergency. Learning and innovation has been shared locally, regionally and nationally throughout the COVID 19 response.

Funding

All funding is received into bank accounts maintained by the Police and Crime Commissioner for Wiltshire. General financing of £134.039 million was received through Government Grants and Council Tax income for 2021/22:



Debt Position

The Capital Strategy for 2021/22 set out a need for borrowing to finance future Capital plans. There was no further borrowing taken out during 2021/22; for the next three years planned borrowing is £3.4m (22/23), £6.1m (23/24) and £9.6m (24/25) totalling a cumulative £19.1m. The intention is to borrow from the Public Works Loan Board (PWLB) at a fixed interest rate.

Future Finances

Medium-term strategic plans were reported to the Commissioners' Monitoring Board in January 2022. These identified a shortfall of £1.4m for 2022/23 and a likely £1.4m shortfall for 2023/24.

Summary of the 2021/22 Financial Year – Capital Expenditure

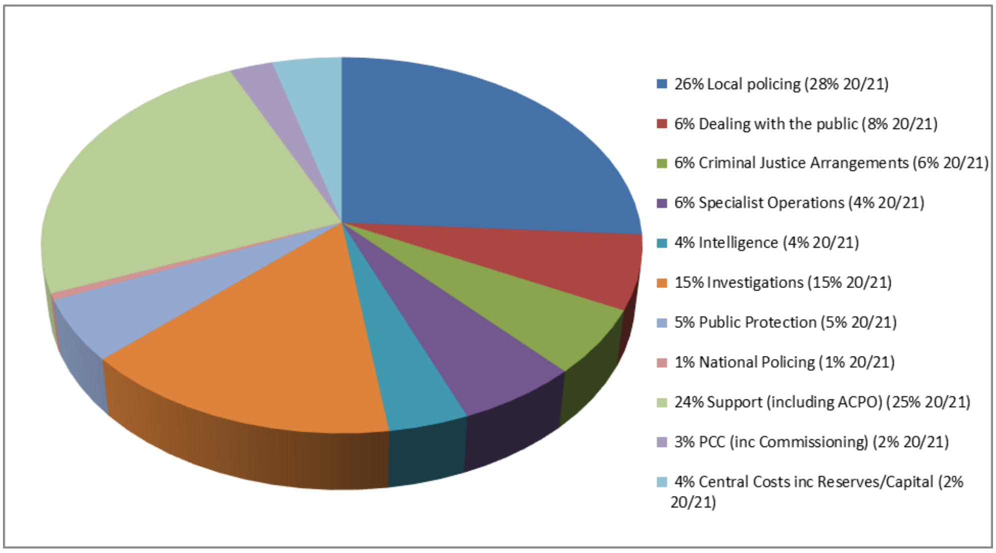
Capital expenditure in 2021/22 was £4.005 million compared to an approved budget of £7.713 million. Slippage of £3.388m is being carried forward to 2022/23, £1.933m of this slippage relates to the Estates strategy and £0.810m relates to IT projects. In 2021/22 the Police and Crime Commissioner's approved capital programme is funded from capital grant, capital receipts, borrowing and Revenue Contributions to Capital Outlay.

Future Capital Expenditure

In 2022/23 the slippage of £3.388 million will be spent along with other capital resources leading to a total original capital budget of £12.574 million as of 1 April 2022. The largest spends within the capital plan relate to the Estates strategy and IT projects.

Financial Position

The Police and Crime Commissioner's total net revenue spend for 2021/22 was £131.771 million. The chart below shows in which areas of policing the expenditure was provided:



The net assets of the Police and Crime Commissioner at 31 March 2022 were a negative £1,429.813 million (negative £1,532.790 million 2020/21), this requires some explanation.

All pensions have to be accounted for in line with International Accounting Standard (IAS) 19 and in doing this the PCC's liabilities do considerably exceed the assets, this is not considered to be an issue for as long as the Police and Crime Commissioner's Group remains a going concern or any successor remains liable for the future pension costs. It is also worthwhile noting that with all Police Pension Schemes being unfunded (i.e. no assets are held to fund future costs) that this position will be reflected in all Police Group accounts.

The liability has decreased significantly in 2021/22. The actuaries, Hymans Robertson LLP, have valued both the Police Officers Pension Scheme and the Local Authority Pension Funds for Police Staff. The outcome is a significant decrease in Pension Scheme liabilities of £96.858 million, This is due to the assumptions utilised by the actuary surrounding price inflation, salary inflation, discount rates and membership.

If the Pensions IAS 19 had not been implemented the net assets of the Police and Crime Commissioner would stand at £54.274 million as at 31 March 2022 (£48.155 million 2020/21):

Financial Position as at 31 March 2022	**£000**
Buildings, Vehicles, IT and Equipment Assets owned	60,314
Cash at Bank, Investments and money due from customers	31,900
Total Assets	**92,214**
Amounts due to be paid out in the next year	-18,179
Long Term Borrowings	-1,814
Amount due to be paid out for PFIs over the next 20 years	-17,947
Total Liabilities	**-37,940**
Total Net Assets	**54,274**

The General Reserve balance at 31 March 2022 is £3.537 million; this may be used to finance any unforeseen significant costs in future years.

Summary of the Police and Crime Commissioner's Group Revenue Expenditure 2021/22

Actual 2020/21 £m		Actual 2021/22 £m
68.176	General Government Grants	73.035
57.348	Income received from the Collection Fund	61.737
19.113	Home Office Top-up Grant	22.387
144.637	Income from Government Grant and Local Taxpayers	157.159
-136.695	Net Cost of Services	-165.579
	Adjustment for Notional Sums included above	
12.990	- Pensions (IAS 19)	32.955
-0.909	- Capital Financing	3.612
0.859	- Employee Benefits Accrual (IAS 19)	0.029
-0.708	- Minimum Revenue Provision	-0.801
0.035	Net Contributions to Reserves	-3.213
-19.113	Payment to Police Pension Fund to meet Deficit	-22.387
1.096		1.775
-0.911	Less Net Interest payable and similar charges	-1.565
0.185	Surplus/(Deficit) Transferred to/from the General Reserve	0.210

The table above summarises the Income and Expenditure and identifies any change in the general reserve. The recognised format of this statement does not allow an underspend or overspend to be clearly identified. The provisional revenue outturn reported to the Police and Crime Commissioner in May 2022 identifies a net underspend of £2.179 million in the accounts. The final outturn of £2.268m identified a minor change from this. The table below shows the underspend and how it relates to the surplus transferred to the general reserve.

2020/21 £m	Description	2021/22 £m
136.695	Net Cost of Services	165.579
-12.990	Notional Sums Adjustment – Pensions (IAS 19)	-32.955
0.909	Notional Sums Adjustment – Capital Financing	-3.612
-0.859	Notional Sums Adjustment – Employee Benefits (IAS 19)	-0.029
0.708	Notional Sums Adjustment – MRP	0.801
0.911	Add Net Interest payable in 2021/22	1.565
-0.035	Add Contributions to earmarked reserves	3.213
-3.227	Less actual underspend	-2.268
	Less Council Tax support towards future years	-0.733
0.185	Add General Reserve transfer	0.210
122.296	Revised Cost of Service	131.771
125.524	Approved Budget	134.039
3.228	Underspend	2.268
-3.043	Less Transfers to Other Funds	-2.058
0.185	Surplus/(Deficit) Transferred to/from the General Reserve	0.210

The main features of the accounts are:

- **The Annual Governance Statement** – gives an assessment of internal control procedures.

- **The Statement of Accounting Policies –** explains the basis of the figures in the accounts.

- **The Comprehensive Income and Expenditure Statement** – summarises the income and expenditure on Police services and brings together all the recognised gains and losses of the Police and Crime Commissioner's Group accounts in the year.

- **The Movement in Reserves Statement –** shows the movement in the year on the different reserves held by the Police and Crime Commissioner, analysed into 'usable' (can be applied to fund expenditure) and 'unusable' reserves.

- **The Balance Sheet** – sets out the financial position of the Police and Crime Commissioner and the Group at 31 March 2022.

- **The Cash Flow Statement** – consolidates the total movement of the Police and Crime Commissioner's funds.

- **The Police Pensions Fund Account** – summarises Pensions movements for the year

Statement of Responsibilities for the Statement of Accounts

The Police and Crime Commissioner is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers (Chief Finance Officer) has the responsibility for the administration of those affairs.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

I confirm that these accounts have my approval

P Wilkinson, Police and Crime Commissioner for Wiltshire
Date 22nd September 2022

The Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Police and Crime Commissioner for Wiltshire's Group in accordance with proper practice as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice ").

In preparing the statement of accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

I certify that I believe the Statement of Accounts presents a true and fair view of the financial position of the Police and Crime Commissioner for Wiltshire and the Group as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022. Events that have occurred after the balance sheet date have been considered to the date of approval.

C Barker, Chief Finance Officer
Date: 19th July 2023

For further information concerning any items contained in this Statement, please write to Chief Finance Officer, Police HQ, London Rd, Devizes, Wiltshire, SN10 2DN, or telephone (01380) 734023.

Joint Annual Governance Statement 2021-22

Police and Crime Commissioner for Wiltshire and Swindon and the Chief Constable of Wiltshire Police

The position as at 31 March 2022.

1. SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner (PCC) is responsible for the totality of policing in Wiltshire and Swindon. It is his duty to secure efficient and effective policing for Wiltshire and Swindon. The PCC is responsible for ensuring that a police service is delivered in accordance with the law and proper standards. The PCC is also responsible for ensuring that public money is safeguarded and properly accounted for and used to provide services economically, efficiently and effectively. The PCC is also responsible for ensuring that a sound system of internal control is maintained throughout the year and that arrangements are in place for the management of risk.

The PCC is elected locally and is required to hold the Chief Constable (CC) to account. The CC provides overall direction of police personnel and operational matters. The CC is responsible for delivering policing in line with the Police and Crime Plan. There is also a requirement on the CC to ensure that policing in Wiltshire occurs within the law and proper standards, ensuring appropriate safeguards are in place. The Financial Management Code of Practise for the Police Service states that the CC is responsible to the PCC for delivery of efficient and effective policing, management of resources and expenditure by the police force.

Whilst the CC is a separate corporate sole the corporate governance framework in place covers both organisations, this therefore is a joint statement with both parties responsible for maintaining good systems of control and risk management.

The PCC and CC have approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA 2016 Framework: Delivering Good Governance for Policing Bodies. This statement explains how the PCC has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the Office of the PCC (OPCC) and Wiltshire Police operate. It includes the activities through which the PCC engages with and reports to the community. It enables the OPCC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. Governance should focus on the principles of good governance which are (as per CIPFA guidance);

a) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
b) Ensuring openness and comprehensive stakeholder engagement
c) Defining outcomes in terms of sustainable economic, social and environmental benefits
d) Determining the interventions necessary to optimise the achievement of the intended outcomes
e) Developing the entity's capacity including the capability of its leadership and the individuals within it
f) Managing risks and performance through robust internal control and strong public financial management
g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

It is stated in the guidance that good governance means *doing what is right and doing it properly*. Whilst this is a simplification of governance it is correct that an overemphasis on processes and criteria for success fails to recognise that good governance is a reflection of the culture of the organisation. The principles of good governance need communicating and embedding. Having a positive and active commitment to the principles of good governance is important.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It is an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. The governance framework has been developed over recent years, this statement shows the governance in place for the year ended 2021-22.

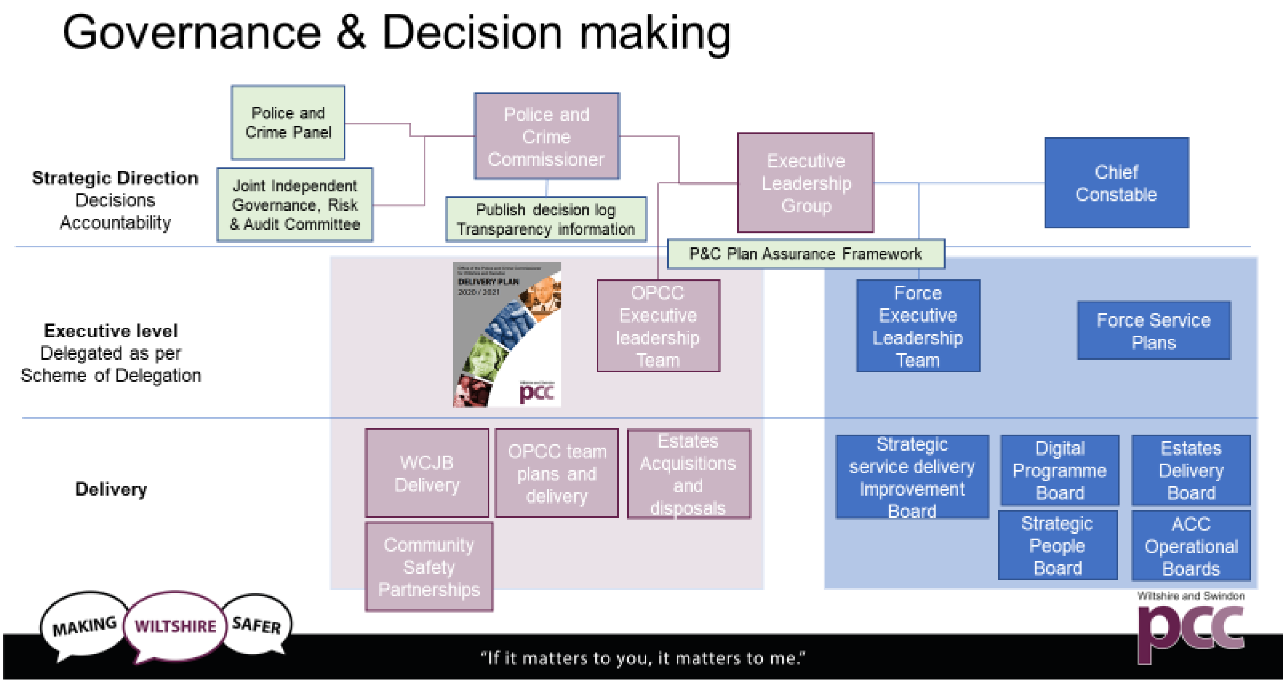
3. THE GOVERNANCE FRAMEWORK

The Chief Constable (CC) is responsible to the PCC for the delivery of efficient and effective operational policing. The PCC holds him to account for the exercise of those functions and those of the persons under his direction and control. The PCC must be satisfied that the Force has appropriate management mechanisms in place, and that these operate in practice.

The Police and Crime Panel (a group of 11 councillors and 2 independent members) is required to review and scrutinise the work of the PCC. Their role includes scrutinising the performance of the PCC in delivering the Police and Crime Plan. The panel receive an annual report from the PCC reporting progress against the Police and Crime Plan which is published on the PCCs website.

In addition to this further independent assurance is provide by HMICFRS (undertaking regular reviews and inspecting forces effectiveness, efficiency and legitimacy), External Audit and a commissioned Internal Audit.

The overarching structure of governance is shown in the illustration below.



The principal areas that comprise the governance framework are:

- The Executive Leadership Group
- Transparent Decision Notices
- Force and OPCC Executive Leaderships Teams (ELT)
- The Joint Independent Governance, Risk and Audit Committee (JIGRAC)
- The Police and Crime Panel
- The Scheme of Governance (incorporating Financial and Contract regulations)
- Performance Reporting
- Risk Management
- Professional Standards

4. REVIEW OF EFFECTIVENESS

The PCC conducts annually a review of the effectiveness of the governance framework. Assurance that the principles of good governance are in place is obtained by a review of each principle.

a) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

The PCC complies with the PCC code of conduct and has agreed to abide by the seven principles of Standards in Public Life, more commonly known as the Nolan Principles.

The CC has agreed to support and implement the National Code of Ethics which are the principles and standards of professional behaviour for policing in England and Wales. These principles are set by the College of Policing.

The OPCC Service Recovery Team and Force Professional Standards Department is an essential part of the Governance Framework facilitating whistle blowing via anonymous reporting and investigating complaints. The OPCC is responsible for recording complaints and actioning any immediate solutions that can resolve the complaint. Any complaints that require investigation or relate to officer or police staff conduct are referred to Professional Standards for investigation and appropriate action. If complaints are not satisfied by the action taken there is a right of appeal to independent adjudicators in the OPCC. This process provides numerous control points throughout the police complaints by both the OPCC and Force.

The comprehensive Professional Standards intranet site provides information to our staff on all areas of standards, including standards of professional behaviour, complaints, etc. The Standards Campaign is part of the framework highlighting expectations and the code of ethics. Video messages are in place promoting the values and behaviours framework and that the focus on issues will normally be on learning rather than blame. An Ethics and Culture Board also exists which provides another control point.

The Values and Behaviours of our staff are seen as critical in delivering an ethical and people focused organisation. The 4 values published under the National Code of Ethics (Impartiality, Integrity, Public Service and Transparency) have been adopted by the leadership and are promoted on a daily basis. In line with this both a register of interests and a gifts and hospitality register is held An Anti-Corruption Unit (ACU) is also housed within the Professional Standard Department. A large proportion of the ACU's work involves protecting not only Wiltshire Police as an organisation, but also individual members of staff. It is vital that staff do not leave themselves open to corruption and blackmail.

The organisation employs both legal, human resources and financial professionals to ensure the rule of law is complied with. They ensure the organisation meets its legal responsibilities

b) Ensuring openness and comprehensive stakeholder engagement

Both the OPCC and the Force have active engagement with the communities they serve. As well as engaging by social media the PCC encourages communities to interact with him at other events, for instance area boards, . The OPCC website also requests people to inform him of their views on open government consultations to ensure he is representing the community. The PCC has established a Youth Commission to hear the views of people aged 14-25 living in Wiltshire. Each year they produce a report to the PCC identifying a number of priorities then suggesting improvements required.

The PCC has a desire to be open and transparent meeting with stakeholders and engaging with communities to understand their needs and issues. In November 2021 the PCC held a consultation exercise ('Your voice') to ensure that the new Police and Crime Plan reflected what the public wanted. An open survey, then consulting on a draft plan led to the final plan being published in March 2022. Feedback from this survey, Youth Commissioners, stakeholders and wider engagements directly shaped priority 1 and 3 of the Police and Crime Plan 2021-25.

In January 2022 the PCC held a public consultation surrounding the precept decision. This involved the launch of a short video, a social media awareness campaign, community messaging and engagement with local communities at area boards and parish councils. This consultation received 1,526 responses. 63% of the respondents supported an increase of £15 per household per year, this good engagement helped inform the 2022-23 Precept decision.

Independent Advisory Groups (IAGs) provide Wiltshire Police with an important and independent perspective on local and national issues surrounding policing activities. They constructively advise and challenge Wiltshire Police on its policies, procedures and practises. Local IAGs are aligned to Community Policing Team geographical boundaries, and work closely with the local CPT Inspectors and Neighbourhood Teams.

The quarterly Public Service Board (PSB) chaired by the Deputy Chief Constable, brings together all IAG Chairs, and the PCC/DPCC to provide an overview of the delivery of policing services, recent activities and key topics. During the Covid-19 pandemic, the PSB and IAGs moved to online forums where technology has enabled us to share and discuss content, this has now moved to a hybrid approach of physical and virtual participation to suit each individual member.

Key policing services are discussed at the PSB on a rotating basis with force leads in these areas being present to address and respond to views, concerns or queries from IAG members. Each IAG chair then takes these away for discussion with the local members, independent of the force's leadership, allowing them the freedom to provide further unfettered views and feedback.

Alongside this, key topics are shared with the IAGs which may be of heightened interest or concern to members of the public at a local or national level at that time. Feedback on these is actively sought from IAGs, and shared back to the force, which in turn helps to advise and form policing practises. For example, in 2021 following the tragic murder of Sarah Everard, the views of IAG members and their communities were sought regarding to the impact on public trust and confidence in the police and proposed responses to address this by the force.

In addition to the six geographic IAGs is the Wiltshire Diverse Communities (WDC) IAG, which has brought together Ethnic Minority voices across the county. The WDC IAG membership holds meetings with the force which are attended by the Deputy Chief Constable, tactical and communication leads and members of the Equality, Diversity and Inclusion department. It is independently chaired by members of the community not employed by the Police. During these sessions, rich conversations have been held with the WDC acting as a critical friend on any disparity of powers towards ethnic minorities and offering lived experiences. The WDC IAG is helping the force in its efforts to increase representation in the police from underrepresented communities, and both discussing and scrutinising the force's responses to incidents and its strategic aims.

The WDC IAG also hears updates on Wiltshire Police recruitment and its aim to increase the level of representation in policing. Progress since March 2021's '*The Big Debate - Developing your police service to be truly diverse and inclusive of its communities*' continues with the WDC IAG providing both direction and context for the challenges ahead.

The PCC is clear that protecting our communities is not just about the policing and criminal justice response after a crime is committed but addressing the underlying causes to prevent it from happening. As PCC he brings partners together to both improve policing but also to target the wider issues that increase demand on policing. The PCC and other employed officers and staff play a leading role in a wide range of public bodies and partnerships that address issues such as safeguarding, vulnerability, mental health, substance misuse and housing. This is in addition to work with other police forces and emergency service partners. Some of these include Wiltshire Criminal Justice Board, Community Safety Partnerships and Health and Wellbeing Boards.

Internal stakeholder focus occurs for both the Force and OPCC through annual staff surveys. The new staff survey goes like in June 2022. The last survey in February 2021 obtained a response rate of 55%, and achieved a good engagement index score of 72%**.** The survey also identified that 70% (5% above the public sector average) of staff feel they are encouraged to speak out about wrongdoing with 65% confident that issues raised would be dealt with.

On a monthly basis the Chief Constable hosts an on-line chat opportunity for his staff, at this he takes questions from officers and staff and sets out to give honest straight forward responses. The Chief Constable also annually hold on line Forums which all staff must attend, over half of the two hour session is set aside to receive and answer questions in an open and honest manner. These engagements help identify issues which exist and possible solutions.

c) Defining outcomes in terms of sustainable economic, social and environmental benefits

During 2021-22 the PCC provided the Police and Crime Panel with a performance overview by exception. This gave the panel an opportunity to scrutinise performance and ask questions on delivery. This was based on the plan produced by the outgoing PCC.

In early 2022 the new PCCs objectives were set out in a new Police and Crime Plan. The plan and progress against it will be discussed using a 'key lines of enquiry' method. The PCC has the support of a scorecard to help make the assessment of performance, alongside a new Performance Officer within the OPCC. This role is new to the office and will be looking to progress how the OPCC monitors performance with the use of scorecards and self-service data through Qlik Sense.

The PCC has mas made it clear that his new plan is aligned to the community concerns heard during his consultation exercise with a mission to make Wiltshire a safer place to live, work and visit. 4 principles (engagement, trust, excel at the basics and serving the public) are the building blocks for delivery. Delivering the plan will be a challenge for the CC, with new objectives and measurements there is a risk of non delivery. The local expectations also need to be considered in line with new national standards being assessed and reviewed by HMICFRS.

The 2020-2024 Performance Strategy continues to be the foundation that sets our approach to performance and the direction in our performance culture. It ensures our ability to respond and adapt to the changing nature of crime and policing, whilst ensuring we remain outcome focused to deliver the best possible service to the communities of Wiltshire. It sets out the expectation at every level of the organisation and the tools, techniques, governance and assurance that underpin performance management across the OPCC and Wiltshire Police. Since 2014 we have made significant strides to change the outlook on performance and what it means to us. Primarily a performance culture free that stops perverse behaviours. Using outcomes as a tool that enhances the safety of our communities. This performance strategy’s goal is a strong performance culture and approach to performance management that embraces healthy conversation, continuous improvement and a recognition that performance is everyone’s business. This requires constant adjustment to meet changing local and national requirements.

Our business intelligence tool Qlik Sense has become pivotal in self-service data to the organisation and in the past 12 months has significantly expanded in the amount apps and data readily available to all staff. This access has supported the ability to have more tactical conversation around performance, right down to DLT level. Further development are underway to produce supervisory data apps to make continuous improvement around performance a more granular conversation.

Governance of the Forces performance framework, containing over 800 measures, occurs at the monthly Strategic Service Delivery Improvement board chaired by the Deputy Chief Constable. Performance exceptions are analysed using a defined statistical method and progress is discussed at this board. This will enable our business intelligence analysts to focus on proving key insight and recommendations to senior leaders through our performance governance structure and localised board meetings.

In July 2022 HMICFRS published their PEEL report on Wiltshire Police. This reported concerns surrounding performance by the Force. In response to this the PCC and CC have made changes to how they oversee performance.

In October 2020 the Home Office introduced the National Crime and Policing measures. Whereby success against these measures will be judged at a national level with the aim to significantly reduce crime, demonstrate value for money and restore the public’s confidence in the criminal justice system. Since then, there have been further national scorecard publication around CJS, VAWG and 999. Each of which are being monitored and reported through our governance structure.

The Force Management Statement is produced each year. This looks at current and future demand, this with the risk register helps the PCC and the CC decide on future investment areas. This information is a crucial feed to the Medium Term Financial Strategy (MTFS). The MTFS will look at the budget requirement and then compare it against the estimated funding. The difference is the initial savings target. This is updated as more information is received. The MTFS includes the reserves and capital financing strategy and assists in ensuring that the organisation is sustainable in the long term.

A Commissioning Strategy has been produced by the OPCC. In order to deliver the Police and Crime Plan objectives the PCC acknowledges that there is a requirement to commission various service providers to help with the wider delivery. The strategy sets out a commissioning framework and the principles the PCC will use in managing the commissioned services. A new performance plan is being developed in 2022-23 which will ensure that the commissioning investment is delivering best value.

The environmental impact of the OPCC and force has been considered. Work has occurred to encourage agile working which discourages needless journeys and is more efficient. This paid dividends during the pandemic with many staff being able to work from home minimising any impact on the business. A consultancy was engaged to identify the environmental impact of the two organisations. This is now being developed into an Environmental Strategy with actions showing what steps will be required to deliver a 78% reduction in emissions by 2035 pathing the way to net zero emissions by 2050. The strategy will look at waste, water, biodiversity as well as emissions. To assist the PCC has also invested in electric and hybrid vehicles. 32 EV points have been introduced in 8 locations providing the necessary infrastructure. A plan to introduce telematics in 2022 is being investigated which is expected to assist in identifying poor driving, inefficient vehicles, etc.

d) Determining the interventions necessary to optimise the achievement of the intended outcomes

With the new PCC a new oversight process has been introduced in 2022. This has seen the Commissioners Monitoring Board (CMB) being replaced by the Executive Leadership Group (ELG). This board focuses on driving up performance. Capital and unplanned revenue spending is now approved by the PCC in various meetings, for transparency decisions are logged with decision notices published on his website. Risk registers are produced by the OPCC and Force to assist in prioritising and managing the business. These registers are reported to the JIGRAC for discussion at each of their meetings. The OPCC risk register is also discussed at the OPCC ELT to ensure mitigation where appropriate is focused on. ELG is attended by the PCC, the Deputy PCC, the PCC's Chief Executive, the CC, the Deputy Chief Constable, Assistant Chief Constables and the joint Chief Finance Officer. Other officers are invited to attend as necessary. The PCC also receives a fortnightly operational update from the CC.

In early 2022 the Strategic Change Board and the Strategic Performance Board has been replaced Strategic Service Delivery Improvement Board (SSDIB). This is attended by Chief Officers and the OPCC Chief Executive. Exception reports are provided surrounding performance, project delivery and risk management. This enables executives to see risks or issues which may arise in the near future.

This governance ensures that the Police and Crime plan is delivered. Where necessary additional focus is requested or intervention proposed if outcomes are not being achieved. The Force cascades the requirements of the Police and Crime Plan down to its 'Plan on a Page'. This allocates responsibility to Chief Officers and allows them further to break down the high level objectives into smaller deliverables.

When investments are required to assist the delivery of outcomes they are considered against the MTFS. The options available are reviewed and risk and benefits considered before decisions are made by the PCC, this will ensure best value is delivered.

e) Developing the entity's capacity including the capability of its leadership and the individuals within it

A joint People Culture and Inclusion Strategy covers both the OPCC and Force. This strategy aims to create a working environment where we attract, recruit and develop our people. The strategy also considers the diverse mix of our communities and seeks to reflect this diversity within our own organisation.

This strategy outlines how we will respond to challenges. It sets out six key strands of work which will enable us to continually develop our approach:

- Embedding a wellness culture
- Strong and consistent leadership at all levels
- Creating a diverse workforce that aims to represent our communities
- Meaningful and effective engagement
- Upholding ethical and professional standards
- Workforce and succession planning

A Joint Leadership strategy is also in place. Adopting the College of Policing's national Professional Profiles and adapting it to Wiltshire Police's structure, a 'Leadership Roadmap' has been produced. This will ensure that leadership opportunities are accessible to all employees, irrespective of rank.

In 2022 the First Step Training Program was introduced. This is targeted at officers and staff who are getting ready to manage people and those currently acting or temporary in leadership roles.

Oversight and governance of the People Strategy is through the Strategic People Board. This meets bi-monthly and is chaired by the Director of People and Change. The board is attended by officers from the OPCC and key strand leads.

f) Managing risks and performance through robust internal control and strong public financial management

A Risk Management Strategy and Policy is in place. This identifies the risks in obtaining our goals and a requirement to manage them well. The published Practitioner's Guide helps managers across the force understand the process and what they are required to follow. The guide recommends a 5 step approach to reduce vulnerability to risk. This is summarised as:

- Identify – the most significant risks that could affect the service
- Assess – agree ownership and response to the risk
- Respond – taking action (if assessment deems that appropriate)
- Monitor and Review – observe and update risk score post action
- Report – using risk registers and reporting structures

As part of the Governance framework, a section on risk is included in each paper presented to the PCC for a decision.

The biggest Corporate Risks are reviewed monthly now by the SSDIB. Understanding the risk and possible mitigation is discussed. The Force hold risks on a corporate system with updates requested monthly from owners, this ensures regular focus. The OPCC risk review occurs at their ELT.

The Internal Auditors publish their view on Internal Control. The latest report confirms the prevailing level of assurance from the audits undertaken as Reasonable and this is has led to the overall annual opinion of Reasonable. In addition, the Internal Auditors have not identified any significant corporate risks during the year.

The bedrock of strong financial management is the Internal Budget Book, this identifies the authority to spend and the responsibilities of a Budget Holder. As well as setting out the framework of Budgetary Control, the Budget Book also advises staff on procurement, identifying the process to be followed for different types of goods and services within The Scheme of Governance (incorporating Financial and Contract regulations) setting the framework for lawful expenditure, delegation and achieving value for money financial thresholds. This is in line with the national Financial Management Code of Practice.

The Budget Book is the framework set by the Chief Finance Officer to ensure all purchases are in line with the Police and Crime Plan and that Value for Money is achieved. The PCC and Chief Constable share a Chief Finance Officer; this enables clear messages to be given on control procedures and ensures strategic leadership surrounding future financial planning. To date no conflict has arisen as a result of a single officer reporting to two principals. However the possibility of this had been considered and a resolution process provided for in the Scheme of Governance. It is important to note that the PCC's financial management arrangements conform to all good governance requirements, including the CIPFA Statement on the role of the Chief Finance Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework.

In 2022 an Annual Fraud report was produced and has been tabled at JIGRAC. The report looked to introduce best practice of assessing the possibility of risk based on certain factors. The assessment utilises information from the National Fraud Initiative, our local Counter Corruption Team and control work by Internal Audit. The conclusion was positive: '*Members can be assured that prevention and detection of fraud, along with promoting high standards of conduct, are given high priority within the OPCC's and the Force's operations. Both areas of work have not identified any concerns and gives a high level of assurance that fraud is low and reduced by the control environment'.*

g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

In line with the promoted values the PCC and the CC are committed to being transparent. Both organisations websites provide information on performance, pay and scrutiny.

The Joint Independent Governance, Risk and Audit Committee (JIGRAC) sits as a standalone committee. Its statement of purpose is to provide independent assurance on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices. This committee has 5 independent members and is attended by the PCC, Chief Constable, the Chief Executive, External Audit, Internal Audit and the Chief Financial Officer.

The Committee receives reports from both External Audit and Internal Audit. One of its key purposes it to ensure that management implement recommendations agreed with auditors holding management accountable. The committee also reviews both the PCC and the Chief Constables risk register, regularly calling for additional reports and presentations as the emerging governance and risk issues dictate.

The External Auditors are Grant Thornton. They were appointed after a national run procurement process. This process provides segregation between the auditors and the organisation they are auditing which is good practice. In recent years they have provided an unqualified audit opinion and assurance that the organisations had proper arrangements in place to secure economy, effectiveness and efficiency in the use of the resources.

The PCC had a contract with the South West Audit Partnership (SWAP) to provide an internal audit service in 2021-22 100 days of audit were planned with 9 audits. These are all complete. From the 9 audits complete 3 are non-opinion reports. For the remaining 6 audits an opinion of Reasonable assurance was delivered. The evaluation system is as follows;

- Substantial Assurance – Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

- Reasonable Assurance – Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

- Partial Assurance – Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

- No Assurance – Fundamental breakdown or absence of core internal controls.

A summary report is provided annually for JIGRAC by the Internal Auditors. The report suggests an effective control environment with ‘reasonable assurance’ the outcome for 2021-22.

All 5 forces in the South West now contract with SWAP for internal audit. This has been used to provide further assurance by aligning audits and agreeing for comparisons between forces to be reported on.

Both PCC and force websites refer to the annual inspection undertaken of the force by HMICFRS. The PEEL (police effectiveness, efficiency and legitimacy) inspection is designed to give the public information about how local police forces are performing in several important areas, in a way that is comparable both across England and Wales, and year on year. The PEEL inspection occurred in early 2022 with the outcome currently outstanding.

The PCC publishes an annual report, this provides his view on how policing and criminal justice services have performed. This provides information on how the Chief Constable has performed and progress towards meeting the priorities set out in his Police and Crime plan.

5. SELF ASSESSMENT

In considering the evidence included in section 4 against the seven principles of good governance the controls in the majority of the areas are considered appropriate however noting the HMICFRS PEEL report and concerns from the PCC over delivery the overall opinion is of **requires improvement** (Some Internal controls are in place and operating effectively however improvement in an area is required)

6. SIGNIFICANT GOVERNANCE ISSUES

There were no significant governance issues reported last year. There however is a concern rising surrounding the local policing service and how we can show our communities and HMICFRS that we are delivering. This has led to the following issue which we will focus on and look to mitigate in 2022-23.

No.	Issue	Mitigation Planned
1	**Delivering the Police and Crime Plan**. In setting the plan the PCC has received concerns from communities on local delivery, this has led to him setting new objectives. The challenge which faces the CC is showing significant progress on these objectives to improve the trust and confidence of our communities. This improvement will also need to tackle the concerns raised in the HMICFRS PEEL assessment.	A detailed assurance framework has been finalised which will show what the PCC and HMICFRS are expecting from the Force. Progress will be monitored by deep dives at ELG with progress reported to the Police and Crime Panel

Signed

P Wilkinson
Police and Crime Commissioner

K Pritchard
Chief Constable

N Daji
Chief Executive of the OPCC

C Barker
Chief Financial Officer

~~Independent auditor's report to the Police and Crime Commissioner for Wiltshire~~

~~Report on the Audit of the Financial Statements~~

~~Opinion on financial statements~~

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

~~In our opinion, the financial statements:~~

- ~~give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2021 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;~~
- ~~have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2021/22; and~~
- ~~have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.~~

~~Basis for opinion~~

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

~~Conclusions relating to going concern~~

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

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

~~Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.~~

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

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

~~Other information~~

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

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

~~We have nothing to report in this regard.~~

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

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

~~We have nothing to report in this regard.~~

~~Opinion on other matter required by the Code of Audit Practice~~

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

~~Matters on which we are required to report by exception~~

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

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

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

~~Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer for the financial statements~~

~~As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer~~

~~determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.~~

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

~~The Police and Crime Commissioner is Those Charged with Governance. Those charged with governance are responsible for overseeing the financial reporting process.~~

~~Auditor's responsibilities for the audit of the financial statements~~

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

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

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

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

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

- ~~We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant ,which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003 and the Police Reform and Social Responsibility Act 2011.We also identified the following additional regulatory frameworks in respect of the police pension fund; Public Service Pensions Act 2013, the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015 and the Police Pensions Regulations 2006.~~
- ~~We enquired of senior officers and the Police and Crime Commissioner, concerning the Police and Crime Commissioner and group's policies and procedures relating to:~~
  - ~~the identification, evaluation and compliance with laws and regulations;~~
  - ~~the detection and response to the risks of fraud; and~~
  - ~~the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.~~
- ~~We enquired of senior officers, internal audit and the Police and Crime Commissioner, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.~~
- ~~We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to:~~
  - ~~Journal entries posted by senior officers; and~~
  - ~~The significant accounting estimates in the financial statements, including those related to the valuation of property, plant and equipment, the net pensions liability and significant year-end accruals.~~
- ~~Our audit procedures involved:~~
  - ~~evaluation of the design effectiveness of controls that the Chief Finance Officer has in place to prevent and detect fraud;~~
  - ~~journal entry testing, with a focus on large and unusual journals;~~

- ~~challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of property, plant and equipment, the net pension liability and significant year-end accruals;~~
- ~~assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.~~

- ~~These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.~~
- ~~The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the valuation of property, plant and equipment, the net pension liability and significant year-end accruals.~~
- ~~Assessment of the appropriateness of the collective competence and capabilities of the Police and Crime Commissioner and group's engagement team included consideration of the engagement team's:~~
  - ~~understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation~~
  - ~~knowledge of the police sector~~
  - ~~understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:~~
  - ~~the provisions of the applicable legislation~~
  - ~~guidance issued by CIPFA, LASAAC and SOLACE~~
  - ~~the applicable statutory provisions.~~
- ~~In assessing the potential risks of material misstatement, we obtained an understanding of:~~
  - ~~the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.~~
  - ~~the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.~~

~~Report on other legal and regulatory requirements - the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources~~

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

~~Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.~~

~~Our work on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Police and Crime Commissioner's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.~~

~~Responsibilities of the Police and Crime Commissioner~~

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

~~Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources~~

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

~~Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.~~

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

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

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

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

~~We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for Wiltshire for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources and have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Police and Crime Commissioner for Wiltshire for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2021.~~

~~Use of our report~~

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

~~Alex Walling, Key Audit Partner~~
~~for and on behalf of Grant Thornton UK LLP, Local Auditor~~

~~Bristol~~

~~23 September 2021~~

Comprehensive Income and Expenditure Statement for the Police and Crime Commissioner for Wiltshire's Group 2021/22

This table includes both the Police and Crime Commissioner's and the Chief Constable's analysis.

2020/21 Net Expenditure £'000	See also Notes 5, 6 and 7	Gross Expenditure £'000	Income £'000	2021/22 Net Expenditure £'000
134,681	Police Services	176,206	- 13,061	163,145
2,014	Police and Crime Commissioner	4,436	- 2,002	2,434
136,695	**Net Cost of Police Services**	**180,642**	**-15,063**	**165,579**
	Other Operating Income & Expenditure:			
	Loss/(Gain) on disposal of Non-Current Assets			761
-19,113	Home Office Top-up Grant Note 22			-22,387
	Financing & Investment Income & Expenditure:			
1,703	Interest Payable and Similar items Note 10			1,692
-792	Interest and investment income			-126
29,360	Net Pensions Interest Note 22			31,748
	Taxation & Non-Specific Grant Income & Expenditure:			
-40,730	Police Grant			-43,519
-27,447	Other General Government Grant			-29,516
-56,048	Precepts on Collection Funds			-62,839
-109	Other Tax and Non Specific Grant Income			-385
23,519	**(Surplus)/Deficit on the Provision of Services**			**41,008**
24	(Surplus)/Deficit on Revaluation of Assets Note 9			-4,812
279,870	Pension Re-measurement of the net defined benefit liability/(asset) Note 22			-139,174
279,894	**Other Comprehensive Income and Expenditure**			**-143,986**
303,413	**Total Comprehensive Income and Expenditure**			**-102,978**

Comprehensive Income and Expenditure Statement for the Police and Crime Commissioner for Wiltshire 2021/22

This table only includes the Police and Crime Commissioner's analysis. The PCC has a net income in his direct accounts for the Net Cost of Services; the Chief Constable's costs of policing are then funded by an intra group transfer of funds.

2020/21 Net Expenditure £'000	See also Notes 5, 6 and 7	**Gross Expenditure £'000**	**Income £'000**	**2021/22 Net Expenditure £'000**
-12,954	Police Services		-13,061	-13,061
2,014	Police and Crime Commissioner	4,436	- 2,002	2,434
-10,940	**Net Cost of Police Services before intra group funding**	**4,436**	**-15,063**	**-10,627**
147,635	Intra Group Funding for Chief Constable's Net Service Cost			176,206
136,695	**Net Cost of Police Services**			**165,579**
	Other Operating Income & Expenditure:			
	Loss/(Gain) on disposal of Non-Current Assets			761
-19,113	Home Office Top-up Grant Note 22			-22,387
	Financing & Investment Income & Expenditure:			
1,703	Interest Payable and Similar items Note 10			1,692
-792	Interest and investment income			-126
29,360	Intra Group Funding (Net Pensions Interest) Note 22			31,748
	Taxation & Non-Specific Grant Income & Expenditure:			
-40,730	Police Grant			-43,519
-27,447	Other General Government Grant			-29,516
-56,048	Precepts on Collection Funds			-62,839
-109	Other Tax and Non Specific Grant Income			-385
279,870	Intra Group Funding (Pensions re-measurement of the net defined benefit liability/(asset)) Note 22			-139,174
303,389	**(Surplus)/Deficit on the Provision of Services**			**-98,166**
24	(Surplus)/Deficit on Revaluation of Assets Note 9			-4,812
24	**Other Comprehensive Income and Expenditure**			**-4,812**
303,413	**Total Comprehensive Income and Expenditure**			**-102,978**

Movement in Reserves Statement for the Police and Crime Commissioner for Wiltshire Group

	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	**Total Usable Reserves Note 15**	Unusable Reserves Note 16	**Total Reserves**
	£'000	£'000	£000	**£'000**	£'000	**£'000**
Balance as at 31 March 2020 Brought Forward	**12,246**		471	**12,717**	-1,242,093	**-1,229,376**
Movement in reserves during 2020/21						
Total Comprehensive Income and Expenditure	-23,519			-23,519	-279,894	-303,413
Adjustments between accounting basis and funding basis under statute – Note 7	23,670		-16	23,654	-23,654	
Increase/(Decrease) in 2020/21	**151**		-16	**135**	-303,548	**-303,413**
Balance as at 31 March 2021 Carried Forward	**12,397**		455	**12,852**	-1,545,641	**-1,532,789**
Balance as at 31 March 2021 Brought Forward	**12,397**		455	**12,852**	-1,545,641	**-1,532,789**
Movement in reserves during 2021/22						
Total Comprehensive Income and Expenditure	-41,008			-41,008	143,986	102,978
Adjustments between accounting basis and funding basis under statute – Note 7	44,430		38	44,468	-44,468	
Increase/(Decrease) in 2021/22	**3,422**		38	**3,460**	99,518	**102,978**
Balance as at 31 March 2022 Carried Forward	**15,819**		493	**16,312**	-1,446,123	**-1,429,811**

Movement in Reserves Statement for the Police and Crime Commissioner for Wiltshire

	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	**Total Usable Reserves Note 15**	Unusable Reserves Note 16	**Total Reserves**
	£'000	£'000	£000	**£'000**	£'000	**£'000**
Balance as at 31 March 2020 Brought Forward	**12,246**		471	**12,717**	-1,242,093	**-1,229,376**
Movement in reserves during 2020/21						
Total Comprehensive Income and Expenditure	-303,389			-303,389	-24	-303,413
Adjustments between accounting basis and funding basis under statute – Note 7	303,540		-16	303,524	-303,524	
Increase/(Decrease) in 2020/21	**151**		-16	**135**	-303,548	**-303,413**
Balance as at 31 March 2021 Carried Forward	**12,397**		455	**12,852**	-1,545,641	**-1,532,789**
Balance as at 31 March 2021 Brought Forward	**12,397**		455	**12,852**	-1,545,641	**-1,532,789**
Movement in reserves during 2021/22						
Total Comprehensive Income and Expenditure	98,166			98,166	4,812	102,978
Adjustments between accounting basis and funding basis under statute – Note 7	-94,744		38	-94,706	94,706	
Increase/(Decrease) in 2021/22	**3,422**		38	**3,460**	99,518	**102,978**
Balance as at 31 March 2022 Carried Forward	**15,819**		493	**16,312**	-1,446,123	**-1,429,811**

Balance Sheet for the Police and Crime Commissioner for Wiltshire and the Group as at 31 March 2022

PCC				PCC's Group	
£'000	£'000			£'000	£'000
31-Mar-21	31-Mar-22			31-Mar-21	31-Mar-22
Restated				Restated	
47,747	51,351	Property, Plant & Equipment	Note 9	47,747	51,351
1,170	1,243	Investment Property	Note 9	1,170	1,243
	3,681	Intangibles			3,681
6,757	1,169	Assets Under Construction		6,757	1,169
		Long Term Debtors			
55,674	**57,444**	**Total Long Term Assets**		**55,674**	**57,444**
710	874	Inventories		710	874
12,490	19,024	Short Term Debtors	Note 12	12,490	19,024
10,000	11,500	Short Term Deposits (up to one year)		10,000	11,500
3,347	502	Cash & Cash Equivalents	Note 11	3,347	502
3,726	2,870	Assets Held For Sale (under 1 yr)	Note 9	3,726	2,870
30,273	**34,770**	**Total Current Assets**		**30,273**	**34,770**
-741	-817	Finance Lease Liability	Note 10	-741	-817
-2,601	-2,601	Cash and Cash Equivalents		-2,601	-1,438
-45	-1,046	Short Term Borrowings	Note 10	-45	-1,046
-12,750	-13,733	Short Term Creditors	Note 13	-12,750	-13,733
-1,015	-1,145	Provisions (under 1 yr)	Note 14	-1,015	-1,145
-17,152	**-18,179**	**Total Current Liabilities**		**-17,152**	**-18,179**
-18,780	-17,947	Finance Lease Liability	Note 10	-18,780	-17,947
-1,860	-1,814	Long Term Borrowing	Note 10	-1,860	-1,814
		Liability Related to Defined Benefit Pensions Scheme.	Note 22	-1,580,945	-1,484,087
-1,580,945	-1,484,087	Pension Intra Group Creditor	Note 22		
-1,601,585	**-1,503,848**	**Total Long Term Liabilities**		**-1,601,585**	**-1,503,848**
-1,532,790	**-1,429,813**	**Total Net Assets**		**-1,532,790**	**-1,429,813**
12,850	**16,311**	**Usable Reserves**	Note 15	**12,850**	**16,311**
-1,545,641	**-1,446,124**	**Unusable Reserves**	Note 16	**-1,545,641**	**-1,446,124**
-1,532,790	**-1,429,813**	**Total Reserves**		**-1,532,790**	**-1,429,813**

C Barker, Chief Finance Officer. 22nd September 2022

Cash Flow Statement for the Police and Crime Commissioner for Wiltshire and the Group 2021/22

2020/21 £000	See also note 11	2021/22 £000
	Operating Activities	
57,348	Taxation	61,737
40,730	Police Main Grant	43,519
27,447	Other General Government Grant	29,516
14,130	Cash Received for Goods and Services	9,043
59	Interest Received	33
139,714	Cash Inflows Generated from Operating Activities	143,848
-105,929	Cash Paid to and on behalf of Employees	-111,575
-28,141	Cash Paid for Goods and Services	-27,570
-1,703	Interest Paid	-1,692
-135,773	Cash Outflows from Operating Activities	-140,838
3,941	**Net Cash Flows from Operating Activities**	**3,011**
	Investing Activities	
-5,907	Purchase of Non-Current Assets	-4,005
733	Proceeds from Sale of Non-Current Assets	230
-5,000	Purchase of short-term and long-term investments	-1,500
109	Other Receipts from Investing Activities	385
-10,065	**Net Cash Flows from Investing Activities**	**-4,890**
	Financing Activities	
798	Cash Receipt of Long Term Borrowings	
-25	Repayment of Long Term Borrowings	-45
	Cash Receipt of Short Term Borrowings	1,000
-683	Payments for the Reduction of Outstanding PFI Finance Liability	-756
90	**Net Cash Flows from Financing Activities**	**199**
-6,034	Net increase or decrease in cash & cash equivalents	-1,680
6,780	Cash & cash equivalents at the beginning of the reporting period	746
746	**Cash & cash equivalents at the end of the reporting period**	**-935**

Notes to accompany the Statements

1 Statement of Accounting Policies

2 Accounting Standards issued that have not yet been adopted

3 Assumptions made about the future and other major sources of estimation uncertainty

4 Post Balance Sheet Events

5 Expenditure and Funding Analysis

6 Expenditure and Income Analysed by Nature

7 Adjustments Between Accounting basis and Funding basis under statute

8 Management Reporting

9 Property, Plant and Equipment and Other Assets

10 Financial Instruments and Private Finance Initiatives

11 Cashflow

12 Debtors

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17 Joint Arrangements

18 Termination Benefits

19 Remuneration of Staff

20 Related Parties

21 External Audit Fees

22 Pensions

23 Contingent Assets and Contingent Liabilities

24 Critical Judgements in Applying Accounting Policies

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling the accounts of the Police and Crime Commissioner for Wiltshire and the Group are in accordance with the recommendations of The Chartered Institute of Public Finance and Accountancy (CIPFA). They accord with CIPFA's Code of Practice on Local Authority Accounting 2021/22, the Service Reporting Code of Practice 2021/22 and the Accounts and Audit Regulations 2015 and are based on the following hierarchy of standards:

- International Financial Reporting Standards (IFRSs) as adopted by the EU
- 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. All are maintained on an historic cost basis. Any significant non-compliance is disclosed in the notes that follow.

These Accounting Policies also reflect the local arrangements in place for Wiltshire Police and the guidance and regulations provided through the Police Reform and Social Responsibility Act 2011, the Financial Management Code of Practice for the Police Service 2019, Financial Regulations for the Police and Crime Commissioner for Wiltshire's Group and the scheme of delegation between the Police and Crime Commissioner and the Chief Constable. In applying the accounting policies set out in this note, the PCC has had to make certain judgements about complex transactions or those involving uncertainty about future events. These critical judgements are set out in note 24.

1.2 Accruals of Income and Expenditure

The Police and Crime Commissioner's Group accounts are prepared on an accruals basis. Income and expenditure is inclusive of future obligations to pay cash for benefits already received by the Group and cash to be received in the future for benefits already provided by the Group.
Where actual amounts due are not known at the end of April, estimated amounts have been included in the accounts.

1.3 Accounting Principles

The 2021/22 accounts comply with accounting principles surrounding relevance, reliability, comparability and understandability. The accounts are also prepared on the basis that the organisation is a going concern.

1.4 Provisions

Provisions are made where an event has taken place that gives the authority an obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the authority has an obligation and are measured at the best estimate at the Balance Sheet date. Provisions 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.

1.5 Employee Benefits

Benefits payable during employment

The Police and Crime Commissioner for Wiltshire's Group statements are required to account for employee benefits in the period that they are earned by employees.

The Group operates a flexi leave system and has a policy that allows employees to carry over a maximum of 5 days annual leave and 11 hours flexi leave. The flexi leave is run as a manual records system and collecting data is not cost effective; no flexi leave accrual is posted due to the immaterial value. Time off in Lieu (TOIL) and annual leave are recorded on an electronic system and an accrual is included in the accounts for the value at 31 March. The movement in the Net Cost of Services is reversed out in the Movement in Reserves Statement so as to avoid any impact on Council Tax.

Termination benefits

Redundancy payments allowed by the organisation are based upon actual weekly salary, calculated in the manner prescribed by legislation. The legislation also dictates that a maximum of 20 years service may be counted. Only completed years of service at the time of the redundancy will count. Within those parameters, the payments are calculated on the following basis:

For each year of service aged 18 to 21 - half a week's pay
For each year of service aged 22 to 40 - one week's pay
For each year of service aged 41 to 65 - one and a half week's pay

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

Post employment benefits

<u>Pensions (Police Officers)</u>

There are three police officer schemes: the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and the Police Pension Scheme 2015 (2015 Scheme). These are defined benefit unfunded schemes, meaning that there are no investment assets held, and actual pensions payments are met from revenue as they are eventually due.

For the purpose of the note to the accounts the officer schemes are reported as a single disclosure. The scheme changes have been taken into account in the Balance Sheet and Comprehensive Income and Expenditure Statement and in the note to the accounts.

Funding rules are in place which results in Police Forces paying 31% of Police pay as a pension fund contribution. Any variation, e.g. variation from pensions actually paid, over or under, is financed by an increased or reduced specific pensions grant. To this purpose a Pensions Fund Account has been created.

Pensions (Support Staff)

The pension scheme available for police staff is administered by Wiltshire Council on behalf of Local Authority employees in Wiltshire. The assets of the fund are held separately from those of the Council. The accounts of the Pension Fund are detailed in the Wiltshire Council Statement of Accounts.
The pension costs that are charged to the Police and Crime Commissioner's Group accounts in respect of its employees are the service cost identified by the actuarial valuation for the period. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. Employer's pension contributions of 17.4% of pay were paid into the fund by the Group for the year 2021/22.

Changes to the Local Government Pension Scheme allow for members to take larger lump sum payments in return for a reduced annual pension. It is expected that this will reduce the liability of the Police and Crime Commissioner. However the actuary currently considers it impossible to estimate the number of members who may take this option and its effect on the finances of the Commissioner's Group. Based on the prudence accounting concept zero take up has been assumed, therefore, no reduction in liability is included in the balance sheet of the Police and Crime Commissioner's Group.

In accordance with CIPFA guidelines the Group's liability under IAS 19 for both Police Officer and Support Staff pensions are included within the CIES and the Balance Sheet.

1.6 Leases

Where a lease transfers substantially all the risks and rewards of ownership of an asset to the lessee it is classified as a finance lease. Leases that do not meet this definition are operating leases.
Operating lease rentals are charged direct to the Comprehensive Income and Expenditure Statement as a cost to the services benefitting from their use.

1.7 VAT

Value-Added Tax is separately accounted for in accordance with the Statement of Standard Accounting Practice (SSAP) 5 and is not included as income or expenditure except where it is not recoverable. The Police and Crime Commissioner is registered for Group VAT and oversees all VAT matters on behalf of the Police and Crime Commissioner and the Chief Constable.

1.8 Post Balance Sheet Events

Where a material post balance sheet event occurs there is a policy to identify that in the Police and Crime Commissioner's Group statement of accounts. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

1.9 Prior Period Adjustments – Changes in Accounting Policies and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the current period and do not give rise to a prior period adjustment.
Changes in accounting policies are made when required by proper accounting practices and the changes provide more reliable or relevant information about the PCC's financial position or performance. Where a change is made it is applied retrospectively by adjusting balances for the prior period as if the new policy had always been applied.

A prior period adjustment has been made to the Cash and Cash Equivalents in the Balance Sheet. £2.601m was moved from Cash and Cash Equivalents under Current Assets to Cash and Cash Equivalents under Current Liabilities, this is for the net overdraft position that arises at year end due to timings of supplier payments. It was considered more transparent to disclose this as a liability as it is money owed to the Bank. Fixed Term Deposits of £10.000m were moved out of Cash and Cash Equivalents into a new heading under Current Assets called Short Term Deposits (up to one year). This is to reflect the fact that they are fixed term and therefore not readily available to withdraw as cash. The remaining balance of Cash and Cash Equivalents is made up of overnight deposits.

	Original 2020/21 £000	Adjustment	Restated 2020/21 £000
Short Term Deposits		10,000	10,000
Cash & Cash Equivalents	10,746	-7,399	3,347
Current Assets	**10,746**	**2,601**	**13,347**
Cash & Cash Equivalents		-2,601	-2,601
Current Liabilities		**-2,601**	**-2,601**
Balance	**10,746**		**10,746**

	Original 2019/20 £000	Adjustment	Restated 2019/20 £000
Short Term Deposits		5,000	5,000
Cash & Cash Equivalents	11,780	-4,597	7,183
Current Assets	**11,780**	**403**	**13,347**
Cash & Cash Equivalents		-403	-403
Current Liabilities		**-403**	**-403**
Balance	**11,780**		**11,780**

2019/20 was restated to show the opening cash and cash equivalents position in the 2020/21 cashflow statement correctly.
Prior Period Adjustments were also made for Assets Under Construction. For 2020/21, £6.757m was moved out of Plant Property and Equipment to a new heading under Non-Current Assets (£5.865 was moved for 2019/20). This did not impact any of the key Balance Sheet headings but was considered more appropriate as the Assets Under Construction includes both PPE and Intangible assets.

There is no overall impact on the Balance Sheet value as a result of any of these Prior Period Adjustments. The notes to the accounts have been restated to reflect these changes (Note 10 and 11).

1.10 Cash & Cash Equivalents

The Police and Crime Commissioner's Cash & Cash Equivalents are the net balance of the Short Term (up to three months) highly liquid deposits (£0.502m) and Bank Accounts (-£1.438m). Deposits are reported at market value. These do not result from financial relationships with any companies or organisations.

1.11 Contingent Assets & Liabilities

There is a policy to review annually for contingent assets & liabilities, they are not accrued but simply disclosed as a note to the accounts.
The organisation will disclose a contingent liability where an event has taken place that gives rise to a possible obligation depending on whether an uncertain future event occurs, or where a provision would otherwise be made but it is not probable that a use of resources will be required or the amount of the obligation cannot be measured reliably.
The organisation will disclose a contingent asset where an event has taken place that gives rise to a possible asset depending on whether an uncertain future event occurs.

1.12 Government Grants

Under IFRS, government grants are accounted for through the Comprehensive Income and Expenditure Statement when the conditions of the grant are met. Where grants are received but the conditions are not yet met they are carried in the Balance Sheet as a creditor (Government Grants Received in Advance), where the conditions are met but the grant has not yet been used it is posted to the Capital Grants Unapplied reserve.

1.13 Inventories and Long Term Contracts

All Stocks are checked at year-end and valued at the lower of actual cost or current replacement cost in accordance with the requirements of the Code of Practice and IPSAS 12. An average or standard cost is applied to calculate the cost.
Long term contracts are accounted for on the basis of value of work completed in year. Work in progress (WIP) on any uncompleted jobs, where the actual or estimated valuation of the job exceeds £5,000, is taken into the accounts at cost.

1.14 Investment Properties

There are four properties in the Police and Crime Commissioner's portfolio which are classified as investment properties under IFRS. These properties are not depreciated but are revalued at fair value on a yearly basis, where the highest and best use is considered from a market participants perspective. Gains or losses resulting from revaluations or disposal of these items are posted to Interest and Investment Income in the Comprehensive Income and Expenditure Statement and reversed out of the General Fund Balance in the Movement in Reserves Statement so as not to impact on Council Tax.

1.15 Reserves

The Police and Crime Commissioner has statutory power to maintain reserves, including the General Fund which is used to support revenue expenditure. Usable reserves are established for specific 'earmarked' purposes. Unusable reserves are also disclosed – these arise out of the interaction of legislation and proper accounting practice, they are not resource backed and cannot be used for any other purpose. All reserves are disclosed in the notes to accompany the statements.

1.16 General Fund

This is the main Fund of the Police and Crime Commissioner into which the precept, Government grants and other income, is paid and from which the cost of providing services is met. The balance on the Fund is the surplus of the Group's revenue income over its revenue expenditure.

1.17 Financial Instruments

The PCC's treasury risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the PCC in the Annual Treasury Management Strategy. Through the strategy written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash are provided. Further details are disclosed in the notes.

1.18 Collection Fund

Wiltshire Council and Swindon Borough Council act as agents, collecting council tax on behalf of the major preceptors including the Police and Crime Commissioner for Wiltshire. The Councils are required by statute to maintain a 'collection fund' for the collection and distribution of amounts due and include any prepayments or payments outstanding in respect of council tax. The Police and Crime Commissioner is required to include his share of the Net surplus/deficit on the collection funds in the year end accounts to reflect that the amount of council tax collected could be less or more than predicted.

1.19 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 Police and Crime Commissioner has entered into numerous collaborative arrangements with other police forces and local authorities. A materiality limit of £500k has been set by the Group and details of the joint operations where Wiltshire contributions exceed this level are disclosed in the notes to the accounts.

1.20 Property, Plant and Equipment and Other Assets

i. Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis in line with the relevant statute.

ii. Measurement

The Police and Crime Commissioner's assets are initially included in the Balance Sheet at cost (purchase price plus directly attributable costs of bringing the asset into service). Assets are are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. This is in line with the code of practice and assets are valued as follows:

Wiltshire Police and Crime Commissioner's freehold and leasehold properties were valued on 31 March 2022 by an external valuer Andrew Shoubridge MSc MRICS Registered Valuer of BNP Paribas Real Estate Chartered Surveyors. The valuations were in accordance with the requirements of the RICS Valuation – Global Standards 2022 and International Financial Reporting Standards (IFRS)-based Code of Practice on Local Authority Accounting (the "Code") published by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Financial Reporting Standard applicable for Local Authorities.

The valuation of each property was on the basis of Fair Value, subject to the following assumptions:

- Property, Plant and Equipment: that the property would be sold as part of the continuing business
- Investment Property: that the property would be sold subject to the existing leases without alteration or modification of the terms.

The valuer's opinion of fair value was primarily derived using:

- Comparable recent market transactions on arm's length terms.
- Depreciated replacement cost approach for Devzies HQ and the custody suites at Melksham and Swindon Gablecross, because the specialised nature of these elements means that there are no market transactions of this type of asset, except as part of the business or entity.

The PCC's vehicles and equipment are initially accounted for at cost and are depreciated over a period of 3 to 7 years dependant on the useful economic life of the asset.

iii. Impairment

The Police and Crime Commissioner's non-current assets are considered for impairment at the end of each year by Property Consultants. Any loss due to the clear consumption of economic benefits will be charged to the service revenue account and any accumulated revaluation gain held for the asset, up to the value of the loss, is then transferred from the Revaluation Reserve to the Capital Adjustment Account. Any loss not attributable to this will be written off against the gains held in the Revaluation Reserve for that asset, and the excess then charged to the service revenue account.

iv. Depreciation and Amortisation

Depreciation charges make up part of the asset rental charge to the service revenue accounts. Charges are based on the estimated useful life of the asset and are calculated in such a way as to give an equal charge to Revenue in each of the years the asset is used. Depreciation is charged on those assets which have a finite useful life. All assets are assessed for an appropriate property life by property professionals. Assets are depreciated on a straight-line basis.
Where an asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.
Revaluation gains are also depreciated and the cost is transferred from the Revaluation Reserve to the Capital Adjustment account.

v. Disposals

Cash received from the sale of non-current assets in excess of £10,000 is classified as capital receipts and must be used for future capital investment purposes. When a property is sold the value of the asset is written out of the accounts. Gains or Losses on disposal are disclosed in the Comprehensive Income and Expenditure Statement and are reversed back out in the Movement in Reserves Statement so as not to impact on Council Tax. When the sale of an asset becomes probable, it is reclassified as an Asset Held for Sale for inclusion in the Balance Sheet. Depreciation is not charged on Assets Held for Sale.

vi. Deminimis Level for the purpose of Capital Accounting

Any assets of £10,000 or below are considered to be Deminimis. They are capitalised, funded from a revenue contribution, and immediately impaired as they do not add significant service potential. The effect of this treatment is immaterial to the accounts.

1.21 Private Finance Initiative (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment (PPE) needed to provide the services passes to the PFI contractor. Where ownership of the PFI assets pass to the Authority at the end of the contract, these assets are accounted for on the Authority's Balance Sheet as PPE. For more information please see Note 10.

1.22 Revenue from Contracts with Customers

IFRS 15 requires local authorities to recognise revenue in such a way that it represents the transfer of promised goods or services to the service recipient in an amount that reflects the consideration to which the authority expects to be entitled in exchange for those goods or services. It is more likely to impact authorities when income is recognised over time. The Police and Crime Commissioner's Group has no material items that would require additional disclosures under IFRS 15.

1.23 Intangible Assets

Expenditure on assets that do not have physical substance but are controlled by the PCC as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the authority.
Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and the PCC will be able to generate future economic benefits or deliver service potential from the asset.
Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised). Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise services.
Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets can be determined by reference to an active market. In practice, no intangible asset held by the PCC meets this criterion, and they are therefore carried at amortised cost.
The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement.
Any gain or loss arising on the disposal of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

2 Accounting Standards Issued That Have Not Yet Been Adopted

For 2021/22 the following accounting standard changes have been issued but not yet adopted. The impact of these changes to the PCC is not likely to be material though they may increase the disclosure requirements for future years. Details of the disclosures required will be provided in the 2022/23 Code of Practice in Local Authority Accounting (COPLAA).

- IFRS 16 Leases (but only for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
    - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
    - IAS 37 (Onerous contracts) – clarifies the intention of the standard
    - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
    - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

3 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made based on historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
For 2021/22 the Balance Sheet contains items for which there is a significant risk of material adjustment in the forthcoming financial year;

The Pensions Liability
Estimation of the net liability to pay pensions is reliant on a number of complex judgements relating to the discount rate used, the rate of increase in salary, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the organisation with expert advice about the assumptions to be applied. Further information can be found in the pensions note.

Valuation of Land and Buildings
The PCC for Wiltshire has his land and buildings revalued on a five yearly basis. In the intervening years he requests a desktop valuation to ensure there is no material difference at the Balance Sheet date. The valuations are carried out by external experts from BNP Paribas actuaries and due to the size of numbers involved and sensitivity of this estimate to changes in key assumptions it is considered a significant estimate.

4 Post Balance Sheet Events

The PCC is required to disclose any post Balance Sheet events that have a significant impact on the accounts for the year. For 2021/22 the PCC has updated the accounts to reflect the Trienniel valuation of the LGPS Pension Fund.

5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows the Police and Crime Commissioner's net expenditure funded from government grants and council tax in comparison with the net expenditure reported in the Comprehensive Income and Expenditure Statement for resources consumed or earned in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/22 Group Expenditure and Funding Analysis	**Net Expenditure Chargeable to the General Fund Balances**	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**
	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	**2021/22 £'000**	**2021/22 £'000**
Police Services	149,645	2,903	10,568	29	13,500	163,145
Office of the Police and Crime Commissioner	2,434					2,434
Net Cost of Services	**152,079**	**2,903**	**10,568**	**29**	**13,500**	**165,579**
Other Income and Expenditure	- 155,501	284	31,748	-1,102	30,930	-124,571
Surplus or Deficit	**- 3,422**	**3,187**	**42,316**	**- 1,073**	**44,430**	**41,008**
Opening General Fund Balance	12,397					
Surplus/(Deficit) on General Fund Balance in Year	3,422					
Closing General Fund Balance at 31 March	**15,819**					

2020/21 Group Expenditure and Funding Analysis	**Net Expenditure Chargeable to the General Fund Balances**	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	**2020/21 £'000**	**2020/21 £'000**
Police Services	140,829	-884	-6,123	859	-6,148	134,681
Office of the Police and Crime Commissioner	2,014					2,014
Net Cost of Services	**142,843**	**-884**	**-6,123**	**859**	**-6,148**	**136,695**
Other Income and Expenditure	-142,994	-842	29,360	1,300	29,818	-113,176
Surplus or Deficit	**151**	**-1,726**	**23,237**	**2,159**	**23,670**	**23,519**
Opening General Fund Balance	12,246					
Surplus/(Deficit) on General Fund Balance in Year	151					
Closing General Fund Balance at 31 March	**12,397**					

2021/22 Police and Crime Commissioner's Expenditure and Funding Analysis	Net Expenditure Chargeable to the General Fund Balances	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	**2021/22 £'000**	**2021/22 £'000**
Police Services	-13,061					-13,061
Office of the Police and Crime Commissioner	2,434					2,434
Net Cost of Services before intra group funding	**-10,627**					**-10,627**
Intra Group Funding	140,318	2,903	32,955	29	35,887	176,206
Net Cost of Police Services	**129,692**	**2,903**	**32,955**	**29**	**35,887**	**165,579**
Other Income and Expenditure	- 133,114	284	- 129,813	- 1,102	- 130,631	-263,745
Surplus or Deficit	**- 3,422**	**3,187**	**- 96,858**	**- 1,073**	**- 94,744**	**-98,166**
Opening General Fund Balance	12,397					
Less/Plus Surplus or (Deficit) on General Fund in Year	3,422					
Closing General Fund Balance at 31 March	**15,819**					

2020/21 Police and Crime Commissioner's Expenditure and Funding Analysis	Net Expenditure Chargeable to the General Fund Balances	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	**2020/21 £'000**	**2020/21 £'000**
Police Services	-12,954					-12,954
Office of the Police and Crime Commissioner	2,014					2,014
Net Cost of Services before intra group funding	**-10,940**					**-10,940**
Intra Group Funding	134,670	-884	12,990	859	12,965	147,635
Net Cost of Police Services	**123,730**	**-884**	**12,990**	**859**	**12,965**	**136,695**
Other Income and Expenditure	-123,881	-842	290,117	1,300	290,575	166,694
Surplus or Deficit	**-151**	**-1,726**	**303,107**	**2,159**	**303,540**	**303,389**
Opening General Fund Balance	12,246					
Less/Plus Surplus or (Deficit) on General Fund in Year	151					
Closing General Fund Balance at 31 March	**12,397**					

In order to comply with accounting and audit requirements, disclosure of the Intra Group Funding transaction for re-measurement of pension liabilities is required in the Surplus/Deficit on the Provision of Services. This is reversed out in the Movement in Reserves Statement to ensure there is no impact on Council Tax Funding.

Adjustments for Capital Purposes

This column adds in asset accounting transactions including depreciation, impairment, revaluation and profit or loss on disposal of assets.

It also includes statutory charges for capital financing (Minimum Revenue Provision) and capital grants where conditions have been satisfied in year.

Net Change for the Pensions Adjustments

This column shows the net change for removal of employer pension contributions and addition of the IAS 19 Employee Benefits pension related income and expenditure:

For the net cost of services this represents the removal of the employer pension contributions made and replacement with current service costs and past service costs.

The net interest on the defined benefit liability is charged to the Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Other Differences

This column shows the amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements. The difference reflects the Police and Crime Commissioner's share of the risks and rewards held for debtors and creditors on the Collection Fund Balance at Wiltshire Council.

It also shows the amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements. The difference reflects the employee leave entitlements outstanding as at the 31st March.

Adjustments to the Net Cost of Services

The adjustments between funding and accounting that relate to Pensions and Capital are shown as charges to the Chief Constable and are then part of the intra group transfer to the Police and Crime Commissioner's accounts. The reason for this is the local arrangement in place for the relationship between the Chief Constable and Police and Crime Commissioner which, for accounting purposes, follows the concept 'substance over form'. These arrangements are laid out in the opening Narrative to the accounts.

6 Expenditure and Income Analysed by Nature

2020/21		2020/21		2021/22		2021/22
CIES £'000	**Adjustments between the Funding and Accounting Basis**	**General Fund £'000**	**Group Expenditure/Income**	**CIES £'000**	**Adjustments between the Funding and Accounting Basis**	**General Fund £'000**
			Expenditure			
48,830		48,830	Police Officer Salaries	51,785		51,785
20,100	-8,630	11,470	Police Officer Pensions	32,700	-20,770	11,930
48,539	-4,881	43,658	Police Staff and PCSO Salaries	57,957	-12,637	45,320
1,873	-859	1,014	Other Employee expenses	1,602	-29	1,573
4,592	599	5,191	Premises Costs	5,122	650	5,772
2,672		2,672	Transport Costs	3,116		3,116
12,184		12,184	Supplies & Services Costs	13,814		13,814
7,567	84	7,651	Other Service Costs	7,026	106	7,132
4,394	-4,369	25	Depreciation, amortisation, impairment	7,005	-6,960	45
	4,570	4,570	Capital Expenditure charged against the General Fund		3,300	3,300
1,703		1,703	Interest payments	1,692		1,692
29,465	-29,465		Net Pensions Interest & past service costs	31,909	-31,909	
331	626	957	Injury Payments	354	613	967
			Gain on the disposal of assets	761	-761	
182,250	**-42,325**	**139,925**	**Total expenditure**	**214,843**	**-68,397**	**146,446**
			Income			
-5,165		-5,165	Fees, charges and other service income	-6,851		-6,851
-792	733	-59	Interest and investment income	-126	93	-33
-40,730		-40,730	Police Grant	-43,519		-43,519
-27,447		-27,447	Other General Government Grant	-29,516		-29,516
-56,048	-1,300	-57,348	Precepts on Collection Funds	-62,839	1,102	-61,737
-19,113	19,113		HO Pensions Top Up Grant	-22,387	22,387	
-9,327		-9,327	Government Specific grants and contributions	-8,212		-8,212
-109	109		Other Tax and non-specific Grant Income	-385	385	
-158,731	**18,655**	**-140,076**	**Total income**	**-173,835**	**23,967**	**-149,868**
23,519	**-23,670**	**-151**	**Surplus or Deficit on the Provision of Services**	**41,008**	**-44,430**	**-3,422**

2020/21		2020/21		2021/22		2021/22
Restated CIES £'000	**Adjustments between the Funding and Accounting Basis**	**General Fund £'000**	**Police and Crime commissioner's Expenditure/Income**	**CIES £'000**	**Adjustments between the Funding and Accounting Basis**	**General Fund £'000**
			Expenditure			
			Police Officer Salaries			
			Police Officer Pensions			
1,107		1,107	Police Staff and PCSO Salaries	1,329		1,329
			Other Employee expenses	7		7
			Premises Costs	2		2
5		5	Transport Costs	6		6
244		244	Supplies & Services Costs	272		272
2,195		2,195	Other Service Costs	2,820		2,820
			Depreciation, amortisation, impairment			
			Capital Expenditure charged against the General Fund			
1,703		1,703	Interest payments	1,692		1,692
29,360	-29,360		Intra Group Funding (Net Pensions Interest)	31,748	-31,748	
			Injury Payments			
			Gain on the disposal of assets	761	-761	
34,614	**-29,360**	**5,254**	**Total expenditure**	**38,637**	**-32,509**	**6,128**
			Income			
-5,165		-5,165	Fees, charges and other service income	-6,851		-6,851
-792	733	-59	Interest and investment income	-126	93	-33
-40,730		-40,730	Police Grant	-43,519		-43,519
-27,447		-27,447	Other General Government Grant	-29,516		-29,516
-56,048	-1,300	-57,348	Precepts on Collection Funds	-62,839	1,102	-61,737
-19,113	19,113		HO Pensions Top Up Grant	-22,387	22,387	
-9,327		-9,327	Government Specific grants and contributions	-8,212		-8,212
-109	109		Other Tax and non-specific Grant Income	-385	385	
279,870	-279,870		Intra Group Funding (Pensions re-measurement of the net defined benefit liability/ (asset))	-139,174	139,174	
121,139	**-261,215**	**-140,076**	**Total income**	**-313,009**	**163,141**	**-149,868**
147,636	**-12,965**	**134,671**	**Intra Group Funding**	**315,380**	**-175,062**	**140,318**
303,389	**-303,540**	**-151**	**Surplus or Deficit on the Provision of Services**	**41,008**	**-44,430**	**-3,422**

In order to comply with accounting and audit requirements, disclosure of the Intra Group Funding transaction for re-measurement of pension liabilities is required in the Surplus/Deficit on the Provision of Services. This is reversed out in the Movement in Reserves Statement to ensure there is no impact on Council Tax Funding.

7 Adjustments Between Accounting Basis and Funding Basis Under Statute

Adjustments for the Group:

2021/22	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for amortisation, depreciation and impairment of non-current assets	-5,875			5,875
Revaluation Gains/losses on Property Plant and Equipment	-1,129			1,129
Movements in the market value of Investment Properties	73			-73
Capital grants and contributions applied	384			-384
Revenue expenditure funded from capital under statute				
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-971			971
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Voluntary provision for the repayment of debt	801			-801
Capital expenditure charged against the General Fund	3,300		237	-3,537
Adjustments involving Capital Grants Unapplied:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement			-275	275
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	210	-210		
Transfer of other income relating to Capital	20	-20		
Use of the Capital Receipts Reserve to finance new capital expenditure		230		-230
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 22)	-83,230			83,230
Employer's pensions contributions and direct payments to pensioners payable in the year	40,914			-40,914
Adjustments involving the Collection Fund Adj Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	1,102			-1,102
Adjustment involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-29			29
Total Adjustments	**-44,430**		**-38**	**44,468**

2020/21	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for amortisation, depreciation and impairment of non-current assets	-4,207			4,207
Revaluation Gains/losses on Property Plant and Equipment	-187			187
Movements in the market value of Investment Properties				
Capital grants and contributions applied	109			-109
Revenue expenditure funded from capital under statute				
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES				
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Voluntary provision for the repayment of debt	708			-708
Capital expenditure charged against the General Fund	4,570		16	-4,586
Adjustments involving Capital Grants Unapplied:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement				
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement				
Transfer of other income relating to Capital	733	-733		
Use of the Capital Receipts Reserve to finance new capital expenditure		733		-733
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 22)	-60,496			60,496
Employer's pensions contributions and direct payments to pensioners payable in the year	37,259			-37,259
Adjustments involving the Collection Fund Adj Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	-1,300			1,300
Adjustment involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-859			859
Total Adjustments	**-23,670**		**16**	**-23,654**

Adjustments for the Police and Crime Commissioner:

2021/22	**Usable Reserves**			
	General Fund Balance	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**
	£'000	**£'000**	**£'000**	**£'000**
Adjustments involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for amortisation, depreciation and impairment of non-current assets	-5,875			5,875
Revaluation Gains/losses on Property Plant and Equipment	-1,129			1,129
Movements in the market value of Investment Properties	73			-73
Capital grants and contributions applied	384			-384
Revenue expenditure funded from capital under statute				
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-971			971
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Voluntary provision for the repayment of debt	801			-801
Capital expenditure charged against the General Fund	3,300		237	-3,537
Adjustments involving Capital Grants Unapplied:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement			-275	275
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	210	-210		
Transfer of other income relating to Capital	20	-20		
Use of the Capital Receipts Reserve to finance new capital expenditure		230		-230
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 22)	55,944			-55,944
Employer's pensions contributions and direct payments to pensioners payable in the year	40,914			-40,914
Adjustments involving the Collection Fund Adj Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	1,102			-1,102
Adjustment involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-29			29
Total Adjustments	**94,744**		**-38**	**-94,706**

2020/21	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for amortisation, depreciation and impairment of non-current assets	-4,207			4,207
Revaluation Gains/losses on Property Plant and Equipment	-187			187
Movements in the market value of Investment Properties				
Capital grants and contributions applied	109			-109
Revenue expenditure funded from capital under statute				
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES				
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Voluntary provision for the repayment of debt	708			-708
Capital expenditure charged against the General Fund	4,570		16	-4,586
Adjustments involving Capital Grants Unapplied:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement				
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement				
Transfer of other income relating to Capital	733	-733		
Use of the Capital Receipts Reserve to finance new capital expenditure		733		-733
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 22)	-340,366			340,366
Employer's pensions contributions and direct payments to pensioners payable in the year	37,259			-37,259
Adjustments involving the Collection Fund Adj Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	-1,300			1,300
Adjustment involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-859			859
Total Adjustments	**-303,540**		**16**	**303,524**

8 Management Reporting

The Service Expenditure can be analysed in more than one way.

Subjective Reporting (Locally Defined)

For the purposes of reporting to Senior Management the Service Expenditure is also analysed with a subjective analysis which categorises costs by type; the following is the subjective year end outturn in a format used for reporting to Senior Management. This report does not include the statutory accounting adjustments as detailed in the note ‘Adjustments Between Accounting and Funding Basis Under Statute’.

Outturn 2020/21 £'000	Budget 2020/21 £'000	Variance £'000	Group Outturn	Outturn 2021/22 £'000	Budget 2021/22 £'000	Variance £'000
38,878	39,388	-509	Police Officer Basic Pay	40,983	42,529	-1,546
2,968	2,172	796	Police Officer Overtime	3,553	2,813	740
11,197	11,144	53	Police Officer Pensions	11,670	12,171	-501
5,827	6,001	-174	Police Officer Other Pay Costs	6,146	6,520	-374
4,123	4,316	-193	Community Support Officers	4,164	4,596	-432
39,185	39,008	177	Support Staff Costs	40,718	42,426	-1,708
153	32	120	Agency Staff	241	18	223
562	568	-5	Other Employee Costs	723	655	68
453	454	-1	Training	853	702	151
6,628	6,877	-249	Premises Costs	7,158	7,221	-63
2,667	2,872	-204	Transport Costs	3,103	2,790	313
12,263	12,567	-304	Other Costs	13,500	13,497	3
9,849	10,778	-929	Contracted Services	12,713	11,640	1,073
-2,890	-2,799	-91	General Income	-4,504	-4,476	-28
-10,463	-8,784	-1,679	Grant Income	-10,184	-10,076	-108
957	1,131	-174	Police Pensions- Inj/Ill Health	967	1,092	-125
-59	-200	141	Investment Income	-33	-79	46
122,297	125,524	-3,227	**Net Position**	**131,711**	**134,039**	**-2,268**

The Cost of the Office of the PCC (reported within the above figures):

Outturn 2020/21 £'000	Budget 2020/21 £'000	Variance £'000		Outturn 2021/22 £'000	Budget 2021/22 £'000	Variance £'000
1,238	1,250	-12	Staffing Costs	1,441	1,630	-189
259	247	12	Other Costs	295	271	24
4,767	5,013	-246	Contracted Services	3,948	6,300	-2,352
-1,595	-1,595		Grant/General Income	-2,002	-1,950	-51
-59	-200	141	Investment Income	-33	-79	46
4,610	4,715	-105	**Net Position**	3,648	6,171	-2,522

Objective Reporting (Nationally Defined)

Objective reporting categorises costs by the activities contributed towards rather than the type of spend. The following is the objective format reported to Senior Management; this reporting format has been used for benchmarking and for the HMIC 'Value for Money' reports for a number of years. Again this report does not include the statutory accounting adjustments as detailed in the note 'Adjustments Between Accounting and Funding Basis Under Statute'.
The underspend for Investigations in 2021/22 relates to the timing of staff moving to CID and staff movement from CPT and other areas to Op Fortitude (proactive investigations).

Outturn 2021/22				
Summary	Revised Budget *£000's*	Revised Budget %	Actual Spend *£000's*	Variance '-' = under spend *£000's*
Local Policing	34,916	26.1%	34,290	-627
Dealing with the Public	8,310	6.2%	8,441	131
Criminal Justice Arrangements	7,414	5.5%	7,471	57
Specialist Ops (Roads Policing + Sp Ops)	8,306	6.2%	7,694	-612
Intelligence	5,370	4.0%	5,078	-292
Investigations (Invest + Invest support)	21,577	16.1%	20,270	-1,307
Public Protection	7,565	5.7%	7,036	-529
National Policing	707	0.5%	734	27
Support (incl ACPO)	32,085	23.9%	31,838	-247
Main Force Net Position	**126,251**		**122,852**	**-3,398**
OPCC	3.697	2.8%	3,464	-233
Reserve/Commissioning	-606	-0.5%	463	1,069
Capital Finance and Pensions	4,698	3.5%	4,991	293
Total	**134,039**	**100.0%**	**131,771**	**-2,268**

Outturn 2020/21				
Summary	Revised Budget *£000's*	Revised Budget %	Actual Spend *£000's*	Variance '-' = under spend *£000's*
Local Policing	34,490	27.5%	33,743	-747
Dealing with the Public	8,044	6.4%	9,417	1,373
Criminal Justice Arrangements	7,652	6.1%	7,704	51
Specialist Ops (Roads Policing + Sp Ops)	7,798	6.2%	5,290	-2,508
Intelligence	4,976	4.0%	4,815	-161
Investigations (Invest + Invest support)	17,957	14.3%	17,737	-220
Public Protection	7,127	5.7%	6,580	-546
National Policing	811	0.6%	996	185
Support (incl ACPO)	30,643	24.4%	30,279	-364
Main Force Net Position	**119,499**		**116,562**	**-2,937**
OPCC	3,067	2.4%	2,842	-225
Reserve/Commissioning	-526	-0.4%	-526	
Capital Finance and Pensions	3,484	2.8%	3,420	-64
Total	**125,524**	**100.0%**	**122,297**	**-3,227**

Cost of the Office of the PCC

The cost of the Office of the PCC contains different amounts to those reported for statutory requirements and can be reconciled back to the costs in the Statement of Accounts as follows. It should be noted that for accounting purposes the concept 'substance over form' requires that the economic substance of transactions and events must be reported rather than just their legal form in order to present a true and fair view.

2021/22	**Subjective Management Report OPCC Net cost £000**	Contributions reported separately £000	**Objective Management Report OPCC Net cost £000**	Chief Constable Support Costs £000	**Statutory CIES OPCC Net cost £000**
Staffing Costs	**1,441**	-104	**1,336**		**1,336**
Other Costs	**295**	-15	**280**		**280**
Contracted Services	**3,948**	-98	**3,850**	-1,030	**2,820**
Grant/other Income	**-2,002**		**-2,002**		**-2,002**
Investment Income	**-33**	33	**0**		**0**
Total	**3,648**	-184	**3,464**	-1,030	**2,434**

2020/21	**Subjective Management Report OPCC Net cost £000**	Contributions reported separately £000	**Objective Management Report OPCC Net cost £000**	Chief Constable Support Costs £000	**Statutory CIES OPCC Net cost £000**
Staffing Costs	**1,238**		**1,238**	-130	**1,108**
Other Costs	**259**	-10	**249**		**249**
Contracted Services	**4,767**	-1,817	**2,950**	-757	**2,195**
Grant/other Income	**-1,595**		**-1,595**	57	**-1,538**
Investment Income	**-59**	59	**0**		**0**
Total	**4,610**	-1,767	**2,842**	-830	**2,014**

The majority of the Income relates to grant funding received towards Victim Support.

The Management report does not include notional amounts that are required for reporting in the Statement of Accounts Comprehensive Income and Expenditure Statement. The Outturn reported to Management can be reconciled back to the Statement of Accounts as follows:

Cost of Services:

2020/21 £000	Net Cost of Services	2021/22 £000
122,297	**Total Reported to Senior Management**	**131,771**
12,990	Notional Sums Adjustment – Pensions (IAS 19)	32,955
-909	Notional Sums Adjustment – Capital Financing	3,612
859	Notional Sums Adjustment – Employee Benefits (IAS 19)	29
-708	Notional Sums Adjustment – MRP	-801
-911	Net Interest & similar items	-1,565
-150	Contributions to/from General Fund Balance	-2,690
3,227	Actual under spend	2,268
136,695	**Net Cost of Services Statement of Accounts**	**165,579**

Net interest & similar items includes a contribution received to provide access to land for a third party.

9 Property, Plant and Equipment and Other Assets

- **Capital Expenditure**

Total 2020/21 £000		Land & Buildings 2021/22 £000	Vehicles & Equipment 2021/22 £000	Total 2021/22 £000
5,906	Capital Expenditure in year	512	3,493	4,005
5,906		**512**	**3,493**	**4,005**

- **Financing of Capital Expenditure**

2020/21 £000		2021/22 £000
733	Capital Receipts	230
125	Govt Grant	346
4,570	Revenue and other reserves	3,300
683	VRP for PFI	756
25	MRP for repayment of external borrowing	45
6,136		**4,677**

The Capital Receipts for 2021/22 relate to the sale of Cricklade Police Station.

- **Explanation of Movements in Year**

2020/21 £'000		2021/22 £'000
-683	Voluntary Revenue Provision for PFI contracts	-756
-25	Minimum Revenue Provision	-45
478	Use of borrowing to finance Capital	129
-230	Increase in Capital Financing Requirements	**-672**

Capital expenditure financing rules require all expenditure to be financed in the same year as the expenditure is incurred. PFI expenditure is incurred and funded over the lifetime of the asset leading to a liability on the Balance Sheet equivalent to the asset (see note 10 for more detail).

Due to PFI accounting requirements, a voluntary revenue provision of £755,825 has also been charged to revenue in line with the reduction in Finance Lease Liability of the same amount (£682,573 2020/21).

The gap in financing for 2021/22 has been funded with a PWLB loan which was taken out in March 2021 in line with plans identified in the latest Capital Strategy. The PCC is required to make a Minimum Revenue Provision to put aside funds for the repayment of external debts. For 2021/22 this provision was £0.045m in preparation for the 2022/23 repayment of principle on the existing PWLB loans. This provision reduces the liability for the borrowing over the lifetime of the loan.

- **Capital Financing Requirement**

The gap in Capital Financing Requirement for the year has been funded through borrowing:

CFR 31 Mar 2021 £'000	Capital Finance Requirement	CFR 31 Mar 2022 £'000
55,674	Non Current Assets	57,444
3,726	Current Assets	2,870
-38,679	Reserves	-40,265
20,721	Total CFR	**20,049**
-19,521	Finance Lease Liability	**-18,764**
-1,200	Underlying Borrowing Requirement	**-1,285**

31 Mar 2021 £'000	Borrowing	31 Mar 2022 £'000
746	Opening Balance of Borrowing	1,200
478	Borrowing used in year to fund the gap	129
-25	Repayment of Borrowing (MRP)	-45
1,200	Closing Balance Funded by Borrowing	**1,285**

The balance of the PCC's long term PWLB borrowing is as follows:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	Cumulative Total
New Loan	1,132	798		**1,930**
Repayments		-25	-45	**-70**
Loan Balance	**1,132**	**773**	**-45**	**1,860**

- **Capital Disposals**

Total GBV 2020/21 £000		Land & Buildings 2021/22 £000	Vehicles & Equipment 2021/22 £000	Total GBV 2021/22 £000
9,541	Capital Disposals	185	1,322	1,507
9,541		**185**	**1,322**	**1,507**

Capital Disposals are at Gross Book Value. The net value of the assets disposed during 2021/22 was £0.277m and relates to the sale of Cricklade Police Station (£0.185m), disposal of vehicles (£0.092m) and the disposal of project development costs for prior years (£0.693m)

- **Significant Commitments under Capital Contracts**

There are no significant commitments under capital contracts to be paid after 31 March 2022.

- **Valuation of Assets**

Assets are included in the Balance Sheet at their current value, as described in the Statement of Accounting Policies. An analysis is given below:

2021/22	Valuation £000	Less Cumulative Depreciation/ Amortisation £000	Net Book Value £000
Land & Buildings	44,800		44,800
Surplus Assets			
Investment Properties	1,243		1,243
Assets held for Sale	2,870		2,870
Intangibles	5,727	2,047	3,680
Vehicles, Furniture & Equipment	14,545	7,993	6,552
Assets under construction (at cost)	1,169		1,169
	70,354	**10,040**	**60,314**

2020/21	Valuation £000	Less Cumulative Depreciation/ Amortisation £000	Net Book Value £000
Land & Buildings	40,455		40,455
Surplus Assets			
Investment Properties	1,170		1,170
Assets held for Sale	3,725		3,725
Vehicles, Furniture & Equipment	13,422	6,131	7,291
Assets under construction (at cost)	6,757		6,757
	65,529	**6,131**	**59,398**

Depreciation and Amortisation are charged on a straight line basis for all assets. In general the following lives are utilised:

Buildings, Police Houses	50 years
Vehicles and Equipment	5 years
IT Equipment	3 to 7 years

In some circumstances specific asset lives are used if it is considered that this will result in a fairer view of assets and revenue charges.

- **Details of Valuation of Wiltshire Police Properties**

Wiltshire Police and Crime Commissioner's freehold and leasehold properties were valued on 31 March 2022 by an external valuer Andrew Shoubridge MSc MRICS Registered Valuer of BNP Paribas Real Estate Chartered Surveyors. The valuations were in accordance with the requirements of the RICS Valuation – Global Standards 2022 and International Financial Reporting Standards (IFRS)-based Code of Practice on Local Authority Accounting (the "Code") published by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Financial Reporting Standard applicable for Local Authorities.

The valuation of each property was on the basis of current value, subject to the following assumptions:

- Property, Plant and Equipment: that the property would be sold as part of the continuing business
- Investment Property: that the property would be sold subject to the existing leases without alteration or modification of the terms.

The valuer's opinion of current value was primarily derived using:

- In March 2018 valuation - comparable recent market transactions on arm's length terms. Subsequent valuations have been based on movement in appropriate indices.

- Depreciated replacement cost approach for Devizes HQ and the custody suites at Melksham and Swindon Gablecross because the specialised nature of these elements means that there are no market transactions of this type of asset, except as part of the business or entity.

- **Impaired Assets**

The qualified surveyors have not identified any impaired assets as held as at 31 March 2022.

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- **Componentisation**

Where an asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately

- **Statement of Physical Assets**

This Statement indicates the broad categories of non-current assets of the Police and Crime Commissioner.

2020/21		2021/22
	Properties (numbers)	
7	Police Houses	7
20	Police Stations	19
	Vehicles (numbers)	
69	Police Vans	71
438	Police Cars	447
8	Police Motorcycles	10

The assets reported in this statement are only those owned by the Group.

- **Investment Properties**

The Police and Crime Commissioner has four properties in the portfolio held as capital investments; Devizes Skid Pan, Salisbury land (area of land at rear of Wilton Road police station), Highworth land and Wroughton land. There was no rental or direct operating expenditure relating to these investments during 2021/22. There are no restrictions on the ability to realise the value inherent in the investment property or on the right to the remittance of income and the proceeds of disposal. The Police and Crime Commissioner for Wiltshire has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement. During 2021/22 the investment assets were revalued at £1.243m, an increase of £0.073m since 2020/21.

- **Assets Held for Sale**

The Police and Crime Commissioner had 6 police stations held for sale at 31 March 2022; Highworth, Malmesbury, Marlborough, Pewsey, Warminster and Westbury. These sales form part of the Estates strategy for modernising the police estate and making it fit for purpose.

- **Movements of Property, Plant and Equipment (PPE) and Other Assets**

2021/22	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**	Investment Properties £000	Intangibles £000	Assets for Sale £000	**Total £000**
Balance at 1 April 2021	40,455	13,422	6,757	**60,634**	1,170		3,725	**65,529**
Additions	189	2,049	1,374	**3,612**		393		**4,005**
Disposals		-1,322		**-1,322**			-185	**-1,507**
Reclassify assets	1,889	402	-6,961	**-4,671**		5,335	-665	
Revaluations recognised in the surplus/deficit on the provision of services	-1,118	-7		**-1,125**	73		-5	**-1,057**
Revaluations recognised in the Revaluation Reserve	3,385			**3,385**				**3,385**
Balance at 31 March 2022	44,800	14,544	1,169	**60,513**	1,243	5,728	2,870	**70,354**
Depreciation and Amortisation	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**	Investment Properties £000	Intangibles £000	Assets for Sale £000	**Total £000**
Balance at 1 April 2021		-6,130		**-6,130**				**-6,130**
Charge for the year	-1,428	-2,765		**-4,193**		-1,682		**-5,275**
Reclassification		365		**365**		-365		
Depreciation/Amortisation written out to the surplus/deficit on the provision of services								
Depreciation written out to the Revaluation Reserve	1,428			**1,428**				**1,428**
Disposals		536		**536**				**536**
Balance at 31 March 2022		-7,995		**-7,995**		-2,047		**-10,041**
Net Book Value at 31 March 2022	**44,800**	**6,549**	**1,169**	**52,518**	**1,243**	**3,682**	**2,870**	**60,313**

Nature of Asset Holding 2021/22:

Owned	26,680	6,549	1,169	**34,398**	1,243	3,682	2,870	42,193
PFI	18,120			**18,120**				18,120
	44,800	**6,549**	**1,169**	**52,518**	**1,243**	**3,682**	**2,870**	**60,313**

2020/21	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**	Investment Properties £000	Intangibles £000	Assets for Sale £000	**Total £000**
Balance at 1 April 2020	45,427	18,434	5,865	**69,726**	1,170			**70,896**
Additions	210	2,726	2,971	**5,907**				**5,907**
Disposals		-9,541		**-9,541**				**-9,541**
Reclassify assets	-3,449	1,802	-2,078	**-3,725**			3,725	
Revaluations recognised in the surplus/deficit on the provision of services	-187			**-187**				**-187**
Revaluations recognised in the Revaluation Reserve	-1,546			**-1,546**				**-1,546**
Balance at 31 March 2021	40,455	13,422	6,757	**60,634**	1,170		3,725	**65,529**
Depreciation and Amortisation	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**	Investment Properties £000	Intangibles £000	Assets for Sale £000	**Total £000**
Balance at 1 April 2020		**-12,986**		**-6,130**				**-12,986**
Charge for the year	-1,522	-2,685		**-4,207**				-4,207
Depreciation/Amortisation written out to the surplus/deficit on the provision of services								
Depreciation written out to the Revaluation Reserve	1,522			**1,522**				1,522
Disposals		9,541		**9,541**				9,541
Balance at 31 March 2021		-6,130		**-6,130**				-6,130
Net Book Value at 31 March 2021	**40,455**	**7,291**	**6,757**	**54,504**	**1,170**		**3,725**	**59,399**

Nature of Asset Holding 2020/21:

Owned	23,640	7,291	6,757	37,689	1,170		3,725	42,584
PFI	16,815			16,815				16,815
	40,455	**7,291**	**6,757**	**54,504**	**1,170**		**3,725**	**59,399**

For PFI transaction details please see note 10.

It should be noted that under the accounting rules an asset cannot be revalued to a lower level using the revaluation reserve unless the specific asset has prior gains in the revaluation reserve. Therefore any revaluations which reduce the value of an asset with no associated balance for prior gains are accounted for with a charge to the provision of services. This charge to revenue is then removed through the Capital Adjustment Account to prevent any impact on Council Tax.

The Assets Under Construction are incomplete Capital projects, held at current value, which are yet to be categorised and given certification for the Balance Sheet. The largest spend under this category at 31st March 2022 was for an ICT project, the Avaya 999 replacement project with current costs totalling £0.3m.

10 Financial Instruments and Private Finance Initiatives

Financial assets and liabilities held by The Police and Crime Commissioner for Wiltshire's Group are shown on the face of the accounts and in the related notes. The items considered to be financial instruments are Debtors, Creditors, Interest, Investments, short term borrowings, PFI and cash.

The Financial Instruments disclosed in the Balance Sheet are made up of the following categories:

	Short Term (up to one year)		Long Term	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000
Financial liabilities at amortised cost				
Creditors	-4,056	-4,897		
Long Term Borrowings	-45	-1,046	-1,860	-1,814
Bank Overdraft	-2,601	-1,438		
PFI	-741	-817	-18,780	-17,947
Total	-7,443	-8,198	-20,640	-19,761
Financial Assets Loans and Receivables				
Investments	13,347	12,002		
Debtors	3,549	4,806		
Total	16,896	16,808		

It should be noted that the Creditors and Debtors differ from the Balance Sheet; Financial Instruments are exclusive of statutory amounts such as payroll, pensions and VAT.

Debtors 2021/22	
£'000	
19,024	Balance Sheet
-6,995	HO Pensions Funding
-3,244	Payroll/Pensions Debtors
-1,370	VAT
-2,609	Precept debtors
4,806	Financial Instruments

Creditors 2021/22	
£'000	
-13,733	Balance Sheet
2,614	Employee Benefits
3,319	Payroll/Pension Creditors
2,298	Precept Creditors
605	VAT
-4,897	Financial Instruments

The Financial Instruments disclosed in the CIES gains and losses are made up of the following categories.

	31 March 2021 £'000	31 March 2022 £'000
Financial liabilities at amortised cost		
Interest Payable and similar charges	41	52
PFI Finance Interest	1,662	1,640
Total	1,703	1,692
Financial Assets Loans and Receivables		
Interest and Investment Income	-792	-113
Total	-792	-113

The PCC's Capital Strategy identified a requirement for borrowings to finance the Estates strategy and major IST programme capital spends for future years. The PCC is required to make a Minimum Revenue Provision (MRP) for repayment of these loans. This MRP is equivalent to the repayment of principal due and will reduce the liability over the lifetime of the loan. Payments relating to interest are charged directly to revenue. External PWLB loans are shown in the Balance Sheet as £1.814m Long Term Borrowing (future years) and £1.046m Short Term Borrowing (repayment of principal due next year).
In the event of a default against the PWLB loans, interest will be charged on late payments at the Bank of England 'repo' rate for the day from the relevant payment date to the date on which the account is credited.

Financial assets and liabilities for which fair value is disclosed in financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

Financial instruments as set out in this note are classified as Level 2.

Disclosure of nature and extent of risks arising from financial instruments:

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

The Treasury's risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Police and Crime Commissioner in the Annual Treasury Management Strategy. Through the strategy written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash are provided.

Credit risk:

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group's customers. The credit criteria in respect of financial assets held by the Police and Crime Commissioner are as detailed below:

Credit ratings are monitored on a weekly basis, by the treasury management providers (Wiltshire Council). The Council uses the creditworthiness service provided by Link Asset Services. This service is based on a sophisticated modelling approach, with credit ratings from all three rating agencies (Fitch, Moody's and Standard and Poor's), forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

a) Credit watches and credit outlooks from credit rating agencies;
b) CDS spreads to give early warning of likely changes in credit ratings; and
c) Sovereign ratings to select counterparties from only the most creditworthy countries.

In accordance with DCLG Guidance on Local Government Investments for selecting the creditworthiness of counterparties with whom investments are placed, the Police and Crime Commissioner will comply with the minimum requirements below.

All banks and building societies must be part of the credit list provided by Link and investments with these institutions are for the durations as recommended by Link and subject to a credit default analysis.
Money Market Funds (MMF), must have been awarded the highest possible rating (AAA) from at least one of the credit rating agencies Standard and Poor's, Moody's and Fitch.
Limits are applied to the amount of money that can be lent to any of these institutions or groups of institutions using the ratings of Fitch Rating Agency as follows:

UK incorporated banks with a short term credit rating of at least F1+ and a long term credit rating of at least AA – £8 million
Overseas banks that have a long term credit rating of at least AA+ - £8 million
Local Authorities and other public bodies - £8 million
Other UK Incorporated banks - £5 million
Other overseas banks - £5 million
Building Societies - £5 million
Money Market Funds - £5 million

The Police and Crime Commissioner's exposure to risk on investments is minimised by limiting the deposits to short term only, there has been no experience of historical default.
The Police and Crime Commissioner's Group does not allow credit for customers, such that the balance on the Accounts Receivable ledger at 31 March 2022 relates to short term trade receivables and any risk is minimal.

For the Accounts Receivable Ledger, the total value of debtors, excluding items arising under legislation (tax, NI etc), can be analysed as follows:

Receivables (Loans & Receivables)	**31-Mar-21** **£'000**	**31-Mar-22** **£'000**
Less than 3 months	576	387
3 to 6 months		15
Over 6 months		86
	576	488

For the Accounts Payable Ledger, the total value of creditors, excluding stock items and items arising under legislation (tax, NI etc), can be analysed as follows. All Creditor invoices were paid by the 31 March 2021 and the majority received since were paid by the 31 March 2022:

Payables (Amortised Cost)	**31-Mar-21** **£'000**	**31-Mar-22** **£'000**
Less than 3 months		-23
3 to 6 months		
Over 6 months		
		-23

Fair Value of Financial Instruments

IFRS 9 Financial Instruments requires fair value measurement of financial assets and liabilities. The Police and Crime Commissioner's financial assets are reviewed annually for the impact of changes. All investments are short term, less than a year and as such the carrying amount and fair value are not materially different. The same applies to Trade Payables and Receivables.

The loans liability of £2.860m was valued by Treasury advisors, LINK Asset Management as at 31 March and the fair value was found to be £2.819m when comparing to taking out a new loan at that date.
Details of the fair value for PFIs are disclosed later in this note alongside further PFI information.

Liquidity risk:

The Police and Crime Commissioner has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. Previously issues of affordability, prudence and sustainability of borrowing had been of limited relevance due to the PCC's debt-free status. These are of increased relevance to the PCC now that he is borrowing to finance the future capital expenditure plan. The PCC takes advice from LINK Asset Services in setting out his annual Treasury Management Strategy to maximise returns and minimise risks.

Market Risk:

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

- borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- investments at variable rates – the interest income credited to the CIES will rise.
- investments at fixed rates – the fair value of the assets will fall.

Future returns are affected by inflation and the Bank of England's decisions on interest rates. The majority of invested funds are externally managed and enables returns to be maximised whichever way interest rates move.
Any borrowing, temporary or longer term, is taken at a fixed interest rate to minimise the exposure to interest rate movements. The risk here is that the PCC may require borrowings at a time of unfavourable interest rates. Investments on HSBC Bank Treasury and other financial institutions are also taken at fixed interest rates.

Price risk
The Police and Crime Commissioner's Group does not invest in equity shares other than in the Pension Scheme (see pensions note), nor does it have any shareholdings in joint ventures or local industry. This means that the Group has no exposure to price risk outside of the Local Government Pension Scheme.

Foreign exchange risk
The Police and Crime Commissioner has no financial assets or liabilities denominated in foreign currencies and thus have no exposure to loss arising from movements in exchange rates.

Private Finance Initiative (PFI)

The Police and Crime Commissioner is committed to make annual payments for two PFI Projects; the Swindon Divisional Facilities and the Black Rock firearms training facility in Portishead.
Black Rock is a PFI which is shared with Avon & Somerset and Gloucester police. In line with the Code of Practice the Swindon PFI asset and a 25% share of the Black Rock PFI asset have been recognised on the Balance sheet and a liability created to identify the Group's commitment for future payments towards the assets over the life of the contracts. The liability is reduced to reflect payments charged through revenue as part of the Unitary Charge and the Finance Cost element of the Unitary Charge is recognised under 'interest payable and similar items'.

At the end of the Swindon HQ project an option exists for the Police and Crime Commissioner to take ownership of the asset and similarly at the end of the Black Rock project the asset will transfer to the joint ownership of the PCC's for the three police forces involved. More information on Blackrock can be found in the Joint Arrangements note.

The following tables set out the movements in the PFI assets and liabilities for 2021/22:

Swindon Property 2020/21 £000	Black Rock Property 2020/21 £000	Cost or Valuation	Swindon property 2021/22 £000	Black Rock Property 2021/22 £000
12,860	**5,427**	**Balance at 1 April**	**12,120**	**4,695**
		Additions		
-740	-732	Enhancements/Revaluations	240	1,065
12,120	4,695	Balance at 31 March	12,360	5,760
		Depreciation		
0	**0**	**Balance at 1 April**	**0**	**0**
-459	-256	Charge for the year	-485	-228
459	256	Depreciation write back on revaluation	485	228
0	0	Disposals	0	0
0	0	Balance at 31 March	0	0
12,120	**4,695**	**Net Book Value at 31 March**	**12,360**	**5,760**

-16,909	-3,294	Finance Lease Liability in Accounts	-16,310	-3,210
		Additions		
		Adjustment to Liability		
599	84	Liability Redemption	650	106
-16,310	**-3,210**	**Finance Lease Liability at 31 March**	**-15,660**	**-3,104**

Swindon PFI

The Fair Value of the Swindon PFI as at 31 March 2022, if it were to be refinanced through a PWLB loan would be £22.513m. For comparison, the carrying amount of the liability as at 31 March 2022 is £15.660m with projected interest costs of £10.807m giving a projected total cost of £26.467m. These figures are estimates and do not include legal costs etc which would be incurred with any exit. They also do not consider the services and maintenance risk included within the PFI. The figures also do not include the loss of grant to the PCC which would be circa £26m

Payments made in 2021/22 and due for the remainder of the Swindon PFI contract are as follows:

	£000			
Year	**Fair Value of Services**	**Lifecycle Replacement Costs**	**Interest Cost for Year**	**Finance Lease Liability Redemption**
Rentals Paid In Year (2021/22)	1,090	50	1,386	650
Rentals Payable in Future Years				
Within 1 Year	1,090	50	1,331	705
Within 2 to 5 Years	4,359	198	4,671	3,473
Within 6 to 10 Years	5,449	248	3,898	6,282
Within 11 to 15 Years	3,269	149	908	5,200
Within 16 to 20 Years	0	0	0	0
Total in Future Years	**14,167**	**645**	**10,808**	**15,660**

Blackrock PFI

The Fair Value of Wiltshire's share in Blackrock PFI as at 31 March 2022 is £4.627m. This valuation has been provided by the PCC for Avon & Somerset using AA corporate bond yield rates.
Payments made in 2021/22 and due for the remainder of the Black Rock PFI contract are as follows:

	£000			
Year	**Fair Value of Services**	**Lifecycle Replacement Costs**	**Interest Cost for Year**	**Finance Lease Liability Redemption**
Rentals Paid In Year (2021/22)	107	27	254	106
Rentals Payable in Future Years				
Within 1 Year	116	32	250	113
Within 2 to 5 Years	494	254	905	449
Within 6 to 10 Years	689	407	899	761
Within 11 to 15 Years	782	394	576	1,156
Within 16 to 20 Years	338	153	106	626
Within 21 to 25 Years	0	0	0	0
Total in Future Years	**2,419**	**1,240**	**2,736**	**3,104**

11 Cash Flow

The Accounts and Audit Regulations require disclosure of a statement of source and application of funds. The Cash Flow Statement satisfies this requirement. The statement includes all the Police and Crime Commissioner for Wiltshire's Group operations, revenue and capital, excluding internal transactions. It thus shows total receipts and total payments and how the difference between the two was financed.

- **Reconciliation to the Comprehensive Income and Expenditure Statement**

2020/21 PCC	2020/21 Group		2021/22 PCC	2021/22 Group
-303,389	**-23,519**	**Surplus/(Deficit) on CIES**	**98,166**	**-41,008**
-362	-362	Movement in debtors*	-6,019	-6,019
-121	-121	Movement in stocks	-165	-165
-1,110	-1,110	Movement in creditors*	1,540	1,540
105	105	Movement in provisions and other balances	133	133
279,870		Intra Group Funding	-139,174	
23,670	23,670	Adjustments between Accounting Basis and Funding Basis under Statute	44,430	44,430
-494	-494	Adjustment for use of Borrowing and previously unapplied Grant	-91	-91
		Adjustment for purchase of investments	-1,500	-1,500
5,065	5,065	Net Cash Flows from Investing Activities	4,890	4,890
708	708	Net Cash Flows from Financing Activities	801	801
3,942	**3,942**	**Net Cash Flows from Operating Activities**	**3,011**	**3,011**

The Cash flows from operating activities (£3.0m) shown in the table along with the Investing activities (£-4.9m), Financing activities (£-0.8m) and Short Term Borrowings of £1.0m make up the total movement in cash and cash equivalents of £-1.7m.
*Excludes adjustments that form part of the adjustments between accounting and funding basis.

- **Movement in Cash and Cash Equivalents**

Movement 2020/21 £000		Balance 1 April 2021 £000	Balance 31 March 2022 £000	Movement 2021/22 £000
30,788	Cash held by the PCC	31,142	18,203	-12,939
-32,987	Cash Overdrawn	-33,743	-19,641	14,102
-3,836	Short Term Investments (up to 3 months)	3,347	502	-2,845
-6,035	**Total**	**746**	**-936**	**-1,682**

It should be noted that the cash held and cash overdrawn balances are held in a number of Bank accounts that are interlinked resulting in a net overdrawn position of £1.438 million at year end. This position occurs due to timing of the last supplier payment run for the year and will be replenished in the first week of April.
There were fixed term deposits of £11.500 million invested with approved institutions for up to one year, as these are fixed term they are not so easily accessible and are not considered to be cash and cash equivalents.

- **Analysis of Specific Government Grants**

2020/21 £000		2021/22 £000
-445	Operational Policing Grants	-221
-2,068	PFI Swindon Facilities Grant	-2,068
-1,208	Security Funding Spec Grant	-2,392
-892	Victims & Support RJ Grant	-1,283
-2,976	COVID 19/ Officer Uplift Grants	
-1,002	Pensions Support Grant	-1,002
	Stalking Protection Order Grant	-31
	Safer Streets HO Grant	-422
-403	Other Grants	-405
-8,994	**Total**	**-7,824**

This income is included within the Cash Flow Statement under 'Cash received for Goods and Services' and in the Comprehensive Income and Expenditure Statement as Specific Grants.

An additional amount of £388,000 (£334,000 2020/21) is included in the Comprehensive Income and Expenditure Statement to account for a share of the Black Rock PFI Grant – more information is available in the PFI note.

The Officer Uplift is now funded through general grant income. This grant is to enable the organisation in increasing the Police Officer numbers in line with the Government's mandate. More information regarding this is contained in the Narrative section.

12 Debtors

These represent sums owed to the Police and Crime Commissioner's Group for supplies and services provided on or before 31 March 2022, but not received at that date.

2020/21 £000		2021/22 £000
4,492	Prepayments	4,294
218	Trade Income Outstanding	101
7,780	Other Income Outstanding	14,552
12,490	**Total short term debtors**	**18,947**

The 2021/22 figure for other income outstanding includes:
£0.836m of funds paid over to XPS Pensions administrators in lieu of commutation payments due in April.
£6.995m due from the Home Office for the pension fund top up grant (£3.378m 2020/21).
£1.370m VAT claims not yet received from HMRC (£0.824m 2020/21).
£2.609m for Collection Fund debtors – this is explained in the policies (£2.094m 2020/21).
£1.047m due from the Home Office for specific grants
£1.041m income outstanding relating to collaborative work with other police forces.
The 2021/22 Prepayments figure includes £2.406m for pension prepayments (paid a month in advance) (£2.645m 2020/21).

There were no long term debts as at 31 March 2022.

13 Creditors

These represent sums owed by the Police and Crime Commissioner's Group for supplies and services received on or before 31 March 2022, but not paid for at this date.

2020/21 £000		2021/22 £000
-183	Income in Advance	-143
-1,343	Trade Outstanding Invoices	-1,899
-11,224	Other Outstanding Invoices	-11,691
-12,750	**Total**	**-13,733**

The 2021/22 figure for other outstanding invoices includes:

£2.031m for the national insurance contributions not paid over at 31 March (£2.026m 2020/21).
An employee benefits accrual of £2.614m for employee leave not taken at 31 March (£2.585m 2020/21).
£2.298m for Collection Fund accruals – this is explained in the policies (£2.884m 2020/21).
£1.609m relates to collaborations with other forces (£1.403m 2020/21).
£0.605m is for VAT payments due to HMRC.

Police Property Act

The Police and Crime Commissioner operates a holding account, for seized monies and the sale proceeds of seized and unclaimed property under the Police (Property) Regulation 1997. In accordance with the regulation these monies and proceeds are distributed to local charities, through the Community Foundation, as approved by the Group. The balance for distribution stands at £72,726 at 31 March 2022 (£10,723 31 March 2021) and is included as a creditor.

Drugs Forfeiture Fund

This fund is credited with the confiscated proceeds of illegal drug dealings. These funds are used to finance equipment and other purchases to contribute towards combating drug related crime and are included as a creditor. The balance available on the account as at 31 March 2022 was £106,163 (£47,632 31 March 2021). £91,675 of these funds had been allocated to projects through the Governance Board by 31 March.

Seized Cash Account

This account is for confiscated funds held by the Police and Crime Commissioner under specific individuals where judgements are outstanding at court. As at 31 March 2022 the balance in the bank was £353,948 (£365,407 31 March 2021). As these are not the Police and Crime Commissioner's funds they are not included within the Police and Crime Commissioner's Group Balance Sheet.

14 Provisions

Insurance 2020/21 £000	Other 2020/21 £000		Insurance 2021/22 £000	Other 2021/22 £000
-598	-312	Balance as at 1 April	-703	-312
-105		Additional Provisions made in year	-224	
		Amounts Used in year		98
		Unused Amounts Reversed in year		-4
-703	**-312**	**Total**	**-927**	**-218**

Included within the 2021/22 provision total is £0.927 million relating to insurance (£0.703m 2020/21). This provision is for both reserves and costs which may become payable and relates to both employers liability and civil claims. To the best of our knowledge the payments will be made in the coming year so it is disclosed in the Balance Sheet as a short term provision.

15 Usable Reserves

2020/21 £000		2021/22 £000
0	Capital Receipts Reserve	0
455	Capital Grants Unapplied	492
9,068	Other Earmarked Reserves	12,280
3,327	General Fund Reserve	3,537
12,850	**Total Usable Reserves**	**16,310**

Capital Receipts Reserve

Capital receipts are funds received by the Police and Crime Commissioner from the sale of capital assets. Movements in the Capital Receipts Reserve are detailed in the Movement in Reserves Statement and further in the note to the accounts for Adjustments between Accounting Basis and Funding Basis under Statute.

Capital Grants Unapplied

The Capital Grants Unapplied Reserve holds the grants received towards capital projects for which the Police and Crime Commissioner has met the conditions that would otherwise require repayment of the grant but which have yet to be applied to capital expenditure. The balance is restricted by grant terms surrounding purpose and timing of its use. The balance in this reserve at 31 March is funding towards future spend on the Emergency Services Mobile Communications Programme that will replace the current Airwave radios used by police officers.

Earmarked Reserves

These represent funds that have been earmarked for specific purposes to cover future liabilities. Details on some of the major reserves are disclosed under the table below:

Balance 1 April 2021 £000		Additions to reserve £000	Deductions from reserve £000	Movement 2021/22 £000	Balance 31 March 2022 £000
400	Insurance Reserve				400
192	Incentivisation Reserve				192
385	Pension Ill Health Reserve				385
2,260	Capital Development Reserve	1,557		1,557	3,817
48	MAPPA Reserve		-11	-11	37
267	Restructuring Reserve				267
281	Local Resilience Forum (LRF)		-69	-69	212
1,287	CC Operational Reserve	56		56	1,343
200	Budget Smoothing Reserve				200
383	Regional Projects Reserve		-301	-301	82
100	Estates Transformation				100
31	IOM Reserve		-13	-13	18
280	Officer Intake Strategy				280
77	ICT Start up Reserve		-77	-77	
33	Coroners Reserve		-33	-33	
205	Commissioning Reserve		-75	-75	130
73	Vehicle Fit Out Reserve		-73	-73	
35	Equipment Reserve	125	-20	105	140
291	Uniform Reserve		-232	-232	59
72	HR One Off Resources		-72	-72	
30	Case Quality Management		-30	-30	
101	NEP Transition Reserve	11		11	112
	PCC Transformation Reserve	1,000		1,000	1,000
100	PCC COVID Fund		-100	-100	
150	Environmental Projects	192	-42	150	300
1,277	Major Incident Reserve	416		416	1,693
314	Summer Campaign		-314	-314	
48	Surge Funding Reserve	113	-48	65	113
149	CIU ISO Project Reserve	60		60	209
	SPR 2 yr Project	660		660	660
	CPT Engagement	37		37	37
	Cyber Security Reserve	200		200	200
	CTax Support Reserve	295		295	295
9,069	**Total Earmarked Reserves**	4,722	-1,509	3,213	**12,280**
3,328	General Fund Reserve	210		210	**3,538**
12,397	**Total General Fund Balance**	4,932	-1,509	3,423	**15,818**

For comparative purposes, the details of the 2020/21 reserves are as follows:

Balance 1 April 2020 £000		Additions to reserve £000	Deductions from reserve £000	Movement 2021/22 £000	Balance 31 March 2021 £000
400	Insurance Reserve				400
192	Incentivisation Reserve				192
385	Pension Ill Health Reserve				385
4,811	Capital Development Reserve		-2,551	-2,551	2,260
51	MAPPA Reserve		-3	-3	48
267	Restructuring Reserve				267
122	Local Resilience Forum (LRF)	159		159	281
1,208	CC Operational Reserve	79		79	1,287
200	Budget Smoothing Reserve				200
284	Regional Projects Reserve	280	-181	99	383
100	Estates Transformation				100
35	IOM Reserve		-4	-4	31
280	Officer Intake Strategy				280
100	ICT Start up Reserve	48	-71	-23	77
32	Coroners Reserve	24	-23	1	33
160	Commissioning Reserve	45		45	205
30	Vehicle Fit Out Reserve	43		43	73
20	Equipment Reserve	35	-20	15	35
	Uniform Reserve	291		291	291
72	HR One Off Resources				72
45	Case Quality Management		-15	-15	30
200	NEP Transition Reserve		-99	-99	101
45	Carwash Renewal Reserve		-45	-45	
	PCC COVID Fund	100		100	100
	Environmental Projects	150		150	150
	Major Incident Reserve	1,277		1,277	1,277
	Summer Campaign	314		314	314
	Surge Funding Reserve	48		48	48
	CIU ISO Project Reserve	149		149	149
65	GDPR Restructure Reserve		-65	-65	
9,104	**Total Earmarked Reserves**	3,042	-3,077	-35	**9,069**
3,143	General Fund Reserve	185		185	**3,328**
12,247	**Total General Fund Balance**	3,227	-3,077	150	**12,397**

Insurance Reserve – In previous years it has been necessary to raise excess levels to ensure premiums are kept to a minimum. Whilst doing this, the risk to the Group increases. This reserve provides financial cover in the event of a higher than normal level of claims.

Incentivisation Reserve – This reserve was set up to smooth out the variances in income received from incentivisation over future years.

Pension Ill Health Reserve – This reserve has been established to cover any additional pension expenditure that might arise from ill health retirements.

Capital Development Reserve – This is an earmarked revenue reserve for use in future capital developments.

CC Operational Reserve – The Financial Code of Practice requires that an operational contingency be available to the Chief Constable for operational priorities without the need of additional approval. The level of this reserve is set at around 1% of the Chief Constable’s revenue budget.

NEP Transitioning Reserve – With the implementation of a new ICT infrastructure there will be times when both the old infrastructure and the new infrastructure need to be supported. This reserve will cover these costs in the start up year.

Regional Projects - This reserve has been established to fund Wiltshire’s contributions to a number of one off costs relating to regional/bi-lateral partnerships.

Estates Transformation Reserve – This funding is available for future small estates projects and planning.

Officer Intake Strategy Reserve – This reserve enables consistent recruitment of police officers over the next few years, funding peaks of officers above the budget level.

Commissioning Reserve – Funds have been set aside to undertake work planned during 2021/22 that has not occurred.

PCC COVID Reserve – Funding set aside to help fund costs expected as the Government’s COVID 19 national lockdown is eased.

Environmental Projects Reserve – Funds set aside to fund one off programme costs in order for the organisation to respond to the climate change crisis and move towards the Government’s net zero target.

Major Incident Reserve – This reserve sets aside funding towards two incidents where significant costs could occur. Costs over 1% of budget are expected to be funded by specific grant if required.

Surge Funding Reserve – Funds set aside for policing the impact of the COVID 19 lockdown.

CIU ISO Project Reserve – Funding to support the organisation in meeting ISO requirements surrounding Collision Investigations.

Uniform Reserve – Funds set aside for delayed uniform costs likely to be incurred during 2022/23.

PCC Transformation Reserve – To deliver the new Police and Crime Plan will require a certain amount of pump priming this reserve gives the PCC the flexibility to invest in various areas.

SPR 2 yr Project Reserve – Issues exist with the retention and disposal of evidence; this fund will pay for a 3 year project to improve the management of assets and reduce the current holding.

Cyber Security Reserve – Funding set aside for development and improvement of cyber security capabilities.

Council Tax Support Reserve – Finances set aside to cover the risk of shortfalls in Council Tax income in 2023/24 as we start to plan for normal growth returns.

Other Reserves – Minor reserves also exist that relate to various funding initiatives. Where income has not been spent in year the balances have been transferred to specific reserves to ensure funding is available for when the expenditure is actually incurred.

The General Fund Reserve - The balance on this fund is the accumulated surplus of the Police and Crime Commissioner's Group revenue income over its revenue expenditure at 31 March.

16 Unusable Reserves

2020/21 £000		2021/22 £000
22,441	Capital Adjustment Account	20,698
16,238	Revaluation reserve	19,567
-1,580,945	Pension Reserve	-1,484,087
-790	Collection Fund Adjustment Account	312
-2,585	Accumulated Absences Account	-2,614
-1,545,641	**Total Unusable Reserves**	**-1,446,124**

Capital Adjustment Account

The Capital Adjustment Account is credited with all sources of capital financing for the year other than loans. It is debited for all items relating to capital expenditure charged to the Comprehensive Income and Expenditure Statement.

2020/21 £000			2021/22 £000
19,717	CAA Balance at 01 April		22,440
	Reversal of Capital items charged to Income & Expenditure:		
-138	Revaluations		-1,014
	Disposals		-971
-49	Deminimis		-43
-4,207	Depreciation and Amortisation	See also Note 9	-5,876
-4,394			-7,903
981	Adjustments to Revaluation Reserve		1,484
-3,413	Net written out amount of asset costs consumed in year		-6,419
	Capital financing applied in the year:		
733	Capital financing from Capital Receipts Reserve		230
109	Capital financing grants charged to Income & Expenditure		109
16	Capital financing from Capital Grants Unapplied Account		238
4,570	Capital financing charged to the General Fund		3,299
708	Finance Lease Liability Redemption and Repayment of borrowing		801
6,136			4,677
22,440	**Balance at 31 March**		**20,698**

Revaluation Reserve

The accounting entries on the Revaluation Reserve represent adjustments for the gains on revaluation of assets.

2020/21 £000			2021/22 £000
17,242	Balance at 1 April		16,238
-23	Revaluation Gain/(Loss)	See also Note 9	4,813
	Balance relating to disposals to CAA		-99
-981	Depreciate Revaluation Gains to CAA		-1,385
16,238	**Balance at 31 March**		**19,567**

Pension Reserve

The balance on this reserve represents the Police and Crime Commissioner's Group commitment for future payment of retirement benefits. The total deficit of £1.483 billion for 2021/22 has a substantial impact on the net worth of the Group shown on the balance sheet. However, the financial position of the Group remains healthy because the deficit on the local government scheme will be funded by increased contributions over the remaining working life of employees, as assessed by the scheme actuary, and funding to cover police pensions is only required when the pensions payments are actually made.

2020/21 £000		2021/22 £000
-1,277,837	Balance as at 1 April	-1,580,945
-279,870	Re-measurements of the net defined benefit liability/(asset)	139,174
-60,497	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-83,230
37,259	Employer's pensions contributions and direct payments to pensioners payable in year	40,914
-1,580,945	**Balance as at 31 March**	**-1,484,087**

Collection Fund Adjustment Account

The surplus or deficit on the Council Tax Collection Fund must be attributed to individual authorities in each financial period and debtor/creditor balances for council tax payers are split between the billing authority and the major precepting authorities. Funding from Precepts is adjusted in the accounts to show the Police and Crime Commissioner's share of the Net surplus/deficit on the collection fund at the end of the year. For 2021/22, the Police and Crime Commissioner's cumulative share includes:

2020/21 £000		2021/22 £000	Movement £000
4,432	Debtors (Council Tax Arrears)	4,953	521
-2,338	Bad Debt Provision	-2,344	-6
-2,884	Creditors (Prepaid Council Tax etc)	-2,298	586
-790	**Collection Fund Surplus/(Deficit)**	**311**	**1,101**

The £0.311m is the Police and Crime Commissioner' share of the Collection Fund surplus during 2021/22 and is included in the Balance Sheet for the year. The increase in Precepts in the Comprehensive Income and Expenditure of the £1.101m movement is reversed out in the Movement in Reserves Statement and present no net effect on the finances for the year. The movement to a deficit is related to the impact of COVID 19 on collection rates.

Accumulated Absences Account

The Police and Crime Commissioner's Group is required to account for employee benefits in the period that they are earned by employees.
The result is that the Group has a £2.614 million accrual for employee leave entitlements carried over at 31 March 22. For 2021/22 there is a £0.029 million increase in the net cost of services where the accrual has increased from £2.585 million in 2020/21, this is reversed out in the Movement in Reserves Statement so as to avoid any impact on Council Tax.

2020/21 £'000		2021/22 £'000
-1,726	Balance as at 1 April	-2,585
-859	Amount by which remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-29
-2,585	**Balance as at 31 March**	**-2,614**

17 Joint Arrangements

The Police and Crime Commissioner's Group is involved in a number of operational collaborations with regional police forces and works closely with other Local Government bodies in delivering its services to the local communities. These joint operations are key to providing efficient sustainable policing services, particularly in times where the policing service is experiencing unprecedented cuts in its funding. Shared resources can also result in opportunities to modernise and embrace innovation and technology to maintain and improve the services available to the community even with reduced funding availability.

The Group recognises in its Statement of Accounts its share of the assets, liabilities and expenditure relating to its involvement in the joint operations. The Group's contributions to the Joint Operations are disclosed below.

2020/21 £000 Expenditure	2020/21 £000 Income	Joint Operation	2021/22 £000 Expenditure	2021/22 £000 Income
831		Black Rock	802	
1,631	125	Brunel MCIT	1,654	36
1,227	33	SWROCU	1,378	101
2,777		Forensics	2,991	
783	32	SW Special Branch	726	2
2,254	18	Wiltshire Council	274	

Black Rock

Black Rock is a firearms training facility located in Avon & Somerset which is run in partnership with Avon and Somerset police and Gloucester police. Each organisation has a staff commitment to provide trainers for the facility.

The overall training cost of the facility for the year was £3.182m; this is split on a percentage basis. The original percentage split for revenue expenditure was originally in line with the asset split below but on review during

2020/21 this was updated to reflect the fair usage of the facility with Wiltshire now contributing 22%, Avon and Somerset 56% and Gloucester 22%.

There is a PFI building involved in the facility; this PFI contract is owned by Avon & Somerset police but at the end of the contract the asset is to be split between the partner forces according to an agreed percentage basis (Wiltshire 25%, Avon and Somerset 42% and Gloucester 33%). Due to this arrangement the PCC for Wiltshire accounts for his share as an asset on his Balance Sheet. The current value of the PFI asset as at 31 March 2021 was £22.6m; Wiltshire's share included in the Balance Sheet for 2020/21 was £5.8m.

Brunel MCIT

This collaboration between Avon & Somerset Police, Gloucester Police and Wiltshire Police forms a shared Major Crime Investigations team (MCIT) for the three areas.

The overall cost of the facility for the year was £8.517m; this is split on a percentage basis, with Wiltshire contributing 19%, Gloucester 17% and Avon and Somerset 64%.

SWROCU

SWROCU is a collaboration of the police forces in the South West region working together to disrupt, destroy and dismantle serious and organised crime.

The collaboration is led by Avon & Somerset police and costs are split on a percentage basis as follows: Avon and Somerset 32%, Gloucester 11%, Devon and Cornwall 33%, Dorset 12% and Wiltshire 12%. The overall cost of the collaboration for the year was £10.278m.

Avon and Somerset police have a building that is used for the collaboration; this asset is currently owned and accounted for by Avon and Somerset police. Devon & Cornwall police also have a building that is used for the collaboration which is owned and accounted for by Devon & Cornwall police.

SWROCU also holds a reserve which any surplus/deficit year on year is added to/taken from. The reserve is also used to assist future year's budget which in turn potentially reduces the contributions required by each Force. The reserve currently stands at £0.262m.

Forensics

SW Regional Forensics is a collaboration between Wiltshire, Avon and Somerset, Dorset and Devon and Cornwall police. The collaboration operates from 2 hubs; north (Portishead) and south (Exeter) and also from each of the four police forces.

Costs are apportioned on one overall basis: Avon and Somerset 37%, Devon and Cornwall 30%, Dorset 19% and Wiltshire 14%.

The cost of the collaboration for 2020/21 was £21.016m. Wiltshire's total cost was £2.991m for the year.

South West Special Branch

The Special Branch collaboration involves 4 Regional Forces and costs are shared on the following percentage splits, Avon and Somerset 28%, Devon and Cornwall 29%, Dorset 24% and Wiltshire 19%. The cost of the collaboration totalled £3.851m. Wiltshire's net cost being £0.726m.

The Special Branch collaboration ended on 31st March 2022 with all resources now part of Counter Terrorism Policing South West (CTPSW).

Wiltshire Council Alliance

The Police and Crime Commissioner for Wiltshire's strategic alliance with Wiltshire Council for an IT solution and shared programme management team was terminated as at 31/03/21 largely as a result of the differing organisational requirements imposed by NEP (Police National Enabling Programme). A strategic alliance still remains for shared estate.

For 2021/22 Wiltshire Council received total payments amounting to £0.274m (down from £2.254m in 20/21) from the PCC for his share of the services. Total costs listed were all revenue costs (no shared capital costs for 21/22) and included some final ICT Transition costs to bring the full service back in house.

Other Collaborations:

The PCC for Wiltshire is involved in numerous smaller collaborations and partnerships including the Counter Terrorism Specialist Firearms Officers (CTSFO's), Serious Sexual Assault Referral Centre (SSARC), Swindon Multi Agency Safeguarding Hub (MASH), Wiltshire MASH, Local Resilience Forum (LRF) and the Youth Offending Team (YOT).

18 Termination Benefits

The numbers of exit packages with total cost per band are set out in the table below. The total cost of exit packages includes early pension payments.

Exit package cost band	No. of compulsory redundancies		No. of Other Departures		Total cost of exit packages in each band £'000	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0-£20,000			2	1	12	11
£20,001-£40,000						
£40,001-£60,000						
£60,001-£80,000						
£80,001-£100,000				1		91
£100,001-£120,000						

19 Remuneration of Staff

The code of practice requires a disclosure of the number of employees whose annual remuneration, excluding pension payments, exceeds £50,000. Remuneration for these purposes includes all sums paid to or received by an employee, expense allowances and the money value of any other benefits received other than cash. The number of employees within £5,000 bands is as follows:

Payment Band £	Number of PCC Group Employees 2020/21	Number of PCC Group Employees 2021/22	Number of PCC Employees 2020/21	Number of PCC Employees 2021/22
50,000 - 54,999	103	141	1	4
55,000 – 59,999	79	99	2	1
60,000 – 64,999	28	46	1	2
65,000 – 69,999	6	8	1	1
70,000 – 74,999	5	5	2	1
75,000 – 79,999		3		
80,000 – 84,999	5	3		
85,000 – 89,999	5	6		
90,000 – 94,999	3		1	
95,000 – 99,999				
100,000 – 104,999		1		1
105,000 – 109,999				
110,000 – 114,999				
115,000 – 119,999	1			
120,000 – 124,999		2		
125,000 – 129,999	1		1	
130,000 – 134,999	2	2		
135,000 – 139,999				
140,000 – 144,999				
145,000 – 149,999				
150,000 – 154,999				
155,000 – 159,999				
160,000 – 164,999				
165,000 – 169,999				
170,000 – 174,999				
175,000 – 179,999				
180,000 – 184,999	1	1		
Total	**239**	**317**	**9**	**10**

The above disclosure contains details for all staff and all officers whose remunerations, excluding pensions, exceeds £50,000. This disclosure is required on a legal basis rather than using the concept 'substance over form' as applied to the other Statement of Accounts disclosures.
The overall number of officers in the table has increased this year. This increase relates to operational requirements for overtime due to the impact of COVID.

For 2021/22, a total of £1.572m was recharged to external establishments for officers and staff on secondment (£1.634m 2020/21). As at 31st March 2022 there were 20 employees working in external areas on secondment (23 as at 31st March 2021).
11 of the employees included in the bandings over £50,000 were seconded out to other Forces or Government organisations as at 31 March 2022 (13 seconded officers included for 2020/21).

Senior Officer Remunerations

The code of practice requires disclosure of individual remunerations for Senior Officers and Relevant Police Officers, the following tables contain the details for 2021/22 and comparative information from 2020/21. Senior Officers are included in the above banding as well as the following individual disclosures.
Members of NPCC have a vehicle allowance of £6,122 per year, the Deputy Chief Constable has £7,652 per year and the Chief Constable has £9,183 per year. This can be paid in the form of a lease car or within their salary. Those that have opted for the salary option have this payment included in the salary column of the remunerations.

During 2021/22 Clive Barker was in the role of Chief Finance Officer for both the Chief Constable and the Police and Crime Commissioner. For the purposes of remunerations classifications, he is included within the PCC employee disclosures.

The following changes occurred to senior roles during 2021/22:

A Macpherson was the Police and Crime Commissioner for Wiltshire until 12th May 2021.
P Wilkinson became the Police and Crime Commissioner for Wiltshire from 26th August 2021.
R Holland became the Deputy Police and Crime Commissioner from 16th September 2021.
K Kilgallen was the Chief Executive of the Office of the PCC until 28th February 2022. He also acted up in the role of PCC between 12th July 2021 and 25th August 2021.
N Darwish was the Deputy Chief Executive until the 28th February 2022 and became the Chief Executive of the Office of the PCC from 1st March 2022. He also acted up in the role of Chief Executive between 12th July 2021 and 25th August 2021.

Senior Officer Remunerations 2021/22	**Name**	**Salary (including fees & Allowances)**	**Bonuses**	**Expenses**	**compensation for loss of office**	**Benefits in Kind**	**Total Remuneration excluding pension contributions 2021/22**	**Pension Contributions**	**Total Remuneration including pension contributions 2021/22**
Police and Crime Commissioner (to 12/05/21)	A. Macpherson	8,253		161			**8,415**	1,436	**9,851**
Police and Crime Commissioner (from 26/08/21)	P. Wilkinson	42,802		1,345			**44,147**		**44,147**
Deputy PCC (from 16/09/21)	R. Holland	9,789					**9,789**	1,703	**11,492**
Chief Executive of the OPCC (to 28/02/22)	K. Kilgallen	64,410				6,690	**71,100**	11,207	**82,308**
Chief Executive of the OPCC	N. Darwish	94,844				6,122	**100,966**	16,503	**117,469**
Chief Constable	K. Pritchard	169,851				12,256	**182,107**	51,120	**233,227**
Deputy Chief Constable	P. Mills	124,222				9,975	**134,197**	38,331	**172,528**
Assistant Chief Constable	M. Cooper	123,563				8,122	**131,685**	18,479	**150,165**
Assistant Chief Constable	D. Smith	114,920		399		8,122	**123,441**	35,447	**158,888**
Assistant Chief Officer / Chief Finance Officer	C. Barker	113,833		198		7,077	**121,108**	19,707	**140,815**
Head of People & Change	C. McMullin	82,215				1,239	**83,454**	14,305	**97,759**
Head of Communications	C. Mills	67,107					**67,107**	11,677	**78,784**

Senior Officer Remunerations 2020/21	**Name**	**Salary (including fees & Allowances)**	**Bonuses**	**Expenses**	**compensation for loss of office**	**Benefits in Kind**	**Total Remuneration excluding pension contributions 2020/21**	**Pension Contributions**	**Total Remuneration including pension contributions 2020/21**
Police and Crime Commissioner	A. Macpherson	71,400		126			**71,526**	13,138	**84,664**
Chief Executive of the Office of the Police and Crime commissioner	K. Kilgallen	67,265				7,298	**74,563**	12,377	**86,940**
Deputy Chief Executive of the OPCC	N. Darwish	92,489		287		1,239	**94,015**	17,018	**111,032**
Chief Constable	K. Pritchard	168,174				12,256	**180,430**	50,601	**231,031**
Deputy Chief Constable	P. Mills	122,966				9,725	**132,691**	37,941	**170,632**
Assistant Chief Constable	M. Cooper	122,352		187		8,122	**130,661**	36,583	**167,244**
Assistant Chief Constable (to 31/05/20)	M. Blythe	17,266				1,740	**19,006**	5,323	**24,329**
Assistant Chief Constable (from 18/05/20)	D. Smith	107,799		158		7,234	**115,190**	32,118	**147,308**
Assistant Chief Officer / Chief Finance Officer	C. Barker	112,683				12,436	**125,119**	20,628	**145,747**
Head of People & Change	C. McMullin	79,057				1,239	**80,296**	14,546	**94,842**
Head of Communications	C. Mills	66,425					**66,425**	12,222	**78,647**

20 Related Parties

In accordance with the Code of Practice and IAS 24 any material transactions with related parties must be disclosed in the Police and Crime Commissioner's Group accounts. For 2021/22, no material transactions were declared by key management personnel.

The Police and Crime Commissioner is a Director for the Wiltshire and Swindon Community Foundation. The Community Foundation advises on and administers the distribution of charitable funds for the PCC including Police Property Act funds. A suspense account is operated for the Police Property Act; details can be found in the Creditors note.

The Police and Crime Commissioner for Wiltshire has a strategic alliance with Wiltshire Council to look at new ways of working with a joint approach. The changes to date have involved areas of shared services and result in increased payments to Wiltshire Council where the Council have covered initial costs. Further details are available under the Joint arrangements note.

The Chief Constable for Wiltshire is a Trustee on the Board of Directors for the Wiltshire Bobby Van Trust (WBVT). The WBVT is a charity whose purpose is to raise funds to support Wiltshire Police in the provision of a Bobby Van service to help protect vulnerable members of the public. During 2021/22 WBVT contributed £145,848 to Wiltshire Police (£145,450 2020/21).

The Police and Crime Commissioner has a number of partnership projects involving joint boards or committees; in particular there are arrangements in place with regional Police Forces, Wiltshire Council and Swindon Borough Council. Details of the partnerships are disclosed under the Joint Arrangements note.

Central Government has significant influence over the general operations of the Group. Grants received from Central Government are disclosed in the Comprehensive Income and Expenditure Statement and in note 8 to the accounts.

21 External Audit Fees

Fees in respect of external Audit services (Local Audit & Accountability Act 2014) and other fees payable in respect of services provided by the Auditors were as follows:

	2020/21 £000's	**2021/22 £000**
PCC External Audit Fee	24	25
Chief Constable External Audit Fee	12	14
Total Audit Fees (excluding VAT)	**36**	**39**

Additional fees of £14,448 were billed for the PCC and £6,552 for the Chief Constable in relation to the 2020/21 statutory audit.
Additional fees of £16,810 are expected to be billed for the PCC and £6,240 for the Chief Constable in relation to the 2021/22 statutory audit.

22 Pensions

Pensions Accounting

The Financial Code of Practice states that 'The Chief Constable is responsible for ensuring the administration of the pension schemes and the appropriate maintenance and provision of the relevant accounts.' The Chief Constable is also responsible for all police officers and the majority of staff under the arrangements with the Police and Crime Commissioner for Wiltshire. Any transactions relating specifically to the Office of the Police and Crime Commissioner are immaterial.

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief Constable's Balance Sheet. To recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities there is a long term pension creditor in his Balance Sheet of equivalent value to the pension liability.

The information that follows is for the pension accounts of the Group.

Pension Schemes

Although pension benefits are not actually payable until employees retire, the Group has a commitment to disclose the payments at the time that employees earn their future entitlement.

The Police and Crime Commissioner's Group participates in three police officer schemes and one police staff scheme:

Police officers: Police Pension Scheme (PPS), New Police Pension Scheme (NPPS) and Police Pension Scheme 2015 (2015 Scheme). These are unfunded schemes, meaning that there are no investment assets held, and actual pensions payments are met from revenue as they are eventually due.

Changes introduced to pensions have resulted in three schemes with slight variations between them. Under recent regulations all current active members were moved into the 2015 Scheme from 1st April 2015 unless they qualified for protections that allowed them to remain in their current schemes. Officer pension schemes were contracted out of the State Second Pension but this ceased on the 5th April 2016.
The scheme changes, in particular the transitional provisions are subject to claims of unlawful discrimination, this is explained further in the 'Contingent Liabilities' note.

The schemes are administered in accordance with the Police Pensions Regulations 1987, the New Police Pensions Scheme Regulations 2006 and the Police Pension Regulations 2015.

Police staff: The Local Government Pension Scheme (LGPS). This is administered by Wiltshire Council and is a funded scheme, where the Group and employees pay contributions into a fund intended to balance the pensions liabilities with investment assets. The scheme is administered in accordance with the Local Government Pension Scheme Regulations.

Estimation of the net liability to pay pensions is reliant on a number of complex judgements relating to the discount rate used, the rate of increase in salary, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the organisation with expert advice about the assumptions to be applied.

Pensions Transactions

The cost of retirement benefits is recognised in the Net Cost of Services when it is earned by employees, rather than when the benefits are actually paid out as pensions. The cost of retirement benefits earned is reversed out in the Movement in Reserves as the charge against council tax is based only on actual payments due in the year. The following transactions were made in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £000		**Police Pension Scheme** £000	
	2020/21	2021/22	2020/21	2021/22
Comprehensive Income & Expenditure (CIES)				
Net Cost of Services				
Current Service Costs	10,931	18,621	20,100	32,700
Past Service Costs (Non Distributed Costs)	5	61	100	100
Gains and Losses on any Settlements or Curtailments				
Net Operating Expenditure				
Net Interest on plan assets & defined benefit obligation	960	2,048	28,400	29,700
Net Charge to the Surplus/Deficit	11,896	20,730	48,600	62,500
Other Comprehensive Income & Expenditure				
Return on plan assets (excluding the amount included in the net interest expense)	-23,185	-11,693		
Actuarial gains and losses arising on changes in demographic assumptions	3,585	-2,357	15,300	-14,300
Actuarial gains and losses arising on changes in financial assumptions	70,214	-23,286	314,009	-93,900
Re-measurement of Other Experience	-2,053	2,862	-98,000	3,500
Total Other Comprehensive Income & Expenditure (Pension Re-measurement of the net defined benefit liability/asset)	48,561	-34,474	231,309	-104,700
Total Charge to the CIES	60,457	-13,744	279,909	-42,200

	Local Government Pension Scheme £000		**Police Pension Scheme** £000	
	2020/21	2021/22	2020/21	2021/22
Net Charge to the CIES Surplus/Deficit	11,896	20,730	48,600	62,500
Movement in Reserves Statement				
Adjustments between Accounting & Funding Basis:				
Reversal of net charges made for retirement benefits in accordance with the code	-11,896	-20,730	-48,600	-62,500
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to scheme and retirement benefits payable to pensioners	6,050	5,984	31,209	34,930
Actual Costs	6,050	5,984	31,209	34,930

Current Service Cost reflects the increase in liabilities as a result of years of service earned this year.

Past Service Costs reflects the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years.

Net Interest on plan assets & defined benefit obligation is the change during the period in the net defined benefit liability (asset) that arises from the passage of time - this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

The re-measurement of 'other experience' reflects any experience not expressed in the other re-measurement items; movements in membership data that were different to those assumed in the prior year. This can include, for example:

- Actual level of salary increases being higher than expected over the previous accounting period. This will lead to a negative liability 'experience' item (i.e. higher past service liabilities);
- Actual pension increases being higher than anticipated (for deferred pensions and pensions in payment), again leading to a negative experience item;
- Any membership movements (i.e. new entrant levels, withdrawals, ill health retirements, injury retirements etc.) different to those assumed within the previous valuation will contribute positively or negatively to the asset and liability 'experience' items.

The actual payments made by the Police and Crime Commissioner's Group for employer's contributions 2021/22 are £5.984 million to Wiltshire Council for the Local Government Pension Scheme (£6.050m 2020/21) and £12.543 million to the Police Pension Scheme (£12.096m 2020/21). The main reason this differs from the £34.930 million above is a further £22.387 million contributions funded by Home Office grant (£19.113 million 2020/21).

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the defined benefit obligation is as follows:

	£000 2020/21	£000 2021/22
Local Government Pension Scheme		
Present value of defined benefit obligation	-282,359	-282,325
Fair value of plan assets	188,614	208,308
Net Liability – Local Government Pension Scheme	**-93,745**	**-74,017**
Police Officer Pension Scheme		
Present value of defined benefit obligation	-1,487,200	-1,410,070
Fair value of plan assets		
Net Liability – Police Officer Pension Scheme	**-1,487,200**	**-1,410,070**
Total Net Liability arising from defined benefit obligation	**-1,580,945**	**-1,484,087**

The liabilities show the Group's commitment for future payment of retirement benefits. The total deficit of £1,481m for 2021/22 has a substantial impact on the net worth of the authority shown on the balance sheet. However, the financial position of the Group remains healthy due to the following:

- The deficit on the local government scheme will be funded by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
- Funding to cover police pensions is only required when the pensions payments are actually made.

Although the Police and Crime Commissioner is responsible for all assets and liabilities, in order to comply with accounting and audit requirements, the pension liabilities are required to be disclosed in the Chief

Constable's Balance Sheet. To recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities there is a long term pension creditor in his Balance Sheet of equivalent value to the pension liability.

Reconciliation of the Movements in the Fair Value of Scheme Assets and Liabilities

The underlying assets and liabilities for retirement benefits attributable to the Police and Crime Commissioner's Group at 31st March 2022 are as follows:

	Police staff		Police officers	
	£000	£000	£000	£000
Reconciliation of Present Value of Scheme Liabilities				
	2020/21	2021/22	2020/21	2021/22
Opening Entry	-195,128	-282,359	-1,238,500	-1,487,200
Current Service Costs	-10,931	-18,621	-20,100	-32,700
Interest cost on defined benefit obligation	-4,609	-5,955	-28,400	-29,700
Members Contributions	-2,144	-2,262	-5,000	-5,100
Re-measurement gain/(loss):				
• Actuarial gains/losses arising from changes in demographic assumptions	-3,585	2,357	-15,300	14,300
• Actuarial gains/losses arising from changes in financial assumptions	-70,193	23,286	-314,300	93,900
• Other	2,053	-2,751	98,000	-3,500
Past Service Costs	-5	-61	-100	-100
Transfers in/out	-1,359	-201	-200	-200
Settlements/Curtailments				
Benefits Paid	3,542	4,242	36,700	40,230
Surplus/Deficit	**-282,359**	**-282,325**	**-1,487,200**	**-1,410,070**
Reconciliation of Fair Value of Scheme Assets				
Opening Entry	155,790	188,614		
Interest income on plan assets	3,649	3,907		
Re-measurement gain/(loss):				
• Return on plan assets (excluding the amount included in net interest expense)	23,185	11,693		
• Other		-111		
Transfers in/out	1,359	201	200	200
Employer Contributions	6,029	5,984	31,500	34,930
Members Contributions	2,144	2,262	5,000	5,100
Benefits Paid	-3,542	-4,242	-36,700	-40,230
Surplus/Deficit	**188,614**	**208,308**	**0**	**0**

Additional Information about the Defined Benefit Obligation:

Local Government Pension Scheme	**Liability Split**	
	£000's	**Percentage**
Active Members	140,692	49.8%
Deferred Members	74,041	26.2%
Pensioner Members	67,592	24.0%
Total	**282,325**	**100.0%**

Police Officer Pension Scheme	Liability Split	
	£000's	Percentage
Active Members	515,883	37.8%
Deferred Members	82,100	6.0%
Pensioner Members	765,600	56.1%
Total	**1,363,583**	**100.0%**

Injury Pensions	Liability Split	
	£000's	Percentage
Contingent Injuries	25,587	55.0%
Injury Pension Liabilities	20,900	45.0%
Total	**46,487**	**100.0%**

Assumptions to Estimate Assets and Liabilities

For 2021/22, the Police Pension Scheme and the Local Government Scheme has been assessed on a projected basis, using the full actual valuations as at 31 March 2020 (Police) and 31 March 2019 (LGPS). Valuations were carried out by Hymans Robertson. The following assumptions were used to calculate the components of the pensions.

Pension Scheme Basis for Estimating				
	LGPS		All Police Schemes	
	2020/21	2021/22	2020/21	2021/22
Long term expected rate of return on assets in the scheme:				
Equity Investments	2.05%	2.75%		
Bonds	2.05%	2.75%		
Property	2.05%	2.75%		
Cash	2.05%	2.75%		
Mortality assumptions:				
Longevity for current pensioners:				
Men	21.9	21.9	27.4	27.1
Women	24.4	24.6	29.7	29.4
Longevity for future pensioners:				
Men	22.9	22.7	28.7	28.4
Women	26.2	26.1	31.0	30.8
CARE Scheme Revaluation rate			4.10%	4.45%
Rate of Increase in salaries	3.20%	3.55%	3.30%	3.65%
Rate of Increase in pensions	2.80%	3.15%	2.85%	3.20%
Rate for discounting scheme liabilities	2.05%	2.75%	2.00%	2.70%

Longevity is the average future life expectancy at age 65 for staff and at age 60 for officers.

The Police Officers Pension Scheme does not hold investment assets. The actual return on the LGP Scheme Assets for April – March 2022 was 8.2% (17.1% April – March 2021)

The Police and Crime Commissioner's Group accounts for Retirement Benefits in line with IAS 19 and IPSAS 25 and as a result, quoted securities held as assets in the Local Government Pension Scheme are valued at bid value rather than mid-market value.

The total value of assets as at 31 March 2022 is £208.308m (£188.614m March 2021).

Local Government Pension Scheme Assets Comprised:

	31 March 2021			31 March 2022		
	£000			£000		
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	**Total**	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total
Cash and Cash Equivalents	2,183		**2,183**		939	**939**
Equity Securities:						
Consumer						
Manufacturing						
Energy and Utilities						
Financial Institutions						
Health and Care						
Information Technology						
Other						
Sub-total						
Debt Securities:						
Corporate Bonds (investment grade)						
Corporate Bonds (non-investment grade)						
UK Government						
Other						
Sub-total						
Real Estate:						
UK Property		12,831	**12,831**		14,519	**14,519**
Overseas Property		6,464	**6,464**		8,743	**8,743**
Sub-total		19,295	**19,295**		23,262	**23,262**
Investment Funds and Unit Trusts:						
Equities		81,600	**81,600**		83,474	**83,474**
Bonds		58,642	**58,642**		57,055	**57,055**
Hedge Funds						
Commodities						
Infrastructure		12,460	**12,460**		15,856	**15,856**
Other		14,434	**14,434**		27,722	**27,722**
Sub-total		167,136	**167,136**		184,107	**184,107**
Derivatives:						
Foreign Exchange						
Other						
Total Assets		**188,614**	**188,614**		**208,308**	**208,308**

Sensitivity Analysis

The sensitivity of the principal assumptions used to measure the scheme liabilities are as follows:

Police Officer Pension Schemes - Change in assumptions at year ended 31 Mar 2022	**Approx % increase to employer liability**	**Approx monetary amount (£000)**
0.5% decrease in rate for discounting scheme liabilities	10%	138,890
1 year increase in member life expectancy	3%	42,183
0.5% increase in the rate of increase in salaries	<1%	8,095
0.5% increase in the rate of increase in pensions CPI	8%	113,276

Local Government Pension Scheme - Change in assumptions at year ended 31 Mar 2022	**Approx % increase to employer liability**	**Approx monetary amount (£000)**
0.1% decrease in rate for discounting scheme liabilities	2%	6,515
0.1% increase in the rate of increase in salaries	0%	746
0.1% increase in the rate of increase in pensions CPI	2%	5,726

For the LGPS, the actuaries have reviewed the member life expectancy as a principle demographic assumption and estimate that a one year increase in life expectancy would approximately increase the employer liability by around 4%. They have stated that in practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption; whether changes to survival rates predominantly apply at younger or older ages.

Contributions Expected

The projected amount to be charged to Income and Expenditure for the year to 31 March 2023 is as follows:

Local Government Pension Scheme	**Assets**	**Obligations**	**Net (Liability)/Asset**	
	£000's	**£000's**	**£000's**	**% of pay**
Current Service Cost		15,581	-15,581	-47.1%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		*15,581*	*-15,581*	*-47.1%*
Interest Income on Plan Assets	5,777		5,777	17.5%
Interest cost on Defined Benefit Obligation		7,948	-7,948	-24.0%
Total Net Interest Cost	*5,777*	*7,948*	*-2,171*	*-6.5%*
Total Included in Surplus/Deficit CIES	**5,777**	**23,529**	**-17,752**	**-53.6%**

Police Officer Pension Scheme	**Assets**	**Obligations**	**Net (Liability)/Asset**	
	£000's	**£000's**	**£000's**	**% of pay**
Current Service Cost		29,100	-29,100	-69.4%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		*29,100*	*-29,100*	*-69.4%*
Interest Income on Plan Assets				
Interest cost on Defined Benefit Obligation		38,000	-38,000	-90.7%
Total Net Interest Cost		*38,000*	*-38,000*	*-90.7%*
Total Included in Surplus/Deficit CIES		**67,100**	**-67,100**	**-160.1%**

Contributions expected to be paid to the schemes during the month of April 2022 are as follows:

Police pension scheme employer's contributions: £1.005m: (£12.060m projected for the year)
Police pension scheme member's contributions: £0.431m: (£5.172m projected for the year)

Local Government pension scheme employer's contributions: £0.454m:(£5.448m projected for the year)
Local Government pension scheme member's contributions: £0.180m: (£2.160m projected for the year)

The Police Pension Fund Account

(Police Officer's Pensions only). Under the Police Pension Fund Regulations 2006 it is not a requirement to meet the pension costs directly but to pay an employer's pension contribution of 31% of pay into a pension fund account.
If the officers and employers contributions are insufficient to meet the cost of pension payments, a top up grant is paid by the Home Office to help meet this obligation. Any surplus on the pension fund account is repaid to the Home Office and the account is balanced to Nil at year end.
Should the pension fund account not be balanced to Nil by pension top up grant then the Police and Crime Commissioner's Group is liable for any additional contribution required.

For 2021/22 the net amount payable on the pension fund account before top up grant was £22.387m. A total amount of £15.392m in pension grant was received, leaving a net amount of £6.995m due from the Home Office.
The balance of £6.995m is included within the Balance Sheet of the Group as a debtor.

Injury Awards

The Police and Crime Commissioner's Group incurs costs relating to Injury Awards for employees forced to leave work through injury. The total cost for 2021/22 was £613,176 (£626,064 2020/21), this was financed through revenue and reserve.

23 Contingent Assets & Contingent Liabilities

Police Officer Pensions Legal Cases

The Chief Constable for Wiltshire, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in Oct 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the Government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants would be treated in the same way.

On 16 July 2020, HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes were discriminatory (rather it was the transitional provisions), the legacy schemes will be removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For each member with service on or before 31 March 2012 and on or after 1 April 2015 (all eligible members), their liability has been valued for all service accrued after 1 April 2015 according to the scheme benefit structure which provides the member with the higher assumed benefit amount, based on the actuarially assessed cost of these benefits. Any difference in this estimated McCloud allowance from last year's disclosures is included as 'other experience' within the Other Comprehensive Income. The current service cost for the period to 31 March 2021 allows for the current schemes' benefit design, with the estimated allowance for resolution of the McCloud case to 31 March 2021 being included fully within the Other Comprehensive Income.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/24, although this timetable is subject to change.

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

Compensation Claims

Claimants have lodged claims for compensation. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 31 March 2022, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

This is the result of national Governmental changes which have been found to be illegal in the Courts. The financial consequences from these are expected to be reimbursed by central Government.

24 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the PCC 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 follows:

The Police and Crime Commissioner's Group has had to make judgements about the allocation of income and expenditure between the Police and Crime Commissioner and the Chief Constable. The basis adopted was arrived at after considering the Code of Practice in Local Authority Accounting and the Police Reform and Social Responsibility Act 2011. These arrangements are set out in the Narrative to the Accounts.

The pensions liability relating to PCC staff has been judged to be immaterial and therefore is not disclosed separately in the Single Entity Statement of Accounts. This judgement was made on the basis that the PCC has around 20 staff and no police officers when compared to the Chief Constable who has around 1,050 staff and 1,150 police officers. The local arrangements result in the pensions liability for the Group being disclosed on the Chief Constable's Balance Sheet with a Debtor for the funding to be provided by the PCC. The PCC's Balance Sheet discloses a Long Term Pensions Creditor of equivalent value to the Group's pension liability as he has ultimate responsibility for all Assets and Liabilities.

Wiltshire Police Pension Fund Account (Police Officer's Pensions only)

2020/21 *£000*	**Fund Account** (Note 22 provides further information)	2021/22 *£000*	2021/22 *£000*
	Contributions Receivable		
11,188	Employer contributions 31%	11,677	
282	Other Bodies	253	
331	Early Retirements (Ill Health)	354	
4,970	Members	5,146	
16,771			**17,430**
207	Transfers In from other schemes	233	**233**
	Benefits Payable		
30,744	Pensions	31,921	
5,073	Commutations	7,766	
	Lump Sum Death Benefits		
35,817			**39,687**
	Payments to and on account of leavers		
10	Refunds of contributions	22	
255	Scheme Pays	308	
9	Transfers out to other schemes	33	
274			**363**
19,113	Net amount payable for the year		**22,387**
19,113	Transfer from Police Fund to meet Pension Fund deficit		**22,387**
0	Net amount receivable for year		**0**

Net Assets Statement

The accounting treatment of the top-up grant results in a zero net amount receivable from Central Government with no amounts owing to pensioners at 31 March 2022, therefore there is no requirement for a Net Assets Statement.

The Pension Fund Account statement does not take account of liabilities to pay pensions and other benefits after the period end. Details of the Group's long-term pension obligations can be found in Note 22.

Glossary

Accounting Period	The period of time covered by the accounts, for Wiltshire PCC this is 1st April to 31st March.
Accounting Policies	The principles, rules and practices that guide how events and transactions are recognised, measured and presented in the financial statements.
Actuarial Valuation (Pensions)	An independent report on the financial status of the Pension Fund, which reports the current estimated cost of fulfilling the PCC's future pensions liabilities
Amortisation	The measurement of the use of an intangible asset over its economic life.
CC	Chief Constable for Wiltshire
Capital Expenditure	Expenditure on the acquisition or construction of significant assets such as land and buildings which have a long term value to the PCC.
Capital Grants	Grant income received by the PCC in support of the planned Capital Expenditure.
Capital Receipts	Income from the sale of capital assets.
Carrying Amount	The value for which an asset or liability is represented in the Balance Sheet.
CIPFA	Chartered Institute of Public Finance and Accountancy. A public body that provides guidance for accounting in the public sector.
Collection Fund	The fund maintained by councils for the collection and distribution of local Council Tax receipts. Police precepts are met from these funds.
Contingency	A sum of money set aside to meet unexpected costs.
Contingent Liability	A possible obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured reliably.
COPLAA	CIPFA's Code of Practice on Local Authority Accounting in the UK.
Corporate and Democratic Core	Central activities which the police force engages in specifically because it is an elected authority. There is no basis for apportioning these costs over the individual services.
Creditors	Amounts owed by the PCC for goods or services received but where payment has not yet been made.
Current Assets	Assets that can be readily converted into cash within a short timescale (12 months)
Current Liabilities	Amounts owed by the PCC which are due to be settled in a short timescale (12 months).
Debtors	Amounts due to be paid to the PCC but not yet paid.
Depreciation	The measurement of the use of a tangible asset over its economic life.
Fair Value	The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measured date.
FRC	Financial Reporting Council
GAAP	Generally Accepted Accounting Practices.
GAD	The Government Actuaries Department (GAD) provides actuarial analysis and advice to the public sector.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
Inventory	The amount of unused or unconsumed stock held for future use.
IPSAS	International Public Sector Accounting Standards.
Impairment	A reduction in the value of an asset due to physical damage or a significant reduction in the market value.
LAAP	Local Authority Accounting Panel that provides guidance on specific issues and accounting developments.
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

MRP (VRP)	Minimum Revenue Provision/Voluntary Revenue Provision. An amount set aside each year to finance repayment of debt, In the case of Wiltshire PCC, this refers to the payment of the Finance Cost relating to the Swindon PFI over the course of the contract.
NPCC	National Police Chief's Council (replaces ACPO Association of Chief Police Officers)
Non Current Assets	Assets that provide benefits to the PCC for a period of more than one year.
Non Distributed Costs (NDC)	Central overheads which cannot be apportioned over services.
OPCC	Office of the Police and Crime Commissioner.
PCC	Police and Crime Commissioner
PCC Group	This refers to the Police and Crime Commissioner and the Chief Constable as a group.
PFI	A private finance initiative (PFI) is a public sector infrastructure project funded with private sector capital.
Precept	A levy collected by the Councils from council taxpayers on behalf of the PCC.
Provisions	Amounts set aside to meet liabilities or losses which are likely to be incurred, but where the actual sum and timing are uncertain.
RCCO	Revenue Contribution to Capital Outturn
Reserves	Funds set aside by the PCC to meet the cost of future expenditure.
Running Costs	General expenditure incurred in the use of premises, transport and equipment such as costs of electricity.
Specific Grant	Grant funding provided to the PCC for use on specific projects.
SSAP	Statements of Standard Accounting Practices.
Third Party Payments	Payments made by the PCC for specialist or support services provided by outside contractors and other bodies.