The Police and Crime Commissioner for Wiltshire

Group Statement of Accounts

Police & Crime Commissioner
for Wiltshire and Swindon

2022/2023

Contents of the 2022/23 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 2022/23 and the Accounts and Audit Regulations 2015.

The Statement of Accounts which follow disclose the 2022/23 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 2021/22 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 Kings'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.

2022/23 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 2022/23 Accounts

Impacts of Inflation and High Interest rates

The UK has experienced the highest rates of inflation for many years; CPI increased by 10.1% in the 12 months to March 2023. To combat inflation, the Bank of England raised interest rates during the year, reaching 4.25% in March 2023, the highest rates experienced in 15 years. This period of unusually high inflation and interest rates has a number of impacts on the Police and Crime Commissioner and on his accounts.

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

During 2022/23 demand on policing has largely remained level. The cost of living crisis is having an impact on lifestyles and general wellbeing of the public, an increase in burglaries has been experienced during the year and there is particular concern surrounding the vulnerable in the community. Wiltshire Police are putting a focus on safer public spaces, violence and burglaries as key operational priorities in support of local communities and the PCC's Police and Crime Plan.

Geo-political events in Ukraine, alongside the cost-of-living crisis and residual COVID 19 pandemic impacts, have increased pressures on delivery and funding of the policing service. Procurement of essential equipment such as vehicles has seen delays where manufacturers have difficulties in obtaining parts. The general costs of procurement have increased and energy cost increases have been significant.

The organisation has developed its strategies around resourcing and recruitment as the availability of skilled workers has seen a national shortage and the ability to fill gaps in the workforce has become more challenging. Due to these issues an underspend in officer and staff salaries has been experienced for the year.

Impact on the Financials of the Police and Crime Commissioner

The increase in interest rates has provided a beneficial return on the PCC's investments of £0.694m (compared with only £0.033m in 2021/22). However, the rate increases also lead to an increased cost of borrowing which impacts considerably on the PCC's Capital financing plans for the organisation. Borrowing £5m over 30 years in October 2022 would cost £4.2m in interest payments (4.53%) compared with a cost for the same borrowing of £2.1m in October 2020 (2.38%). This level of cost impact requires careful strategic planning of available resources for financing the PCC's current and future capital projects.

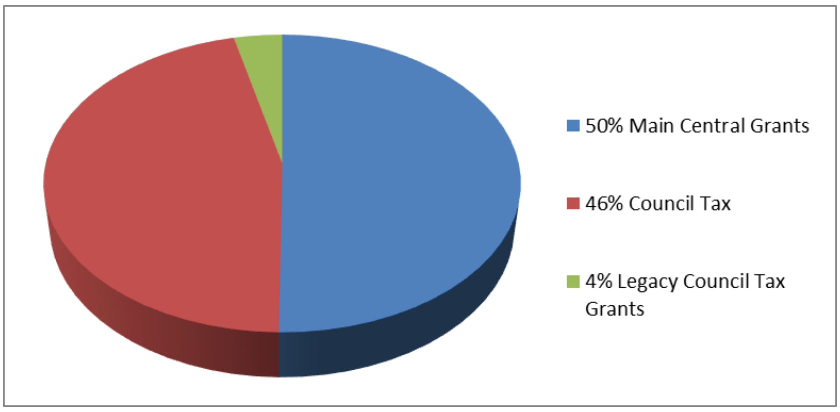
The increased interest rates and increased inflation have a number of impacts on the PCC's assets in his accounts. Revaluations are impacted where the market becomes more volatile and where items such as cost information are used in determining the value of depreciated replacement cost. Residual values are reviewed annually and take into account price changes and inflation. The Code of Practice sets out that Assets Held for Sale must qualify for recognition as a completed sale within a year from the date of classification. High interest rates and high cost of borrowing can discourage potential buyers and lead to uncertainty over whether the sale is highly probable.

Fair Value of Financial Instruments have decreased considerably in year where discounting factors use the increased interest rates in calculation. The fair value of the PCC's outstanding PWLB borrowing at 31 March 2023 was £1.4m compared with a fair value of £1.8m at March 2022 for the same borrowing. The same impact applies to the PCC's PFI liabilities. In lay persons terms if we were to take out these loans today it would cost more, this valuation does not affect the Balance Sheet or Comprehensive Income and Expenditure Statement.

Judgements and estimations used in the PCC's accounts need to be carefully considered in relation to materiality and uncertainty where they may be affected by the higher inflation and interest rates. For example volatility of markets will have an impact on valuation assumptions such as discount rates linked to bond yields for pensions estimations. An increase in bond yields has resulted in a significant reduction in the present value of the Defined Benefit Obligation.

Funding

All funding is received into bank accounts maintained by the Police and Crime Commissioner for Wiltshire. General financing of £140.317 million was received through Government Grants and Council Tax income for 2022/23:



Debt Position

The Capital Strategy for 2022/23 set out a need for borrowing to finance future Capital plans. There was no further borrowing taken out during 2022/23; for the next three years planned borrowing is £4.7m (23/24), £11.5m (24/25) and £16.0m (25/26) totalling a cumulative £32.2m. 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 2023. These identified a shortfall of £3.1m for 2023/24 and a likely £2.1m shortfall for 2024/25.

Summary of the 2022/23 Financial Year – Capital Expenditure

Capital expenditure in 2022/23 was £4.264 million compared to an approved budget of £8.142 million. Slippage of £3.909m is being carried forward to 2023/24, £0.869m of this slippage relates to the Estates strategy and £1.327m relates to IT projects. In 2022/23 the Police and Crime Commissioner's approved capital programme is funded from capital receipts, borrowing and Revenue Contributions to Capital Outlay.

Future Capital Expenditure

In 2023/24 the slippage of £3.909 million will be spent along with other capital resources leading to a total original capital budget of £19.133 million as of 1 April 2023. 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 2022/23 was £136.358 million.

The net assets of the Police and Crime Commissioner at 31 March 2023 were a negative £916.374 million (negative £1,429.813 million 2021/22), 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 2022/23. 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 £507.638 million, This is due to the assumptions utilised by the actuary surrounding price inflation, salary inflation, discount rates and membership. In particular a rise in Bond yields due to the current economical climate impacts on the calculation of discount rates applied.

If the Pensions IAS 19 had not been implemented the net assets of the Police and Crime Commissioner would stand at £60.075 million as at 31 March 2023 (£54.274 million 2021/22):

2021/22 £000	Financial Position as at 31 March 2023	2022/23 £000
60,314	Buildings, Vehicles, IT and Equipment Assets owned	61,874
31,900	Cash at Bank, Investments and money due from customers	35,713
92,214	**Total Assets**	**97,587**
-18,179	Amounts due to be paid out in the next year	-18,653
-1,814	Long Term Borrowings	-1,767
-17,947	Amount due to be paid out for PFIs over the next 20 years	-17,092
-37,940	**Total Liabilities**	**-37,512**
54,274	**Total Net Assets**	**60,075**

The General Reserve balance at 31 March 2023 is £3.650 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 2022/23

Actual 2021/22 £m		Actual 2022/23 £m
73.035	General Government Grants	75.664
61.737	Income received from the Collection Fund	64.653
22.387	Home Office Top-up Grant	22.891
157.159	Income from Government Grant and Local Taxpayers	163.208
-165.579	Net Cost of Services	-165.222
	Adjustment for Notional Sums included above	
32.955	- Pensions (IAS 19)	27.306
3.612	- Capital Financing	3.286
0.029	- Employee Benefits Accrual (IAS 19)	-0.127
-0.801	- Minimum Revenue Provision	-0.878
-3.213	Net Contributions to Reserves	-3.566
-22.387	Payment to Police Pension Fund to meet Deficit	-22.891
1.775		1.116
-1.565	Less Net Interest payable and similar charges	-1.003
0.210	Surplus/(Deficit) Transferred to/from the General Reserve	0.113

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 2023 identifies a net underspend of £3.960 million in the accounts. The table below shows the underspend and how it relates to the surplus transferred to the general reserve.

2021/22 £m	Description	2022/23 £m
165.579	Net Cost of Services	165.222
-32.955	Notional Sums Adjustment – Pensions (IAS 19)	-27.306
-3.612	Notional Sums Adjustment – Capital Financing	-3.286
-0.029	Notional Sums Adjustment – Employee Benefits (IAS 19)	0.127
0.801	Notional Sums Adjustment – MRP	0.878
1.565	Add Net Interest payable in 2022/23	1.003
3.213	Add Contributions to earmarked reserves	3.566
-2.268	Less actual underspend	-3.960
-0.733	Less Council Tax support towards future years	
0.210	Add General Reserve transfer	0.113
131.771	Revised Cost of Service	136.357
134.039	Approved Budget	140.317
2.268	Underspend	3.960
	Less Funds Transferred to Capital Development Reserve	-2.114
-2.058	Less Transfers to Other Funds	-1.733
0.210	Surplus/(Deficit) Transferred to/from the General Reserve	0.113

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 2023.
- **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

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.

D Moran, Chief Finance Officer
Date: 10/12/24

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 2022-23

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

This statement confirms the position as at 31 March 2023 for the two corporations sole, Police and Crime Commissioner (PCC) and Chief Constable of Wiltshire Police, govern both jointly and separately.

CONTEXT

The principal statutory legal framework within which the corporations sole operate is:

- Police Reform and Social Responsibility Act 2011.
- Policing Protocol Order 2011.
- Financial Management Code of Practice for the Police (Home Office, 2018).
- Strategic Policing Requirement.
- Code of Ethics.
- Victims' Legislation.

Disclosure of Disclaimed Audit Opinion

These financial statements for the year ending 31 March 2023 have not been fully audited and will receive a disclaimed audit opinion. The delay is due to the statutory backstop introduced under the local audit framework, which required the audit to be completed by 13 December 2024. However, the ongoing backlog in the local audit system prevented the auditors from meeting this deadline.

The disclaimed opinion does not indicate material misstatements or issues with the financial statements but arises solely from the incomplete audit caused by the statutory deadline.

Despite this, the PCC and Chief Constable of Wiltshire Police have maintained robust internal controls with senior management oversight. While the external audit remains incomplete, these financial statements have been prepared in compliance with all relevant accounting standards and regulations. The PCC and Chief Constable are committed to maintaining financial integrity and regulatory compliance. Strong internal governance, regular internal audits, and oversight by the Joint Independent Governance, Risk, and Audit Committee ensure continued confidence in the accuracy of these statements.

Further details are provided in the following Annual Governance Statement.

The position as of 31 March 2023.

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. GOVERNANCE FRAMEWORK PRINCIPLES

The seven core principles adopted are those highlighted by the Good Governance Standard for Public Life (supported by the Nolan Principles of Public Life):

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*. Effective governance reflects the culture of the organisation and requires a relentless leadership commitment to sustained delivery.

3. THE GOVERNANCE FRAMEWORK

The governance framework comprises the policies, 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.

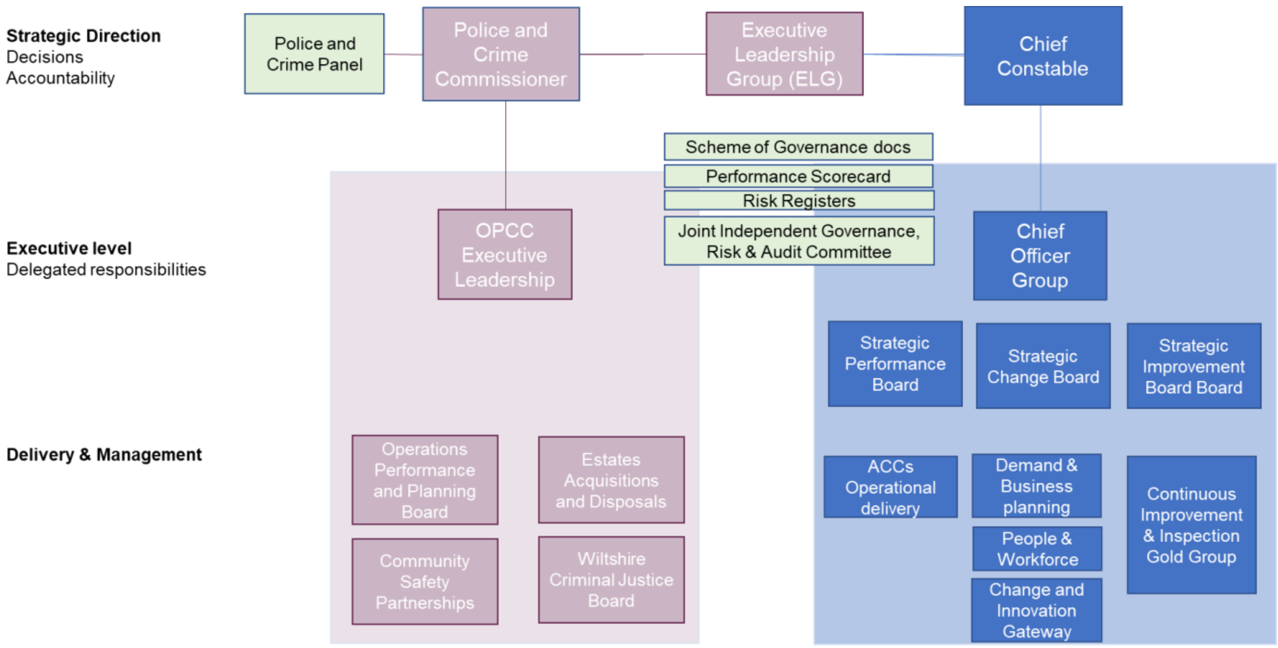
The internal control system is a significant part of the framework and is designed to identify, manage, and mitigate risks. It is both tactical and strategic and focuses on materiality and management of risks to the achievement of the PCC’s Police and Crime Plan.

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

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 assessing 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.

Further independent assurance is provide by HMICFRS, who undertake regular reviews and inspections of the forces effectiveness, efficiency and legitimacy, an External Audit by an independent firm and a commissioned Internal Audit.

A new Chief Constable has been recruited and commenced in February 2023 and the OPCC appointed a new Chief Executive in March 2022. The overarching structure of governance for both on the 31 March 2023 is shown below.



The principal areas that comprise the governance framework are:

- The Police and Crime Commissioner
- The Executive Leadership Group
- The Chief Officer Group
- Transparent Decision Notices
- OPCC Executive Leaderships Team (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 an annual 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 Complaints Resolution 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 independent 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 four values published under the National Code of Ethics (Impartiality, Integrity, Public Service and Transparency) have been adopted by force leadership and are promoted on a daily basis. In line with this, both a register of interests and a gifts and hospitality register is maintained. 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 and that 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 through social media channels, the PCC encourages communities to interact with him by email, telephone and at various in person events. 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.

Being open and transparent in engaging with communities and stakeholders ais central to the role of PCC, in understanding needs and concerns. 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 2022-25.

In January 2023 the PCC held a public consultation surrounding the precept decision. This involved a social media awareness campaign, community messaging and engagement with local communities at area boards and parish councils. This consultation received 2,715 responses. 65% of the respondents supported an increase of £10 per household per year, this good engagement helped inform the 2022-24 Precept decision. The survey also asked where people would like to see more investment. Tackling Drugs and Drug Related Violence followed by Local Neighbourhood Policing received the highest scores.

Independent Advisory Groups (IAGs) provide Wiltshire Police with an important and independent perspective on local and national issues surrounding policing activities. They constructively advise, scrutinise and challenge Wiltshire Police on its policies, procedures and practises. Six local IAGs are aligned to Community Policing Team geographical boundaries and work closely with the local CPT Inspectors and Neighbourhood Teams. In addition to the six geographic IAGs, there is the Wiltshire Diverse Communities (WDC) IAG, which has brought together diverse community 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 force’s 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 and community concerns.

The quarterly Public Service Board (PSB) chaired by the Deputy Chief Constable, brings together all IAG Chairs 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, however more recently this has returned to the physical space with a hybrid option available for members to also join the session online and contribute to discussions.

Key policing service delivery areas 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 from themes and departments across the force are delivered to IAG members which may be of heightened interest or concern to members of the public at a local or national level at that time. These topics are presented in the form of departmental senior leadership presentations, tours of key operational areas of the force, and standalone themed sessions at Headquarters. Feedback on these are actively sought from IAGs, and shared back to the force, which in turn helps to advise and form policing practises. For example, in November 2022 the force presented to approximately 30 IAG members a ‘Critical Incident Paper Feed’ Exercise which presented a hypothetical major crime incident which affected community confidence, with input from both the Deputy Chief Constable and our Major Crime Senior Investigating Officer.

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 and 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 and includes Wiltshire Criminal Justice Board, Community Safety Partnerships and Health and Wellbeing Boards. Further work is undertaken with other police forces and emergency service partners.

The Force and OPCC continue to listen to feedback from officers, staff and volunteers via the annual Employee Engagement Survey. The last survey was carried out in June 2022 and obtained a 47% response rate (1,057 responses). This is broadly in line with previous iterations of the survey. The overall engagement index for the 2022 survey remains strong at 63% but saw an 8 percentage point decrease from the 2021 survey. The survey saw strong improvements in staff feeling there is a strong vision for the organisation and understanding the objectives of the organisation. Workloads were highlighted as a concern with only 45% of respondents feeling they have an acceptable workload. The next iteration of the Employee Engagement Survey is scheduled to take place in September 2023 and will be supported further in February 2024 by a follow up ‘pulse’ survey to re-examine key themes from the survey and assess progress.

During the year the outgoing Chief Constable hosted monthly on-line chat opportunities for his staff and took questions from officers and staff and provided responses. The previous Chief Constable held on line Forums which all staff had to attend. These engagements helped identify issues and possible solutions. The new Chief Constable has started to meet with supervisors and leaders to agree plans and ensure there is clear focus on the new objectives. Her intention is to undertake monthly on line sessions for staff which supplement weekly VLOGS on progress and expectations. The new Chief Constable has also started to produce fortnightly open letters to the PCC which shows openness to all stakeholders including the public.

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

In 2022 the PCCs objectives were set out in a new Police and Crime Plan. The plan and progress against it are assessed through the Executive Leadership Group (ELG) meeting (two per month) at which a ‘key lines of enquiry’ question document, key performance indicator dashboard and results of independent assurance visits are used. A new Strategy, Performance and Oversight function within the OPCC has been developed. This function provides strengthened capabilities to enable the OPCC to more effectively support the PCC to scrutinise, challenge and support.

The PCC has ensured that his plan is aligned to the community concerns heard during his consultation exercise with a clear mission to make Wiltshire a safer place to live, work and visit. Four principles (engagement, trust, excel at the basics and serving the public) are the building blocks for delivery and set the OPCC’s values. Following election of the PCC, it was identified that delivering the Police and Crime Plan will be a challenge for the CC and there is a risk of non-delivery. The local requirements also need to be considered in line with new national standards being assessed and reviewed by HMICFRS.

In July 2022, HMICFRS published their PEEL report on Wiltshire Police. This reported very significant concerns with regard to the performance of the Force. In response to this, the PCC and CC have made changes to how they oversee performance in 2022-23 with the enhanced ELGs mentioned earlier and the Chief Constable taking personal leadership of monthly executive oversight meetings.

The 2022-2025 Performance Strategy sets our approach to performance assessment. 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. The new Chief Constable has directed an increased performance focus on three objectives: safer public spaces, violence and burglary. This aligns with the PCC’s Police and Crime Plan. The Performance framework has been evolved to ensure that these drivers and performance against the Police and Crime Plan continued to be closely scrutinised, challenged and supported.

Our business intelligence tool (Qlik Sense) provides self-service analysis data for the organisation and has significantly expanded the number of functions and content which is readily available to all staff. This access has supported the ability to have more tactical conversations about performance outcomes. Further work is on-going to ensure the data is used effectively by line managers.

The OPCC have now produced a summary Force Performance Report which shows progress against 66 performance measures related to the Police and Crime Plan. The report states the direction of travel on performance, showing positive changes and identifying persistent issues, as well as progress assessments against HMICFRS recommendations.

In October 2020 the Home Office introduced the National Crime and Policing measures. 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 publications regarding the 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 and, with the risk register, helps the PCC and the CC decide on future investment areas. This information is a key consideration to the Medium-Term Financial Strategy (MTFS). The MTFS assesses the budget requirement and compares 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.

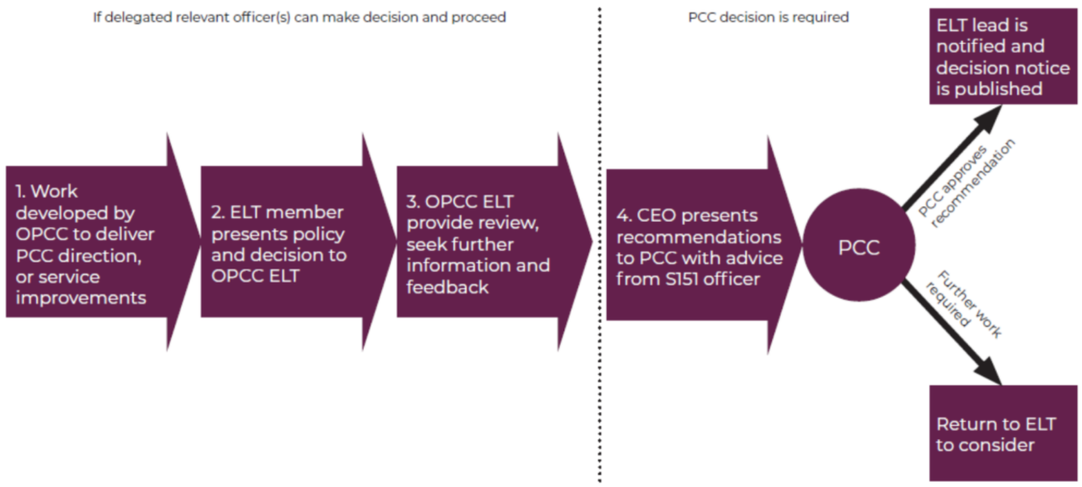
The PCC acknowledges that there is a requirement to commission various service providers other than the police, to deliver the Police and Crime Plan. A Commissioning Strategy has been produced by the OPCC; this is due for refresh in 2023-24. The strategy sets out a commissioning framework and the principles the PCC will use to purchase these services and develop service provision. A new OPCC performance framework is being developed to increase oversight and performance of this investment.

The environmental impact of the OPCC and force has been considered and 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, has been produced. The strategy looks at waste, water, biodiversity as well as emissions. We are now engaging with academics as a Southwest region to produce metrics to ensure we have a good baseline and can show progress. Working together allows for comparisons to be made and lessons to be learnt together. To assist the PCC has also invested in electric and hybrid vehicles. Telematics is now being implemented 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 PCC a new oversight process was introduced in 2022. This has seen the Commissioner's Monitoring Board (CMB) being replaced by the Executive Leadership Group (ELG). This board focuses on Force performance, assessing service areas and overall corporate performance and management of risk. 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 Chief Finance Officer of both organisations. Other officers are invited to attend as necessary. The PCC also receives a weekly operational update from the CC and CEO teams from their respective organisations.

Capital and unplanned revenue spending is now approved by the PCC in various meetings, these must involve input by the Chief Executive and the OPCC CFO. To provide transparency all decisions are logged with decision notices published for significant decisions on the OPCC 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, and its content is managed at OPCC ELT to ensure mitigation is sufficient and effective.

In 2022 Wiltshire Police introduced the Strategic Planning and Change Oversite meeting. This is chaired by the Chief Constable and the OPCC attends. Exception reports are provided surrounding performance, project delivery and risk management of the Force. This enabled Force Executives and the OPCC to monitor risks, issues and required actions. The new Chief Constable has decided to replace this with the Strategic Change Board in 2023, which is also attended by the OPCC.

This governance ensures that the Police and Crime plan delivery is closely monitored. 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 through 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.

The OPCC produces and publishes an annual delivery plan. This details its delivery intentions to support the Police and Crime Plan and planned organisational improvements.

The PCC is required to produce an Annual Report. This reflects progress against the Police and Crime Plan, including Force, OPCC, partnership and community contributions

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 defines how we will 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 a Chief Officer 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

The Risk Management Strategy and Policy defines the framework requirements, appetite and procedures. A published Practitioner's Guide confirms for managers the five 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 Scheme of Governance (incorporating Financial and Contract regulations) setting the framework for lawful expenditure, delegation and achieving value for money financial thresholds. A review of this has taken place in 2023. This has resulted in a disaggregation and updating of the 'Scheme of Governance' into four documents.

1. A Corporate Code of Practice
2. Scheme of Delegation (from the PCC and Chief Constable)
3. Financial Regulations
4. Contractual Regulations

This new suite of documents constitutes the 'Scheme of Governance' and are in line with national guidance and financial regulations. These documents are published on the OPCC website.

The PCC and Chief Constable have the same individual filling their two respective Chief Finance Officer positions; The respective role of each Chief Financial Officer is set out clearly in the Scheme of Delegation and this also sets out the mechanisms to prevent any potential conflict of interest arising from the same individual holding both roles. This is primarily resolved by the required involvement of the PCC's Chief Executive in decisions and financial governance oversight.

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.

The practical implementation of the financial regulations is provided in the Internal Budget Book. This identifies the authority to spend and the responsibilities of a Budget Holder, as set by the Scheme of Governance documents. 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 The Budget Book also helps to ensure all purchases are in line with the Police and Crime Plan and that Value for Money is achieved.

The biggest Corporate Risks are reviewed monthly at the Strategic Improvement Board. 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 (SWAP) publish their view on Internal Control. The overall opinion from SWAP is that of 'Reasonable Assurance'. In 2022-23, the Internal Auditors have not identified any significant corporate risks.

In 2022 an Annual Fraud report was produced and has been tabled at the Joint Independent Governance, Risk and Audit Committee (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 Southwest Audit Partnership (SWAP) to provide an internal audit service in 2022-23 100 days of audit were planned with 9 audits. 3 of these are in progress. Out of the 6 completed Audits 4 have received 'Reasonable Assurance' ratings whilst 2 received 'Limited Assurance' opinions. These two audits surround Recruitment and Training. The evaluation system is as follows.

- Substantial Assurance – A sound system of governance, risk management and control exist with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audit.

- Reasonable Assurance – There is generally sound systems of governance, risk management and control in place. Some issues, non-compliance or scope for improvements were identified which may put at risk the achievement of objectives in the area audit.

- Limited Assurance – Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audit

- No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audit

As mentioned previously 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 2022-23.

All five 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, the report identified several areas of weakness that require improvement. This has led to the force being placed in 'Engage'. Those forces with this classification report to the Policing Performance Oversight Group (PPOG) on a quarterly basis. At the April 2023 meeting of this group they considered Wiltshire's Improvement Plan. A plan has been created to move out of 'Engage' and, the Chief Constable is clear that the Force's focus is on the delivery of good services to our communities in line with the Police and Crime Plan objectives.

The PCC publishes an annual report which provides the PCCs assessment of how the Chief Constable has performed, progress against the priorities set out in the Police and Crime Plan and how policing and criminal justice services have performed.

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 regarding 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

The 'requires improvement' opinion was reported last year. Whilst improvements have been made there is still some significant progress required. The new Chief Constable has briefed leaders at all levels on the requirement and how there will be a relentless focus on delivery with people held accountable for delivering the new 'Plan on a Page' in 2023-24. An improved focus on Performance Management at ELG is expected to result in more focus on the Police and Crime Plan deliverables which should see in time the removing of the significant governance issue.

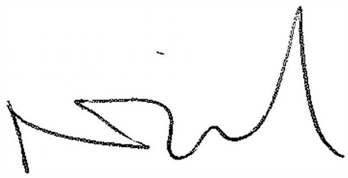
No.	Issue	Mitigation Planned
1	**Delivering the Police and Crime Plan**. In setting the plan the PCC has received concerns from communities on local delivery, this has led to him setting new objectives. The challenge which faces the CC is showing significant progress on these objectives to improve the 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. The Progress will be monitored by deep dives at ELG with progress reported to the Police and Crime Panel. The summary Force Performance Report which shows progress against 66 performance measures related to the Police and Crime Plan will ensure delivery is constantly focused on.

Signed

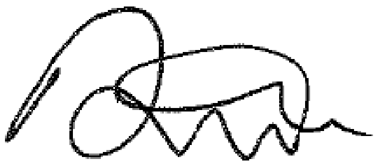
P Wilkinson
Police and Crime Commissioner

Catherine Roper

C Roper
Chief Constable



N Darwish
Chief Executive of the OPCC



D Moran
Chief Financial Officer

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

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit 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 2023, which comprise Comprehensive Income and Expenditure Statement for the Police and Crime Commissioner for Wiltshire's Group, the Comprehensive Income and Expenditure Statement for the Police and Crime Commissioner for Wiltshire, the Movement in Reserves Statement for the Police and Crime Commissioner for Wiltshire Group, the Movement in Reserves Statement for the Police and Crime Commissioner for Wiltshire, the Balance Sheet for the Police and Crime Commissioner for Wiltshire and the Group, the Cash Flow Statement for the Police and Crime Commissioner for Wiltshire and the Group and Notes to accompany the Statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Wiltshire Police Pension Fund Account and the Net Assets Statement. The notes to the financial statements include a summary of significant accounting policies. 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 2022/23.

We do not express an opinion on the accompanying financial statements of the Police and Crime Commissioner or the group. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Police and Crime Commissioner to publish audited financial statements for the year ended 31 March 2023 by 13 December 2024 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. We have not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Police and Crime Commissioner's or the group's financial statements for the year ended 31 March 2023 as a whole are free from material misstatement. We were also unable to obtain sufficient appropriate evidence for the corresponding figures for the same reason. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Police and Crime Commissioner to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2023 by the backstop date. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

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

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Joint Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with 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.

Opinion on other matters required by the Code of Audit Practice

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Police and Crime Commissioner's and group's financial statements and our auditor's report thereon. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Police and Crime Commissioner gained through our work in relation to the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether 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

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Group 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 2022/23, 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 they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Police and Crime Commissioner's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Police and Crime Commissioner in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory 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 2023.

We have nothing to report in respect of the above matter except:

On 17 November 2023 we identified a significant weakness in the Police and Crime Commissioner’s arrangements to achieve financial sustainability for the years ended 31 March 2022 and 31 March 2023. This was specifically in relation to the development of a detailed Strategic Workforce Assessment that clearly demonstrates understanding of priorities of the skill mix needed to meet demand needs that is also clearly linked to budgeting. This was also a key finding for His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) within its Police Effectiveness, Efficiency and Legitimacy (PEEL) 2022 findings that financial and strategic planning is inadequate. We recommended that Wiltshire Police should continue to develop the Strategic Workforce Assessment to clearly reflect the Force’s understanding of the skill mix required to meet identified future demand for policing services and to address any shortfalls identified, ensuring future budgets clearly demonstrate the link to this strategic planning.

On 17 November 2023 we also identified significant weaknesses in the Police and Crime Commissioner’s governance arrangements for the years ended 31 March 2022 and 31 March 2023:

•HMICFRS highlighted that the force’s strategic planning was inadequate. Simplifying the force’s governance structure, allowing sufficient time for senior leaders to identify and discuss force priorities and take necessary action, should in turn improve performance. We recommended that the Police and Crime Commissioner should review, reorganise and simplify its governance and meeting structures, ensuring that they are tailored to strategic plans and so that progress can be monitored effectively.

•Risk is currently interwoven into overly complicated lengthy meetings leaving little time to promote effective risk management. Simplifying the force’s governance structure, allowing sufficient time for senior leaders to identify and discuss force priorities and take necessary action, should in turn improve performance. We recommended that the Police and Crime Commissioner should review the governance around risk management and create a separate risk board with a senior responsible officer for risk, assigned to monitor risks and ensure they are updated, mitigated and reduced where possible.

•HMICFRS highlighted a number of weaknesses as part of their 2022 PEEL report. We recommended that the Police and Crime Commissioner should establish more robust arrangements to review the findings of HMICFRS and put in place those necessary changes to respond and continue to consider in detail and the associated action plans to track improvements against the recommended areas.

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.

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 November 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

•Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;

•Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and

•Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We 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 – Audit certificate

We certify that we have completed the audit of the Police and Crime Commissioner for Wiltshire for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

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 44 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.

Grace Hawkins

Grace, Hawkins, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

10 December 2024

Comprehensive Income and Expenditure Statement for the Police and Crime Commissioner for Wiltshire's Group 2022/23

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

2021/22 Net Expenditure £'000	See also Notes 6, 7 and 8	Gross Expenditure £'000	Income £'000	2022/23 Net Expenditure £'000
163,145	Police Services	172,962	-14,192	158,770
2,434	Police and Crime Commissioner	8,252	-1,800	6,452
165,579	**Net Cost of Police Services**	**181,214**	**-15,992**	**165,222**
	Other Operating Income & Expenditure:			
761	Loss/(Gain) on disposal of Non-Current Assets			201
-22,387	Home Office Top-up Grant Note 29			-22,891
	Financing & Investment Income & Expenditure:			
1,692	Interest Payable and Similar items Note 16			1,647
-126	Interest and investment income			-644
31,748	Net Pensions Interest Note 29			40,183
	Taxation & Non-Specific Grant Income & Expenditure:			
-43,519	Police Grant			-45,652
-29,516	Other General Government Grant			-30,012
-62,839	Precepts on Collection Funds			-64,757
-385	Other Tax and Non Specific Grant Income			-30
41,008	**(Surplus)/Deficit on the Provision of Services**			**43,267**
-4,812	(Surplus)/Deficit on Revaluation of Assets Note 10, 11			-4,472
-139,174	Pension Re-measurement of the net defined benefit liability/(asset) Note 29			-552,235
-143,986	**Other Comprehensive Income and Expenditure**			**-556,707**
-102,978	**Total Comprehensive Income and Expenditure**			**-513,440**

Comprehensive Income and Expenditure Statement for the Police and Crime Commissioner for Wiltshire 2022/23

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.

2021/22 Net Expenditure £'000	See also Notes 6, 7 and 8	Gross Expenditure £'000	Income £'000	2022/23 Net Expenditure £'000
-13,061	Police Services		-14,192	-14,192
2,434	Police and Crime Commissioner	8,252	- 1,800	6,452
-10,627	**Net Cost of Police Services before intra group funding**	**8,252**	**-15,992**	**-7,740**
176,206	Intra Group Funding for Chief Constable's Net Service Cost			172,962
165,579	**Net Cost of Police Services**			**165,222**
	Other Operating Income & Expenditure:			
761	Loss/(Gain) on disposal of Non-Current Assets			201
-22,387	Home Office Top-up Grant Note 29			-22,891
	Financing & Investment Income & Expenditure:			
1,692	Interest Payable and Similar items Note 16			1,647
-126	Interest and investment income			-644
31,748	Intra Group Funding (Net Pensions Interest) Note 29			40,183
	Taxation & Non-Specific Grant Income & Expenditure:			
-43,519	Police Grant			-45,652
-29,516	Other General Government Grant			-30,012
-62,839	Precepts on Collection Funds			-64,757
-385	Other Tax and Non Specific Grant Income			-30
-139,174	Intra Group Funding (Pensions re-measurement of the net defined benefit liability/(asset)) Note 29			-552,235
-98,166	**(Surplus)/Deficit on the Provision of Services**			**-508,968**
-4,812	(Surplus)/Deficit on Revaluation of Assets Note 10, 11			-4,472
-4,812	**Other Comprehensive Income and Expenditure**			**-4,472**
-102,978	**Total Comprehensive Income and Expenditure**			**-513,440**

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

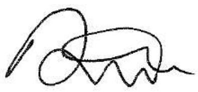
	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	**Total Usable Reserves Note 15**	Unusable Reserves Note 16	**Total Reserves**
	£'000	£'000	£000	**£'000**	£'000	**£'000**
Balance as at 31 March 2021 Brought Forward	**12,397**		455	**12,852**	-1,545,641	**-1,532,789**
Movement in reserves 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 8	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**
Balance as at 31 March 2022 Brought Forward	**15,819**		493	**16,312**	-1,446,123	**-1,429,811**
Movement in reserves during 2022/23						
Total Comprehensive Income and Expenditure	-43,267			-43,267	556,707	513,440
Adjustments between accounting basis and funding basis under statute – Note 8	46,946		30	46,468	-46,976	
Increase/(Decrease) in 2022/23	**3,677**		30	**3,707**	509,731	**513,440**
Balance as at 31 March 2023 Carried Forward	**19,496**		523	**20,019**	-936,392	**-916,371**

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 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 8	-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 as at 31 March 2022 Brought Forward	**15,819**		493	**16,312**	-1,446,123	**-1,429,811**
Movement in reserves during 2022/23						
Total Comprehensive Income and Expenditure	508,968			508,968	4,472	513,440
Adjustments between accounting basis and funding basis under statute – Note 8	-505,289		30	-505,259	505,259	
Increase/(Decrease) in 2022/23	**3,677**		30	**3,707**	509,731	**513,440**
Balance as at 31 March 2023 Carried Forward	**19,496**		523	**20,019**	-936,392	**-916,371**

Balance Sheet for the Police and Crime Commissioner for Wiltshire and the Group as at 31 March 2023

PCC £'000 31-Mar-22	PCC £'000 31-Mar-23			PCC's Group £'000 31-Mar-22	PCC's Group £'000 31-Mar-23
51,351	52,334	Property, Plant & Equipment	Note 10	51,351	52,334
1,243	1,058	Investment Property	Note 12	1,243	1,058
3,681	3,368	Intangibles	Note 13	3,681	3,368
1,169	3,094	Assets Under Construction		1,169	3,094
	79	Long Term Debtors			79
57,444	**59,933**	**Total Long Term Assets**		**57,444**	**59,933**
874	946	Inventories		874	946
19,024	15,808	Short Term Debtors	Note 19	19,024	15,808
11,500	14,000	Short Term Deposits (up to one year)		11,500	14,000
502	4,880	Cash & Cash Equivalents	Note 18	502	4,880
2,870	2,020	Assets Held For Sale (under 1 yr)	Note 14	2,870	2,020
34,770	**37,654**	**Total Current Assets**		**34,770**	**37,654**
-817	-842	Finance Lease Liability	Note 16	-817	-842
-1,438	-3,067	Cash and Cash Equivalents		-1,438	-3,067
-1,046	-47	Short Term Borrowings	Note 16	-1,046	-47
-13,733	-13,763	Short Term Creditors	Note 20	-13,733	-13,763
-1,145	-934	Provisions (under 1 yr)	Note 21	-1,145	-934
-18,179	**-18,653**	**Total Current Liabilities**		**-18,179**	**-18,653**
-17,947	-17,092	Finance Lease Liability	Note 16	-17,947	-17,092
-1,814	-1,767	Long Term Borrowing	Note 16	-1,814	-1,767
		Liability Related to Defined Benefit Pensions Scheme.	Note 29	-1,484,087	-976,449
-1,484,087	-976,449	Pension Intra Group Creditor	Note 29		
-1,503,848	**-995,308**	**Total Long Term Liabilities**		**-1,503,848**	**-995,308**
-1,429,813	**-916,374**	**Total Net Assets**		**-1,429,813**	**-916,374**
16,311	**20,018**	**Usable Reserves**	Note 22	**16,311**	**20,018**
-1,446,124	**-936,392**	**Unusable Reserves**	Note 23	**-1,446,124**	**-936,392**
-1,429,813	**-916,374**	**Total Reserves**		**-1,429,813**	**-916,374**



D Moran, Chief Finance Officer. Dated 10/12/2024

These financial statements replace the unaudited financial statements confirmed by the Chief Finance Officer Clive Barker on 31st May 2023 and were authorised for issue on 10 December 2024 by Chief Finance Office David Moran.

Cash Flow Statement for the Police and Crime Commissioner for Wiltshire and the Group 2022/23

2021/22 £000	See also note 18	2022/23 £000
	Operating Activities	
61,737	Taxation	64,653
43,519	Police Main Grant	45,652
29,516	Other General Government Grant	30,012
9,043	Cash Received for Goods and Services	19,220
33	Interest Received	694
143,848	Cash Inflows Generated from Operating Activities	160,231
-111,575	Cash Paid to and on behalf of Employees	-116,763
-27,570	Cash Paid for Goods and Services	-31,492
-1,692	Interest Paid	-1,647
-140,838	Cash Outflows from Operating Activities	-149,902
3,011	**Net Cash Flows from Operating Activities**	**10,329**
	Investing Activities	
-4,005	Purchase of Non-Current Assets	-4,264
230	Proceeds from Sale of Non-Current Assets	1,029
-1,500	Purchase of short-term and long-term investments	-2,500
385	Other Receipts from Investing Activities	30
-4,890	**Net Cash Flows from Investing Activities**	**-5,705**
	Financing Activities	
	Cash Receipt of Long Term Borrowings	
-45	Repayment of Long Term Borrowings	-45
1,000	Cash Repayment of Short Term Borrowings	-1,000
-756	Payments for the Reduction of Outstanding PFI Finance Liability	-831
199	**Net Cash Flows from Financing Activities**	**1,876**
-1,680	Net increase or decrease in cash & cash equivalents	2,748
746	Cash & cash equivalents at the beginning of the reporting period	-935
-935	**Cash & cash equivalents at the end of the reporting period**	**-1,813**

Notes to accompany the Statements

1 Statement of Accounting Policies

2 Critical Judgements in Applying Accounting Policies

3 Accounting Standards issued that have not yet been adopted

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

5 Post Balance Sheet Events

6 Expenditure and Funding Analysis

7 Expenditure and Income Analysed by Nature

8 Adjustments Between Accounting basis and Funding basis under statute

9 Management Reporting

10 Property, Plant and Equipment

11 Valuation of Assets

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17 Contingent Assets and Contingent Liabilities

18 Cashflow

19 Debtors

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24 Joint Arrangements

25 Termination Benefits

26 Remuneration of Staff

27 Related Parties

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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 2022/23, the Service Reporting Code of Practice 2022/23 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 2022/23 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 16.4% of pay were paid into the fund by the Group for the year 2022/23.

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.

For 2022/23 there is no prior period adjustment to disclose.

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 (£4.880m) and Bank Accounts (-£3.067m). 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 three 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 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 2023 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 2021 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:

- In the March 2022 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.

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. Where assets are grouped for accounting purposes this level will apply to the group as a whole. 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 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 35 staff and no police officers when compared to the Chief Constable who has around 1,040 staff and 1,190 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.

3 Accounting Standards Issued That Have Not Yet Been Adopted

For 2022/23 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 2023/24 Code of Practice in Local Authority Accounting (COPLAA).

- IFRS16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS16 in the 2023/24 year).
- Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- Definition of Accounting Estimates (Amendments to IAS8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS12) issued in May 2021.

- Updating a Reference to the Conceptual Framework (Amendments to IFRS3) issued in May 2020.

4 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 2022/23 the Balance Sheet contains items for which there is a significant risk of material adjustment in the forthcoming financial year;

<u>The Pensions Liability</u>
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.

<u>Valuation of Land and Buildings</u>
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.

5 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 2022/23 the PCC has adjusted the accounts for the LGPS Pension Fund Trienniel Valuation..

6 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.

2022/23 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
	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	**2022/23 £'000**	**2022/23 £'000**
Police Services	152,126	2,357	4,414	-127	6,645	158,770
Office of the Police and Crime Commissioner	6,452					6,452
Net Cost of Services	**158,578**	**2,357**	**4,414**	**-127**	**6,645**	**165,222**
Other Income and Expenditure	-162,256	222	40,183	-104	40,301	-121,955
Surplus or Deficit	**-3,678**	**2,579**	**44,597**	**-231**	**46,946**	**43,267**
Opening General Fund Balance	15,819					
Surplus/(Deficit) on General Fund Balance in Year	3,678					
Closing General Fund Balance at 31 March	**19,497**					

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	30,943	-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**					

2022/23 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
	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000
Police Services	-14,192					-14,192
Office of the Police and Crime Commissioner	6,452					6,452
Net Cost of Services before intra group funding	**-7,740**					**-7,740**
Intra Group Funding	143,427	2,357	27,305	-127	29,536	172,962
Net Cost of Police Services	**135,687**	**2,357**	**27,305**	**-127**	**29,536**	**165,222**
Other Income and Expenditure	- 139,365	222	- 534,943	- 104	- 534,825	- 674,190
Surplus or Deficit	**- 3,678**	**2,579**	**- 507,638**	**- 231**	**- 505,289**	**- 508,968**
Opening General Fund Balance	15,819					
Less/Plus Surplus or (Deficit) on General Fund in Year	3,678					
Closing General Fund Balance at 31 March	**19,497**					

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**	**- 99,858**	**- 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**					

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.

Surplus/(Deficit) fo the Year and Underspend

The Surplus on the General Fund for the year can be compared to the underspend for the year as follows:

	£000
Use of reserves in year to support operations	-282
Underspend for the year moved to reserves	3,960
Total movement in the General Fund Balance	**3,678**
Opening General Fund Balance	15,819
Use of reserves in year to support operations	-282
Underspend for the year moved to reserves	3,960
Closing General Fund Balance 31 Mar	**19,497**

7 Expenditure and Income Analysed by Nature

2021/22		2021/22		2022/23		2022/23
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			
51,785		51,785	Police Officer Salaries	54,356		54,356
32,700	-20,770	11,930	Police Officer Pensions	28,700	-16,160	12,540
57,957	-12,637	45,320	Police Staff and PCSO Salaries	58,034	-11,358	46,675
1,602	-29	1,573	Other Employee expenses	1,762	127	1,889
5,122	650	5,772	Premises Costs	5,726	705	6,431
3,116		3,116	Transport Costs	3,461		3,461
13,814		13,814	Supplies & Services Costs	13,938		13,938
7,026	106	7,132	Other Service Costs	8,251	126	8,377
7,005	-6,960	45	Depreciation, amortisation, impairment	5,894	-5,847	47
	3,300	3,300	Capital Expenditure charged against the General Fund		2,658	2,658
1,692		1,692	Interest payments	1,647		1,647
31,909	-31,909		Net Pensions Interest & past service costs	40,683	-40,683	
354	613	967	Injury Payments	592	713	1,305
761	-761		Gain on the disposal of assets	201	-201	
214,843	**-68,397**	**146,446**	**Total expenditure**	**223,245**	**-69,920**	**153,324**
			Income			
-6,851		-6,851	Fees, charges and other service income	-5,927		-5,927
-126	93	-33	Interest and investment income	-644	-50	-694
-43,519		-43,519	Police Grant	-45,652		-45,652
-29,516		-29,516	Other General Government Grant	-30,012		-30,012
-62,839	1,102	-61,737	Precepts on Collection Funds	-64,757	104	-64,653
-22,387	22,387		HO Pensions Top Up Grant	-22,891	22,891	
-8,212		-8,212	Government Specific grants and contributions	-10,065		-10,065
-385	385		Other Tax and non-specific Grant Income	-30	30	
-173,835	**23,967**	**-149,868**	**Total income**	**-179,978**	**22,975**	**-157,003**
41,008	**-44,430**	**-3,422**	**Surplus or Deficit on the Provision of Services**	**43,267**	**-46,945**	**-3,678**

2021/22		2021/22		2022/23		2022/23
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			
1,329		1,329	Police Staff and PCSO Salaries	1,725		1,725
7		7	Other Employee expenses	13		13
2		2	Premises Costs	17		17
6		6	Transport Costs	11		11
272		272	Supplies & Services Costs	232		232
2,820		2,820	Other Service Costs	6,254		6,254
			Depreciation, amortisation, impairment			
			Capital Expenditure charged against the General Fund			
1,692		1,692	Interest payments	1,647		1,647
31,748	-31,748		Intra Group Funding (Net Pensions Interest)	40,183	-40,183	
			Injury Payments			
761	-761		Gain on the disposal of assets	201	201	
38,637	**-32,509**	**6,128**	**Total expenditure**	**50,283**	**-40,384**	**9,899**
			Income			
-6,851		-6,851	Fees, charges and other service income	-5,927		-5,927
-126	93	-33	Interest and investment income	-644	-50	-694
-43,519		-43,519	Police Grant	-45,652		-45,652
-29,516		-29,516	Other General Government Grant	-30,012		-30,012
-62,839	1,102	-61,737	Precepts on Collection Funds	-64,757	104	-64,653
-22,387	22,387		HO Pensions Top Up Grant	-22,891	22,891	
-8,212		-8,212	Government Specific grants and contributions	-10,065		-10,065
-385	385		Other Tax and non-specific Grant Income	-30	30	
-139,174	139,174		Intra Group Funding (Pensions re-measurement of the net defined benefit liability/ (asset))	-552,235	552,235	
-313,009	**163,141**	**-149,868**	**Total income**	**-732,213**	**575,210**	**-157,003**
315,380	**-175,062**	**140,318**	**Intra Group Funding**	**725,197**	**-581,771**	**143,425**
41,008	**-44,430**	**-3,422**	**Surplus or Deficit on the Provision of Services**	**43,267**	**-46,945**	**-3,678**

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.

8 Adjustments Between Accounting Basis and Funding Basis Under Statute

Adjustments for the Group:

2022/23	Usable Reserves			
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**

Adjustments for the Police and Crime Commissioner:

2022/23	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	-5,563			5,563
Revaluation Gains/losses on Property Plant and Equipment	-331			331
Movements in the market value of Investment Properties	-50			50
Capital grants and contributions applied	30			-30
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	-1,231			1,231
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Voluntary provision for the repayment of debt	878			-878
Capital expenditure charged against the General Fund	2,658			-2,658
Adjustments involving Capital Grants Unapplied:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement			-30	30
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	1,029	-1,029		
Transfer of other income relating to Capital				
Use of the Capital Receipts Reserve to finance new capital expenditure		1,029		-1,029
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)	465,699			-465,699
Employer's pensions contributions and direct payments to pensioners payable in the year	41,940			-41,940
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	104			-104
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	127			-127
Total Adjustments	**505,290**		**-30**	**505,260**

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	-3,300
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**

9 Management Reporting

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

Subjective Management 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 2021/22 £'000	Budget 2021/22 £'000	Variance £'000	Group Outturn	Outturn 2022/23 £'000	Budget 2022/23 £'000	Variance £'000
40,983	42,529	-1,546	Police Officer Basic Pay	43,021	44,623	-1,601
3,553	2,813	740	Police Officer Overtime	3,924	2,761	1,163
11,670	12,171	-501	Police Officer Pensions	12,331	12,603	-272
6,146	6,520	-374	Police Officer Other Pay Costs	6,483	7,170	-687
4,164	4,596	-432	Community Support Officers	3,878	4,381	-503
40,718	42,426	-1,708	Support Staff Costs	42,323	44,533	-2,211
241	18	223	Agency Staff	258	19	239
723	655	68	Other Employee Costs	660	645	14
853	702	151	Training	1,232	1,000	232
7,158	7,221	-63	Premises Costs	7,762	7,596	167
3,103	2,790	313	Transport Costs	3,446	3,204	243
13,500	13,497	3	Other Costs	13,942	14,026	-84
12,713	11,640	1,073	Contracted Services	12,211	12,408	-197
-4,504	-4,476	-28	General Income	-3,961	-4,053	92
-10,184	-10,076	-108	Grant Income	-11,764	-11,639	-125
967	1,092	-125	Police Pensions- Inj/Ill Health	1,305	1,120	185
-33	-79	46	Investment Income	-694	-79	-615
131,711	**134,039**	**-2,268**	**Net Position**	**136,358**	**140,317**	**-3,960**

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

Outturn 2021/22 £'000	Budget 2021/22 £'000	Variance £'000		Outturn 2022/23 £'000	Budget 2022/23 £'000	Variance £'000
1,441	1,630	-189	Staffing Costs	1,813	2,030	-217
295	271	24	Other Costs	276	298	-22
3,948	6,300	-2,352	Contracted Services	7,403	7,349	54
-2,002	-1,950	-51	Grant/General Income	-1,816	-1,811	-5
-33	-79	46	Investment Income	-694	-79	-615
3,648	6,171	-2,522	**Net Position**	6,982	7,789	-807

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.

2022/23	**Subjective Management Report OPCC Net cost £000**	Contributions reported separately £000	Chief Constable Support Costs £000	**Statutory CIES OPCC Net cost £000**
Staffing Costs	**1,813**	-75		**1,738**
Other Costs	**276**	-16		**260**
Contracted Services	**7,403**	-353	-796	**6,254**
Grant/other Income	**-1,816**	16		**-1,800**
Investment Income	**-694**	694		**0**
Total	**6,982**	266	-796	**6,452**

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

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:

2021/22 £000	Net Cost of Services	2022/23 £000
131,771	**Total Reported to Senior Management**	**136,357**
32,955	Notional Sums Adjustment – Pensions (IAS 19)	27,306
3,612	Notional Sums Adjustment – Capital Financing	3,286
29	Notional Sums Adjustment – Employee Benefits (IAS 19)	-127
-801	Notional Sums Adjustment – MRP	-878
-1,565	Net Interest & similar items	-1,003
-2,690	Contributions to/from General Fund Balance	-3,679
2,268	Actual under spend	3,960
165,579	**Net Cost of Services Statement of Accounts**	**165,222**

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

10 Property, Plant and Equipment (PPE)

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

2022/23	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**
Balance at 1 April 2022	44,800	14,544	1,169	**60,513**
Additions	246	1,084	2,425	**3,755**
Disposals		-216		**-216**
Reclassify assets	19	36	-501	**-446**
Revaluations recognised in the surplus/deficit on the provision of services	-196			**-196**
Revaluations recognised in the Revaluation Reserve	2,699			**2,699**
Balance at 31 March 2023	47,568	15,468	3,095	**66,131**
Depreciation	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**
Balance at 1 April 2022		-7,995		**-7,995**
Charge for the year	-1,773	-2,823		**-4,596**
Reclassification				
Depreciation written out to the surplus/deficit on the provision of services				
Depreciation written out to the Revaluation Reserve	1,773			**1,773**
Disposals		136		**136**
Balance at 31 March 2023		-10,682		**-10,682**
Net Book Value at 31 March 2023	**47,568**	**4,766**	**3,095**	55,429

Nature of Asset Holding 2022/23:

Owned	30,209	4,766	3,095	**38,070**
PFI	17,359			**17,359**
	47,568	**4,766**	**3,095**	**55,429**

2021/22	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**
Balance at 1 April 2021	40,455	13,422	6,757	**60,634**
Additions	189	2,049	1,374	**3,612**
Disposals		-1,322		**-1,322**
Reclassify assets	1,889	402	-6,961	**-4,671**
Revaluations recognised in the surplus/deficit on the provision of services	-1,118	-7		**-1,125**
Revaluations recognised in the Revaluation Reserve	3,385			**3,385**
Balance at 31 March 2022	44,800	14,544	1,169	**60,513**
Depreciation	Land & Buildings £000	Vehicles & Equipment £000	Assets Under Construction £000	**Total PPE £000**
Balance at 1 April 2021		**-6,130**		**-6,130**
Charge for the year	-1,428	-2,765		**-4,193**
Reclassification		365		**365**
Depreciation written out to the surplus/deficit on the provision of services				
Depreciation written out to the Revaluation Reserve	1,428			**1,428**
Disposals		536		**536**
Balance at 31 March 2022		-7,995		**-7,995**
Net Book Value at 31 March 2022	**44,800**	**6,549**	**1,169**	**52,518**

Nature of Asset Holding 2021/22:

Owned	26,680	6,549	1,169	**34,398**
PFI	18,120			**18,120**
	44,800	**6,549**	**1,169**	**52,518**

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 2023 was for the Estates strategy with current costs totalling £2.78m.

- **PPE Disposals**

The net book value of the PPE assets disposed during 2022/23 was £0.081m and relates to the disposal of vehicles and equipment.

11 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:

2022/23	Valuation £000	Less Cumulative Depreciation £000	Net Book Value £000
Land & Buildings	47,568		47,568
Investment Properties	1,058		1,058
Assets Held for Sale	2,020		2,020
Vehicles, Furniture & Equipment	15,449	10,683	4,766
Intangibles	5,181	1,813	3,368
Assets under construction (at cost)	3,094		3,094
	74,370	**12,496**	**61,874**

2021/22	Valuation £000	Less Cumulative Depreciation £000	Net Book Value £000
Land & Buildings	44,800		44,800
Investment Properties	1,243		1,243
Assets Held for Sale	2,870		2,870
Vehicles, Furniture & Equipment	14,545	7,994	6,551
Intangibles	5,728	2,047	3,681
Assets under construction (at cost)	1,169		1,169
	70,355	**10,041**	**60,314**

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 2023 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 2023 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 2023.
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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.

2021/22		2022/23
	Properties (numbers)	
7	Police Houses	7
19	Police Stations	18
	Vehicles (numbers)	
71	Police Vans	70
447	Police Cars	443
10	Police Motorcycles	10

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

12 Investment Properties

The Police and Crime Commissioner has three properties in the portfolio held as capital investments; Devizes Skid Pan, Salisbury land (area of land at rear of Wilton Road police station) and Wroughton land. There was no rental or direct operating expenditure relating to these investments during 2022/23. 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 2022/23 these investment assets were revalued at £1.058m, a decrease of £0.050m since 2021/22.

2021/22 £000	Investment Properties	2022/23 £000
1,170	**Balance at 1 April 2022**	1,243
	Additions	
	Reclassify assets	-135
73	Revaluations recognised in the surplus/deficit on the provision of services	-50
1,243	**Net Book Value at 31 March 2023**	**1,058**

13 Intangible Assets

2021/22 £000	Intangibles	2022/23 £000
	Balance at 1 April 2022	5,728
393	Additions	508
	Disposals	-1,502
5,335	Reclassify assets	446
	Revaluations recognised in the surplus/deficit on the provision of services	
	Revaluations recognised in the Revaluation Reserve	
5,728	Balance at 31 March 2023	5,180
	Amortisation	£000
	Balance at 1 April 2022	-2,047
-1,682	Charge for the year	-967
-365	Reclassify assets	
	Amortisation written out to surplus/deficit on the provision of services on disposals	1,202
-2,047	Balance at 31 March 2023	-1,812
3,682	**Net Book Value at 31 March 2023**	**3,368**

The Airpoint mobile operations asset was disposed of at a net book value of £0.300m, it was replaced with a new mobile operations solution called Pronto.

14 Assets Held For Sale

The Police and Crime Commissioner had 5 police stations held for sale at 31 March 2023; Highworth, Malmesbury, Marlborough, Pewsey and Westbury. These sales form part of the Estates strategy for modernising the police estate and making it fit for purpose.

2021/22 £000	Assets for Sale	2022/23 £000
3,725	**Balance at 1 April 2022**	2,870
	Additions	
-185	Disposals	-850
-665	Reclassify assets	135
-5	Revaluations recognised in the surplus/deficit on the provision of services	-135
	Revaluations recognised in the Revaluation Reserve	
2,870	**Net Book Value at 31 March 2023**	**2,020**

The net book value of disposed during 2022/23 was £0.850m and relates to the sale of Warminster Police Station.

15 Capital Expenditure and Capital Financing

- **Capital Expenditure**

Total 2021/22 £000		Land & Buildings 2022/23 £000	ICT & Equipment 2022/23 £000	Total 2022/23 £000
4,005	Capital Expenditure in year	2,671	1,593	4,264
4,005		**2,671**	**1,593**	**4,264**

- **Financing of Capital Expenditure**

2021/22 £000		2022/23 £000
230	Capital Receipts	1,029
346	Govt Grant	
3,300	Revenue and other reserves	2,659
756	VRP for PFI	831
45	MRP for repayment of external borrowing	47
4,677		**4,566**

The Capital Receipts for 2022/23 relate to the sale of Warminster Police Station.

- **Explanation of Movements in Year**

2021/22 £'000		2022/23 £'000
-756	Voluntary Revenue Provision for PFI contracts	-831
-45	Minimum Revenue Provision	-47
129	Use of borrowing to finance Capital	576
-672	Increase in Capital Financing Requirements	**-302**

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 £830,967 has also been charged to revenue in line with the reduction in Finance Lease Liability of the same amount (£755,825 2021/22).

The gap in financing for 2022/23 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 2022/23 this provision was £0.047m in preparation for the 2023/24 repayment of principle on the existing PWLB loans. This provision reduces the liability for the borrowing over the lifetime of the loan.

- **Significant Commitments under Capital Contracts**

There are no significant commitments under capital contracts to be paid after 31 March 2023.

- **Capital Financing Requirement**

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

CFR 31 Mar 2022 £'000	Capital Finance Requirement	CFR 31 Mar 2023 £'000
57,444	Non Current Assets	59,855
2,870	Current Assets	2,020
-40,265	Reserves	-42,127
20,049	Total CFR	**19,748**
-18,764	Finance Lease Liability	**-17,934**
1,285	Underlying Borrowing Requirement	**1,814**

31 Mar 2022 £'000	Borrowing	31 Mar 2023 £'000
1,200	Opening Balance of Borrowing	1,285
129	Borrowing used in year to fund the gap	576
-45	Repayment of Borrowing (MRP)	-47
1,285	Closing Balance Funded by Borrowing	**1,814**

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

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Cumulative Total
New Loan	1,132	798			**1,930**
Repayments		-25	-44	-47	**-116**
Loan Balance	**1,132**	**773**	**-44**	**-47**	**1,814**

16 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 2022 £'000	**31 March 2023 £'000**	**31 March 2022 £'000**	**31 March 2023 £'000**
Financial liabilities at amortised cost				
Creditors	-4,897	-5,196		
Borrowings	-1,046	-47	-1,814	-1,767
Bank Overdraft	-1,438	-3,067		
PFI	-817	-842	-17,947	-17,092
Total	-8,198	-9,152	-19,761	-18,859
Financial Assets Loans and Receivables				
Investments	12,002	18,880		
Debtors	4,806	4,407		
Total	16,808	23,287		

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 2022/23	
£'000	
15,808	Balance Sheet
-5,081	HO Pensions Funding
-2,601	Payroll/Pensions Debtors
-1,017	VAT
-2,702	Precept debtors
4,407	Financial Instruments

Creditors 2022/23	
£'000	
-13,763	Balance Sheet
2,487	Employee Benefits
3,794	Payroll/Pension Creditors
2,286	Precept Creditors
	VAT
-5,196	Financial Instruments

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

	31 March 2022 £'000	31 March 2023 £'000
Financial liabilities at amortised cost		
Interest Payable and similar charges	52	66
PFI Finance Interest	1,640	1,581
Total	1,692	1,647
Financial Assets Loans and Receivables		
Interest and Investment Income	-113	-644
Total	-113	-644

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 £1.767m Long Term Borrowing (future years) and £0.047m 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 2023 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-22 £'000**	**31-Mar-23 £'000**
Less than 3 months	387	340
3 to 6 months	15	
Over 6 months	86	172
	488	512

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. The majority of Creditor invoices were paid by the 31 March 2023:

Payables (Amortised Cost)	**31-Mar-22 £'000**	**31-Mar-23 £'000**
Less than 3 months	-23	-54
3 to 6 months		4
Over 6 months		-9
	-23	-59

The Debit of £4,000 relates to aged credit notes.

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 £1.814m was valued by Treasury advisors, LINK Asset Management as at 31 March and the fair value was found to be £1.412m when comparing to taking out a new loan at that date. The difference is attributable to a high discount factor as a result of increasing interest rates; in practice it would be more expensive for the PCC to take out a new loan of this value due to the currently higher rates. To demonstrate the sensitivity; had the rates been 1% higher, the fair value would have reduced to £1.271m.
The Fair Value of the loans if the PCC was to prematurely repay the debt was found to be £1.566m.
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 2022/23:

Swindon Property 2021/22 £000	Black Rock Property 2021/22 £000	Cost or Valuation	Swindon property 2022/23 £000	Black Rock Property 2022/23 £000
12,120	**4,695**	**Balance at 1 April**	**12,360**	**5,760**
		Additions		
240	1,065	Enhancements/Revaluations	-680	-81
12,360	5,760	Balance at 31 March	11,680	5,679
		Depreciation		
0	**0**	**Balance at 1 April**	**0**	**0**
-485	-228	Charge for the year	-663	-335
485	228	Depreciation write back on revaluation	663	335
0	0	Disposals	0	0
0	0	Balance at 31 March	0	0
12,360	**5,760**	**Net Book Value at 31 March**	**11,680**	**5,679**

-16,310	-3,210	Finance Lease Liability in Accounts	-15,660	-3,104
		Additions		
		Adjustment to Liability		
650	106	Liability Redemption	705	126
-15,660	**-3,104**	**Finance Lease Liability at 31 March**	**-14,955**	**-2,978**

Swindon PFI

The Fair Value of the Swindon PFI as at 31 March 2023, if it were to be refinanced through a PWLB loan would be £18.772m. For comparison, the carrying amount of the liability as at 31 March 2023 is £14.955m with projected interest costs of £9.477m giving a projected total cost of £24.432m. 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 £25m
The Fair Value of the Swindon PFI if the PCC was to prematurely repay the debt was found to be £19.793m.

Payments made in 2022/23 and due for the remainder of the Swindon PFI contract are as follows:

Year	£000			
	Fair Value of Services	Lifecycle Replacement Costs	Interest Cost for Year	Finance Lease Liability Redemption
Rentals Paid In Year (2022/23)	1,286	50	1,331	705
Rentals Payable in Future Years				
Within 1 Year	1,286	50	1,271	765
Within 2 to 5 Years	5,145	198	4,376	3,768
Within 6 to 10 Years	6,431	248	3,364	6,816
Within 11 to 15 Years	2,573	99	466	3,606
Within 16 to 20 Years	0	0	0	0
Total in Future Years	**15,436**	**595**	**9,477**	**14,955**

Blackrock PFI

The Fair Value of Wiltshire's share in Blackrock PFI as at 31 March 2023 is £3.755m. This valuation has been provided by the PCC for Avon & Somerset using AA corporate bond yield rates.
Payments made in 2022/23 and due for the remainder of the Black Rock PFI contract are as follows:

Year	£000			
	Fair Value of Services	Lifecycle Replacement Costs	Interest Cost for Year	Finance Lease Liability Redemption
Rentals Paid In Year (2022/23)	116	32	250	113
Rentals Payable in Future Years				
Within 1 Year	131	104	229	77
Within 2 to 5 Years	557	239	897	516
Within 6 to 10 Years	777	464	852	818
Within 11 to 15 Years	883	443	509	1,249
Within 16 to 20 Years	188	82	49	320
Within 21 to 25 Years	0	0	0	0
Total in Future Years	**2,537**	**1,331**	**2,535**	**2,979**

17 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 were removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.

The main elements of the Act are:

• Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:

• Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.

• From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.

• Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

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 is included as ‘other experience’ within the Other Comprehensive Income. The current service cost allows for the current schemes’ benefit design, with the estimated allowance for resolution of the McCloud case 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 have been stayed until the remedy is bought into force from 1 October 2023. As at 31 March 2023, 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.

18 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**

2021/22 PCC	2021/22 Group		2022/23 PCC	2022/23 Group
98,166	**-41,008**	**Surplus/(Deficit) on CIES**	**508,968**	**-43,267**
-6,019	-6,019	Movement in debtors*	3,228	3,228
-165	-165	Movement in stocks	-71	-71
1,540	1,540	Movement in creditors*	169	169
133	133	Movement in provisions and other balances	-214	-214
-139,174		Intra Group Funding	-552,235	
44,430	44,430	Adjustments between Accounting Basis and Funding Basis under Statute	46,946	46,946
-91	-91	Adjustment for use of Borrowing and previously unapplied Grant	-543	-543
-1,500	-1,500	Adjustment for purchase of investments	-2,500	-2,500
4,890	4,890	Net Cash Flows from Investing Activities	5,705	5,705
801	801	Net Cash Flows from Financing Activities	876	876
3,011	**3,011**	**Net Cash Flows from Operating Activities**	**10,328**	**10,328**

The Cash flows from operating activities (£10.3m) shown in the table along with the Investing activities (£-5.7m), Financing activities (£-0.8m) and repayment of Short Term Borrowings of £1.0m make up the total movement in cash and cash equivalents of £2.7m.

*Excludes adjustments that form part of the adjustments between accounting and funding basis.

- **Movement in Cash and Cash Equivalents**

Movement 2021/22 £000		Balance 1 April 2022 £000	Balance 31 March 2023 £000	Movement 2022/23 £000
-12,939	Cash held by the PCC	18,203	132	-18,071
14,102	Cash Overdrawn	-19,641	-3,198	16,442
-2,845	Short Term Investments (up to 3 months)	502	4,880	4,378
-1,682	**Total**	**-936**	**1,813**	**2,749**

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 £3.067 million at year end. This position occurs due to timing of the last supplier payment run for the year which has to be accounted for as processed in the bank. When this is actually cleared in the bank, funds are in place so no overdrawn position is reported on any bank statements.

There were fixed term deposits of £14.000 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**

2021/22 £000		2022/23 £000
-2,068	PFI Swindon Facilities Grant	-2,068
-2,392	Security Funding Spec Grant	-2,483
-1,283	Victims & Support RJ Grant	-1,411
	Officer Uplift Grants	-1,112
-1,002	Pensions Support Grant	-1,002
	Police Pay Award Grant	-577
-422	Safer Streets HO Grant	
-657	Other Grants	-1,017
-7,824	**Total**	**-9,670**

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 £395,000 (£388,000 2021/22) 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 specific 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. In 2021/22 it was accounted for as a general grant hence no figure is reported, for transparency it was £0.891m in 2021/22.

19 Debtors

These represent sums owed to the Police and Crime Commissioner’s Group for supplies and services provided on or before 31 March 2023, but not received at that date.

2021/22 £000		2022/23 £000
4,294	Prepayments	4,229
101	Trade Income Outstanding	445
14,552	Other Income Outstanding	11,215
18,947	**Total short term debtors**	**15,889**

The 2022/23 figure for other income outstanding includes:
£5.081m due from the Home Office for the pension fund top up grant (£6.995m 2021/22).
£1.017m VAT claims not yet received from HMRC (£1.370m 2021/22).
£2.702m for Collection Fund debtors – this is explained in the policies (£2.609m 2021/22).
£1.112m due from the Home Office for the Uplift specific grants

The 2022/23 Prepayments figure includes £2.601m for pension prepayments (paid a month in advance) (£2.406m 2021/22).

There were £0.079m long term debts as at 31 March 2023. This relates to an NHS outstanding invoice that has been queried and is expected to be paid shortly.

20 Creditors

These represent sums owed by the Police and Crime Commissioner's Group for supplies and services received on or before 31 March 2023, but not paid for at this date.

2021/22 £000		2022/23 £000
-143	Income in Advance	-173
-1,899	Trade Outstanding Invoices	-2,611
-11,691	Other Outstanding Invoices	-10,979
-13,733	**Total**	**-13,763**

The 2022/23 figure for other outstanding invoices includes:

£2.166m for the national insurance contributions not paid over at 31 March (£2.031m 2021/22).
An employee benefits accrual of £2.487m for employee leave not taken at 31 March (£2.614m 2021/22).
£2.286m for Collection Fund accruals – this is explained in the policies (£2.298m 2021/22).
£1.543m relates to collaborations with other forces (£1.609m 2021/22).

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 £67,291 at 31 March 2023 (£72,726 31 March 2022) 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 2023 was £175,201 (£106,163 31 March 2022). £104,239 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 2023 the balance in the bank was £287,902 (£353,948 31 March 2022). 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.

21 Provisions

Insurance 2021/22 £000	Other 2021/22 £000		Insurance 2022/23 £000	Other 2022/23 £000
-703	-312	Balance as at 1 April	-927	-218
-224		Additional Provisions made in year	-7	
	98	Amounts Used in year		218
	-4	Unused Amounts Reversed in year		
-927	**-218**	**Total**	**-934**	

Included within the 2022/23 provision total is £0.934 million relating to insurance (£0.927m 2021/22). 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.

22 Usable Reserves

2021/22 £000		2022/23 £000
0	Capital Receipts Reserve	0
492	Capital Grants Unapplied	523
12,280	Other Earmarked Reserves	15,845
3,537	General Fund Reserve	3,650
16,310	**Total Usable Reserves**	**20,018**

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 2022 £000		Additions to reserve £000	Deductions from reserve £000	Movement 2022/23 £000	Balance 31 March 2023 £000
	Usable Reserves				
1,343	CC Operational Reserve	34		34	1,377
	Risk Reserves				
400	Insurance			0	400
385	Pension Ill Health Reserve	40		40	425
192	POCA Incentivisation			0	192
280	Officer Intake strategy		-280	-280	0
	Inflation Risk Reserve	500		500	500
	Coronation Bank Holiday Reserve	184		184	184
1,693	Major Incident Reserve				1,693
295	Ctax Support Grant			0	295
	Change Programme				
112	NEP Transition Reserve		-112	-112	0
	IT Productivity Reserve	58		58	58
100	Estates Transformation Reserve			0	100
	Training Facility Reserve	695		695	695
1,000	Transformation Reserve		-1,000	-1,000	0
660	SPR 2 Yr Project (staffing only)		-122	-122	538
200	Budget Smoothing Reserve			0	200
37	CPT Engagement (temp staffing)		-37	-37	0
200	Cyber Security Reserve		-200	-200	0
	Tactical Command Centre Reserve	70		70	70
	Melksham Custody Refurb Reserve	353		353	353
267	Restructuring Reserve (Transformation)	234		234	501
	Investment Reserves				
81	Regional Projects Reserve	287	-32	255	336
140	Equipment Reserve	74	-140	-66	74
59	Uniform Reserve	41		41	100
130	Commissioning	86	-130	-44	86
18	IOM Reserve	11	-7	4	22
	Investigation Standards Reserve	200		200	200
	ERP Employee Lifecycle Reserve	390		390	390
	ERP Payroll Health Check Reserve	40		40	40
300	Sustainability Reserve			0	300
113	Surge Funding Reserve		-113	-113	0
209	CIU ISO Project		-21	-21	188
	Partnership Reserves				
37	MAPPA Reserve			0	37
212	LRF Reserve	123		123	335
	Capital Earmarked Reserve				
3,817	Capital Development Reserve	2,340		2,340	6,157
12,280	**Total Earmarked Reserves**	5,760	-2,194	3,566	**15,846**
3,538	General Fund Reserve	113		113	3,651
15,818	**Total General Fund Balance**	5,873	-2,194	3,679	**19,497**

For comparative purposes, the details of the 2021/22 reserves are as follows:

Balance 1 April 2021 £000		Additions to reserve £000	Deductions from reserve £000	Movement 2022/23 £000	Balance 31 March 2022 £000
	Usable Reserves				
1,287	CC Operational Reserve	56		56	1,343
	Risk Reserves				
400	Insurance Reserve				400
385	Pension Ill Health Reserve				385
192	Incentivisation Reserve				192
280	Officer Intake Strategy				280
314	Summer Campaign		-314	-314	
1,277	Major Incident Reserve	416		416	1,693
	CTax Support Reserve	295		295	295
	Change Programme				
101	NEP Transition Reserve	11		11	112
77	ICT Start up Reserve		-77	-77	
100	Estates Transformation				100
33	Coroners Reserve		-33	-33	
	Transformation Reserve	1,000		1,000	1,000
	SPR 2 yr Project	660		660	660
200	Budget Smoothing Reserve				200
	CPT Engagement	37		37	37
	Cyber Security Reserve	200		200	200
30	Case Quality Management		-30	-30	
72	HR One Off Resources		-72	-72	
267	Restructuring Reserve (Transformation)				267
	Investment Reserves				
382	Regional Projects Reserve		-301	-301	81
35	Equipment Reserve	125	-20	105	140
291	Uniform Reserve		-232	-232	59
205	Commissioning Reserve		-75	-75	130
31	IOM Reserve		-13	-13	18
100	PCC COVID Fund		-100	-100	
73	Vehicle Fit Out Reserve		-73	-73	
150	Sustainability Reserve	192	-42	150	300
48	Surge Funding Reserve	113	-48	65	113
149	CIU ISO Project Reserve	60		60	209
	Partnership Reserves				
48	MAPPA Reserve		-11	-11	37
281	Local Resilience Forum (LRF)		-69	-69	212
	Capital Earmarked Reserve				
2,260	Capital Development Reserve	1,557		1,557	3,817
9,069	**Total Earmarked Reserves**	4,722	-1,510	3,212	**12,280**
3,328	General Fund Reserve	210		210	**3,538**
12,397	**Total General Fund Balance**	4,932	-1,510	3,422	**15,818**

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.

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.

Commissioning Reserve – Funds have been set aside to undertake work planned during 2022/23 that has not occurred.

Sustainability 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.

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 2023/24.

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.

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.

Inflation Risk Reserve – With inflation running high in 2022 and 2023 this reserve provides some cover for areas of the budget where it has not been possible to increase funding allowances in the expectation that inflation will reduce to Government targets in the short term.

Coronation Bank Holiday Reserve – This is a one off reserve provided to fund the exceptional costs expected with the additional Bank Holiday.

IT Productivity Reserve – The number of agile tools available to assist officers has increased, this reserve funds costs expected, targeted at ensuring officers are maximising the technology.

Training Facility Reserve – Funds set aside to refurbish the current training facilities.

Tactical Command Centre Reserve – This reserve will finance estates works, ensuring the area of the CCC is fit for purpose.

Melksham Custody Refurbishment Reserve – Funds set aside for revenue costs (such as travel and overtime) expected during the refurbishment of the custody unit.

Investigation Standards Reserve – With an increased focus on investigations, this reserve will fund resources who will ensure standards improve via mentoring staff and checking standards.

ERP Employee Lifecycle Reserve – This is a 2 year project to ensure the ERP system mirrors the lifecycle of an employee resulting in improvements in efficiency and effectiveness.

ERP Payroll Healthcheck Reserve – This reserve will finance a one off review of the payroll post ERP implementation.

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.

23 Unusable Reserves

2021/22 £000		2022/23 £000
20,698	Capital Adjustment Account	19,670
19,567	Revaluation reserve	22,458
-1,484,087	Pension Reserve	-976,449
312	Collection Fund Adjustment Account	416
-2,614	Accumulated Absences Account	-2,487
-1,446,124	**Total Unusable Reserves**	**-936,392**

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.

2021/22 £000			2022/23 £000
22,440	CAA Balance at 01 April		20,698
	Reversal of Capital items charged to Income & Expenditure:		
-1,014	Revaluations		-381
-971	Disposals		-1,231
-43	Deminimis		
-5,876	Depreciation and Amortisation	See also Note 10, 13	-5,563
-7,903			-7,175
1,484	Adjustments to Revaluation Reserve		1,582
-6,419	Net written out amount of asset costs consumed in year		-5,593
	Capital financing applied in the year:		
230	Capital financing from Capital Receipts Reserve		1,029
109	Capital financing grants charged to Income & Expenditure		
238	Capital financing from Capital Grants Unapplied Account		
3,299	Capital financing charged to the General Fund		2,658
801	Finance Lease Liability Redemption and Repayment of borrowing		878
4,677			4,565
20,698	**Balance at 31 March**		**19,670**

Revaluation Reserve

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

2021/22 £000			2022/23 £000
16,238	Balance at 1 April		19,567
4,813	Revaluation Gain/(Loss)	See also Note 10	4,473
-99	Balance relating to disposals to CAA		-319
-1,385	Depreciate Revaluation Gains to CAA		-1,262
19,567	**Balance at 31 March**		**22,457**

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 £0.976 billion for 2022/23 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.

2021/22 £000		2022/23 £000
-1,580,945	Balance as at 1 April	-1,484,087
139,174	Re-measurements of the net defined benefit liability/(asset)	552,235
-83,230	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	-86,536
40,914	Employer's pensions contributions and direct payments to pensioners payable in year	41,939
-1,484,087	**Balance as at 31 March**	**-976,449**

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 2022/23, the Police and Crime Commissioner's cumulative share includes:

2021/22 £000		2022/23 £000	Movement £000
4,953	Debtors (Council Tax Arrears)	5,492	539
-2,344	Bad Debt Provision	-2,790	-446
-2,298	Creditors (Prepaid Council Tax etc)	-2,286	12
311	**Collection Fund Surplus/(Deficit)**	**416**	**105**

The £0.416m is the Police and Crime Commissioner' share of the Collection Fund surplus during 2022/23 and is included in the Balance Sheet for the year. The increase in Precepts in the Comprehensive Income and Expenditure of the £0.105m movement is reversed out in the Movement in Reserves Statement and present no net effect on the finances for the year.

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 £2.487 million accrual for employee leave entitlements carried over at 31 March 23. For 2022/23 there is a £0.127 million decrease in the net cost of services where the accrual has decreased from £2.614 million in 2021/22, this is reversed out in the Movement in Reserves Statement so as to avoid any impact on Council Tax.

2021/22 £'000		2022/23 £'000
-2,585	Balance as at 1 April	-2,614
-29	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	127
-2,614	**Balance as at 31 March**	**-2,487**

24 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.

2021/22 £000 Expenditure	2021/22 £000 Income	Joint Operation	2022/23 £000 Expenditure	2022/23 £000 Income
802		Black Rock	929	
1,654	36	Brunel MCIT	1,682	
1,378	101	SWROCU	1,651	100
2,991		Forensics	3,197	
726	2	SW Special Branch		
471		MASH	792	

<u>Black Rock</u>

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

The overall training cost of the facility for the year was £3.680m; 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

2021/22 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 2023 was £22.3m; Wiltshire's share included in the Balance Sheet for 2021/22 was £5.7m.

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 £8.852m; 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 Southwest 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 £13.359m.

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 £0.430m.

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 35%, Devon and Cornwall 34%, Dorset 17% and Wiltshire 14%.

The cost of the collaboration for 2022/23 was £22.902m. Wiltshire's total cost was £3.197m for the year.

Southwest Special Branch

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

MASH

The Wiltshire Multi Agency Safeguarding Hub (MASH) is a partnership between Wiltshire Police, Wiltshire Council and Swindon Council based in County Hall Trowbridge and Watt Tyler West building in Swindon. The Cost of MASH in 22/23 was £0.792m for Wiltshire Police.

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), Local Resilience Forum (LRF) and the Youth Offending Team (YOT).

25 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	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0-£20,000			1	1	11	13
£20,001-£40,000						
£40,001-£60,000						
£60,001-£80,000						
£80,001-£100,000			1		91	
£100,001-£120,000						

26 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 2021/22	Number of PCC Group Employees 2022/23	Number of PCC Employees 2021/22	Number of PCC Employees 2022/23
50,000 - 54,999	141	160	4	2
55,000 – 59,999	99	150	1	
60,000 – 64,999	46	45	2	4
65,000 – 69,999	8	14	1	1
70,000 – 74,999	5	7	1	2
75,000 – 79,999	3	6		
80,000 – 84,999	3	3		1
85,000 – 89,999	6	5		
90,000 – 94,999		2		
95,000 – 99,999				
100,000 – 104,999	1		1	
105,000 – 109,999				
110,000 – 114,999		2		1
115,000 – 119,999				
120,000 – 124,999	2	1		
125,000 – 129,999		1		
130,000 – 134,999	2			
135,000 – 139,999		1		
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	**317**	**363**	**10**	**11**

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 2022/23, a total of £1.375m was recharged to external establishments for officers and staff on secondment (£1.572m 2021/22). As at 31st March 2023 there were 19 employees working in external areas on secondment (20 as at 31st March 2022).
14 of the employees included in the bandings over £50,000 were seconded out to other Forces or Government organisations as at 31 March 2023 (11 seconded officers included for 2021/22).

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 2022/23 and comparative information from 2021/22. 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 2022/23 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 2022/23:

C Roper became the Chief Constable from 27th February 2023.
K Pritchard was the Chief Constable until 26th February 2023.
C Dibdin became Assstant Chief Constable from 19th September 2022.
D Minty became Temporary Assistant Chief Constable from 2nd February 2022.
M Cooper was the Assistant Chief Constable until 1st July 2022.
C McMullin was the Head of People and Change until 31st December 2022.

Senior Officer Remunerations 2022/23	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2022/23	Pension Contributions	Total Remuneration including pension contributions 2022/23
Police and Crime Commissioner	P. Wilkinson	73,142					**73,142**		**73,142**
Deputy PCC	R. Holland	19,132					**19,132**	3,138	**22,270**
Chief Executive of the OPCC	N. Darwish	105,145				7,053	**112,197**	17,244	**129,441**
Chief Constable (from 27/02/23)	C. Roper	16,718				1,011	**17,729**	5,183	**22,911**
Chief Constable (to 26/02/23)	K. Pritchard	170,960				11,832	**182,792**	51,464	**234,256**
Deputy Chief Constable	P. Mills	125,331		149		9,660	**135,140**	38,675	**173,815**
Assistant Chief Constable (from 19/09/22)	C. Dibdin	64,904				3,265	**68,170**		**68,170**
Assistant Chief Constable	D. Smith	120,924		110		7,289	**128,323**	37,302	**165,625**
Assistant Chief Constable (to 01/07/22)	M Cooper	33,508				2,052	**35,560**		**35,560**
T/Assistant Chief Constable (from 02/02/22)	D. Minty	105,913				6,738	**112,650**	32,474	**145,124**
Assistant Chief Officer / Chief Finance Officer	C. Barker	114,887				6,215	**121,102**	18,747	**139,849**
Head of People & Change (to 31/12/22)	C. McMullin	66,240				929	**67,170**	10,357	**77,526**
Head of Communications	C. Mills	68,775				1,239	**70,014**	11,279	**81,293**

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**

27 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 2022/23, 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 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.

28 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:

	2021/22 £000’s	**2022/23 £000**
PCC External Audit Fee	25	29
Chief Constable External Audit Fee	14	15
Total Audit Fees (excluding VAT)	**39**	**44**

Additional fees are expected to be billed for the PCC and the Chief Constable in relation to the 2021/22 and 2022/23 statutory audits. These are yet to be determined.

29 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	
	2021/22	2022/23	2021/22	2022/23
Comprehensive Income & Expenditure (CIES)				
Net Cost of Services				
Current Service Costs	18,621	17,153	32,700	28,700
Past Service Costs (Non Distributed Costs)	61		100	500
Gains and Losses on any Settlements or Curtailments				
Net Operating Expenditure				
Net Interest on plan assets & defined benefit obligation	2,048	2,183	29,700	38,000
Net Charge to the Surplus/Deficit	20,730	19,336	62,500	67,200
Other Comprehensive Income & Expenditure				
Return on plan assets (excluding the amount included in the net interest expense)	-11,693	18,403		
Actuarial gains and losses arising on changes in demographic assumptions	-2,357	-1,554	-14,300	-15,900
Actuarial gains and losses arising on changes in financial assumptions	-23,286	-126,659	-93,900	-489,700
Expected 2023 Pension Increase Order				46,300
Re-measurement of Other Experience	2,862	16,875	3,500	
Total Other Comprehensive Income & Expenditure (Pension Re-measurement of the net defined benefit liability/asset)	-34,474	-92,935	-104,700	-459,300
Total Charge to the CIES	-13,744	-73,599	-42,200	-392,100

	Local Government Pension Scheme £000		**Police Pension Scheme** £000	
	2021/22	2022/23	2021/22	2022/23
Net Charge to the CIES Surplus/Deficit	20,730	19,336	62,500	67,200
Movement in Reserves Statement				
Adjustments between Accounting & Funding Basis:				
Reversal of net charges made for retirement benefits in accordance with the code	-20,730	-19,336	-62,500	-67,200
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	5,984	5,795	34,930	36,144
Actual Costs	5,984	5,795	34,930	36,144

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 2022/23 are £5.795 million to Wiltshire Council for the Local Government Pension Scheme (£5.984m 2021/22) and £13.253 million to the Police Pension Scheme (£12.543m 2021/22). The main reason this differs from the £36.144 million above is a further £22.891 million contributions funded by Home Office grant (£22.387 million 2021/22).

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 2021/22	£000 2022/23
Local Government Pension Scheme		
Present value of defined benefit obligation	-282,325	-193,758
Fair value of plan assets	208,308	199,135
Net Liability – Local Government Pension Scheme	**-74,017**	**5,377**
Police Officer Pension Scheme		
Present value of defined benefit obligation	-1,410,070	-981,826
Fair value of plan assets		
Net Liability – Police Officer Pension Scheme	**-1,410,070**	**-981,826**
Total Net Liability arising from defined benefit obligation	**-1,484,087**	**-976,449**

The liabilities show the Group's commitment for future payment of retirement benefits. The total deficit of £976m for 2022/23 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 2023 are as follows:

	Police staff		**Police officers**	
	£000	£000	£000	£000
Reconciliation of Present Value of Scheme Liabilities				
	2021/22	2022/23	2021/22	2022/23
Opening Entry	-282,359	-282,325	-1,487,200	-1,410,070
Current Service Costs	-18,621	-17,153	-32,700	-28,700
Interest cost on defined benefit obligation	-5,955	-7,955	-29,700	-38,000
Members Contributions	-2,262	-2,118	-5,100	-5,400
Re-measurement gain/(loss):				
• Actuarial gains/losses arising from changes in demographic assumptions	2,357	1,554	14,300	15,900
• Actuarial gains/losses arising from changes in financial assumptions	23,286	126,659	93,900	489,700
• Expected Pension Increase Order				-46,300
• Other	-2,751	-16,875	-3,500	
Past Service Costs	-61		-100	-500
Transfers in/out	-201	20	-200	-300
Settlements/Curtailments				
Benefits Paid	4,242	4,475	40,230	41,844
Surplus/Deficit	**-282,325**	**-193,758**	**-1,410,070**	**-981,826**
Reconciliation of Fair Value of Scheme Assets				
Opening Entry	188,614	208,308		
Interest income on plan assets	3,907	5,772		
Re-measurement gain/(loss):				
• Return on plan assets (excluding the amount included in net interest expense)	11,693	-18,403		
• Other	-111			
Transfers in/out	201	-20	200	300
Employer Contributions	5,984	5,795	34,930	36,144
Members Contributions	2,262	2,118	5,100	5,400
Benefits Paid	-4,242	-4,475	-40,230	-41,844
Surplus/Deficit	**208,308**	**199,135**	**0**	**0**

Additional Information about the Defined Benefit Obligation:

Local Government Pension Scheme	**Liability Split**	
	£000's	**Percentage**
Active Members	93,538	48.3%
Deferred Members	43,069	22.2%
Pensioner Members	57,151	29.5%
Total	**193,758**	**100.0%**

Police Officer Pension Scheme	Liability Split	
	£000's	Percentage
Active Members	309,652	32.6%
Deferred Members	51,000	5.4%
Pensioner Members	590,600	62.1%
Total	**951,252**	**100.0%**

Injury Pensions	Liability Split	
	£000's	Percentage
Contingent Injuries	15,374	50.3%
Injury Pension Liabilities	15,200	49.7%
Total	**30,574**	**100.0%**

Assumptions to Estimate Assets and Liabilities

For 2022/23, 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	
	2021/22	2022/23	2021/22	2022/23
Long term expected rate of return on assets in the scheme:				
Equity Investments	2.75%	4.75%		
Bonds	2.75%	4.75%		
Property	2.75%	4.75%		
Cash	2.75%	4.75%		
Mortality assumptions:				
Longevity for current pensioners:				
Men	21.9	21.2	27.1	26.7
Women	24.6	24.4	29.4	29.2
Longevity for future pensioners:				
Men	22.7	22.3	28.4	28.1
Women	26.1	26.0	30.8	30.6
CARE Scheme Revaluation rate			4.45%	4.20%
Rate of Increase in salaries	3.55%	3.45%	3.65%	3.20%
Rate of Increase in pensions	3.15%	2.95%	3.20%	2.95%
Rate for discounting scheme liabilities	2.75%	4.75%	2.70%	4.75%

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 2023 was 6.1% (8.2% April – March 2022)

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 2023 is £199.135m (£208.288m March 2022).

Local Government Pension Scheme Assets Comprised:

	31 March 2022			31 March 2023		
	£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		939	**939**		898	**898**
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		14,519	**14,519**		13,880	**13,880**
Overseas Property		8,743	**8,743**		8,358	**8,358**
Sub-total		23,262	**23,262**		22,238	**22,238**
Investment Funds and Unit Trusts:						
Equities		83,474	**83,474**		79,798	**79,798**
Bonds		57,055	**57,055**		54,542	**54,542**
Hedge Funds						
Commodities						
Infrastructure		15,856	**15,856**		15,158	**15,158**
Other		27,722	**27,722**		26,501	**26,501**
Sub-total		184,107	**184,107**		175,999	**175,999**
Derivatives:						
Foreign Exchange						
Other						
Total Assets		**208,308**	**208,308**		**199,135**	**199,135**

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 2023	**Approx % increase to employer liability**	**Approx monetary amount (£000)**
0.5% decrease in rate for discounting scheme liabilities	9%	92,407
1 year increase in member life expectancy	3%	29,426
0.5% increase in the rate of increase in salaries	<1%	4,590
0.5% increase in the rate of increase in pensions CPI	8%	77,479

Local Government Pension Scheme - Change in assumptions at year ended 31 Mar 2023	**Approx % increase to employer liability**	**Approx monetary amount (£000)**
0.1% decrease in rate for discounting scheme liabilities	2%	4,284
0.1% increase in the rate of increase in salaries	0%	453
0.1% increase in the rate of increase in pensions CPI	2%	3,895

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 2024 is as follows:

Local Government Pension Scheme	**Assets**	**Obligations**	**Net (Liability)/Asset**	
	£000's	**£000's**	**£000's**	**% of pay**
Current Service Cost		7,487	-7,487	-20.6%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		*7,487*	*-7,487*	*-20.6%*
Interest Income on Plan Assets	9,540		9,540	26.2%
Interest cost on Defined Benefit Obligation		9,306	-9,306	-25.6%
Total Net Interest Cost	*9,540*	*9,306*	*234*	*0.6%*
Total Included in Surplus/Deficit CIES	**9,540**	**16,793**	**-7,253**	**-20.0%**

Police Officer Pension Scheme	**Assets**	**Obligations**	**Net (Liability)/Asset**	
	£000's	**£000's**	**£000's**	**% of pay**
Current Service Cost		10,500	-10,500	-24.1%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		*10,500*	*-10,500*	*-24.1%*
Interest Income on Plan Assets				
Interest cost on Defined Benefit Obligation		46,000	-46,000	-105.7%
Total Net Interest Cost		*46,000*	*-46,000*	*-105.7%*
Total Included in Surplus/Deficit CIES		**56,500**	**-56,500**	**-129.8%**

Contributions expected to be paid to the schemes during the month of April 2023 are as follows:

Police pension scheme employer's contributions: £1.122m: (£13.464m projected for the year)
Police pension scheme member's contributions: £0.482m: (£5.784m projected for the year)

Local Government pension scheme employer's contributions: £0.485m:(£5.820m projected for the year)
Local Government pension scheme member's contributions: £0.191m: (£2.292m 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 2022/23 the net amount payable on the pension fund account before top up grant was £22.891m. A total amount of £17.810m in pension grant was received, leaving a net amount of £5.081m due from the Home Office.
The balance of £5.081m 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 2022/23 was £712,756 (£613,176 2021/22), this was financed through revenue and reserve.

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

2021/22 *£000*	Fund Account (Note 29 provides further information)	2022/23 *£000*	2022/23 *£000*
	Contributions Receivable		
11,677	Employer contributions 31%	12,337	
253	Other Bodies	204	
354	Early Retirements (Ill Health)	593	
5,146	Members	5,395	
17,430			**18,528**
233	Transfers In from other schemes	263	**263**
	Benefits Payable		
31,921	Pensions	33,398	
7,766	Commutations	7,742	
	Lump Sum Death Benefits	223	
39,687			**41,363**
	Payments to and on account of leavers		
22	Refunds of contributions	62	
308	Scheme Pays	257	
33	Transfers out to other schemes		
363			**319**
22,387	Net amount payable for the year		**22,891**
22,387	Transfer from Police Fund to meet Pension Fund deficit		**22,891**
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 2023, 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 29.

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.