
The Chief Constable for Wiltshire

Statement of Accounts



2020/2021

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Narrative Report

The Chief Constable for Wiltshire Police is required to publish an Annual 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 2020/21 and the Accounts and Audit Regulations 2015.

The accounts, which follow, show the Chief Constable's (CC) financial results for 2020/21. Comparative figures for 2019/20 are also shown. The Chief Constable for Wiltshire is part of the Police and Crime Commissioner for Wiltshire's Group; to get a full understanding of Wiltshire Police as a whole these accounts should be viewed alongside the Group Statement of Accounts (published 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 2018, Financial Regulations for the Police and Crime Commissioner for Wiltshire's Group and the scheme of delegation between Police and Crime Commissioner and the Chief Constable.

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

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

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

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

The Chief Constable has full operational control of Officers and staff with the exception of the OPCC staff and the related costs are disclosed in the Chief's Comprehensive Income and Expenditure Statement (CIES). 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 there are no balances or transactions recognised in the Chief Constable's Movement in Reserves Statement or Cashflow Statement.

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. This is balanced with a long term pension debtor of equivalent value to the pension liability to recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities. The Chief Constable's net assets/liabilities will always balance to zero. 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.

In the CIES, the financial resources consumed at the request of the Chief Constable are offset by an intra-group adjustment to reflect the Commissioner's funding of these resources.

Strategic Objectives & Performance

The Commissioner's Police and Crime Plan 2017-2021 sets out the four key policing priorities for the next four years:

Priority 1 – Prevent Crime and keep people safe

Priority 2 – Protect the most vulnerable people in society

Priority 3 – Put victims, witnesses and communities at the heart of everything we do

Priority 4 – Secure a quality service that is trusted and efficient

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

The revenue budget consists of 80% staffing which, alongside the 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.

2020/21 Control Strategy priorities:

- Modern Slavery & Human Exploitation
- Exploitative Drugs Networks
- Organised Criminality & Organised Crime Groups
- Violence & Abuse
- Child Exploitation
- Digital Capabilities

There are clear themes running throughout the priority areas – 'Cyber Capabilities' and 'Vulnerability and Exploitation'. 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 four key policing priorities and these are also scrutinised by the Police and Crime Panel.

In 2019/20 HMICFRS carried out its Police Effectiveness, Efficiency and Legitimacy (PEEL) report which assessed Wiltshire Police as the following:

- The extent to which the force is effective at reducing crime and keeping people safe is good.
- The extent to which the force operates efficiently and sustainably is good.
- The extent to which the force treats the public and its workforce legitimately is good.

Due to the COVID 19 pandemic HMICFRS have temporarily suspended their inspection programmes and intend to resume the activities in 2021/22.

Events that Impact the 2020/21 Accounts

COVID 19 Pandemic

Towards the end of 2019/20 the COVID 19 outbreak occurred and was declared a pandemic resulting in the Government introducing a national lockdown. 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.

Initial Response

Early consideration was put into Contingency Planning, in particular for changes that would be required and the timing of these including social distancing and dispersal of the work force. There was a strong emphasis on following the national plan and being led by central government with the advice of SAGE and NPCC.

The decision to disperse the workforce took place in phases, with initial focus on protecting vulnerable staff, followed by areas like the Contact Centre being split into teams for resilience, the dispersal and distancing of staff at operational stations and the dispersal of enabling services to home working. High rates of absence was considered a risk and the organisation closely monitored the absence rate in preparation to respond to areas most impacted.

The provision of Personal Protective Equipment (PPE) was a critical matter and has been closely monitored by Command groups. The organisations response was prompt. Within the first month of the COVID 19 response, the procurement of suitable PPE became challenging due to national shortages of stocks. A national procurement chain has now been established which superseded the requirement for local procurement.

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

Governance Structure

A Command Structure was established at the beginning of March 2020 which included Gold, Silver, and Bronze groups with representatives from all the relevant business areas.

Gold Command set out a Strategy which detailed the key aims. Gold retained responsibility for strategic decisions with oversight of all key tactical decisions. Silver Command is responsible for all tactical decisions and reporting key decisions to Gold for strategic oversight. Silver groups were linked regionally between the police forces for a consistent approach and shared practices.

Key Bronze Cells were identified with nominated Cell Leads, for example the People Cell was established to bring together key functions relating to the management and wellbeing of staff. A logistics cell was formed to respond to the requirements for PPE and logistical challenges. Each of the bronze cells have operational control of their respective areas with the ability to make operational decisions but coordinated via the Silver group meetings to ensure parity across the command structure and oversight by Silver.

A recovery cell was established at the beginning of the response phase, tasked with the oversight and forming of the recovery process along with capturing key learning. As the COVID 19 pandemic has progressed, the focus has become more about returning.

Impact on Service Provision

At the outset of the Pandemic there was a national expectation that we would experience severe absence rates, however, the early response of PPE, working from home and other measures have limited the levels of sickness. This has reduced the need for significant levels of overtime.

Demand on most front line areas decreased during the onset of the most restrictive Government regulations as crime reduced. There remains a concern surrounding the vulnerable in the community. Reporting and services available in this area have been promoted on social media. Domestic Abuse and Cyber Crime is a place where demand has increased.

The PCC has understood that some charities which provide essential services to vulnerable people may be at risk due to reductions in income. To mitigate this he has secured £0.482m of government grant in 2020/21 to distribute to a number of partnership/charities based on specific criteria.

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

Remote working from home is a key strategy from the Government. The agile approach invested in some years ago has enabled this to occur for all non-frontline staff. This change in working arrangements brings about other complications, particularly alongside the schools closing. Wellbeing of staff is a priority for the organisation and a focus has been on how to support staff while working remotely. A number of measures have been implemented such as extended dependents leave allowances and a new duty system that logs whether staff have dependants and are isolating or working from home so that the more vulnerable staff can be identified.

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

Reserves, financial performance and financial position

During 2020/21 the spend directly related to COVID 19 was £0.843m (£0.045m 2019/20). Spend is now significantly reducing as PPE stocks and initial investments are in place.

Throughout the pandemic the PCC has strived to pay suppliers as early as possible in a bid to support businesses and charities during this period of economic uncertainty. The earlier payment of invoices along with additional unplanned spend on the response to COVID 19 does have an impact on cash flow, this is monitored frequently and no concerns exist. The revenue budget usually relies on £0.200m of investment income. During 2020/21 the organisation experienced a shortfall in this due to cash flow and low interest rates and the actual investment income achieved was £0.059m.

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

During 2020/21 the Government allowed costs to be recovered using the Uplift grant of £1.3m allocated to Wiltshire Police. For 2021/22 reserves have been put in place which are expected to be able to mitigate any shortfall without a significant impact on the PCC's financial sustainability. The Government also provided £1.592m in specific grants relating to COVID 19 impacts, this included funds for the PCC to support commissioning, PPE and lockdown issues.

There are concerns around future funding of the service with uncertainty on levels of both local and central income. The Government are frequently providing more guidance on support available, with all PCCs across the country in the same position this will be managed during 2021/22.

Recovery Plan

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

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

Managing Risk, Lessons Learned and Innovation

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

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

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 all services and brings together all the recognised gains and losses of the Chief Constable in the year.
- **The Movement in Reserves Statement** – shows the movement in the year on the different reserves held by the Chief Constable; the Chief Constable does not manage any of these reserves and accordingly there is no movement shown in this statement.
- **The Balance Sheet** – sets out the financial position of the Chief Constable at 31 March 2021.
- **The Cash Flow Statement** – consolidates the total movement of the Chief Constable's funds. All Bank accounts, investments and other funds are held and managed by the Police and Crime Commissioner for Wiltshire; the Chief Constable's Cash Flow Statement has no movement.
- **The Police Pensions Fund Account** – summarises Pensions movements for the year. The Chief Constable is responsible for administering and maintaining the Pension Funds.

Financial Position

All income is receipted into Bank accounts maintained by the Police and Crime Commissioner for Wiltshire. The transactions in the accounts of the Chief Constable are financed with an intra Group adjustment between the Chief's Comprehensive Income and Expenditure Statement (CIES) and the CIES of the Police and Crime Commissioner for Wiltshire.

The total amount of the Chief Constable's net cost of policing funded by an intra Group adjustment for 2020/21 was £147.636 million.

Pensions

Liabilities exist for Police Officers who have or are currently contributing funds towards a future pension. The Police Officers Pension schemes are unfunded schemes. The scheme rules of funding result in Police Forces paying 31% of Police pay as a pension contribution. Any variation, over or under, e.g. variation from pensions actually paid, is financed by an increased or reduced specific pensions grant. Support Staff pensions are financed through a funded scheme.

Future Finances

Medium-term strategic plans were reported to the Commissioners' Monitoring Board in January 2021. These identified a shortfall of £0.3m for 2021/22 with no likely shortfall for 2022/23.

Statement of Responsibilities for the Statement of Accounts

The Chief Constable 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.

K Pritchard, Chief Constable for Wiltshire Police

Date: 23rd September 2021

The Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Chief Constable's Statement of Accounts 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 authority as at 31 March 2020 and its income and expenditure for the year ended 31 March 2020. Events that have occurred after the balance sheet date have been considered to the date of approval.

C. Barker

Chief Finance Officer

Date: 8th July 2021

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 2020-21

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

The position as at 31 March 2021.

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 Practice for the Police Service states that the CC is responsible to the PCC for delivery of efficient and effective policing, management of resources and expenditure by the police force.

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

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

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

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

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It is an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. The governance framework has been developed over recent years, this statement shows the governance in place for the year ended 2020-21.

3. THE GOVERNANCE FRAMEWORK

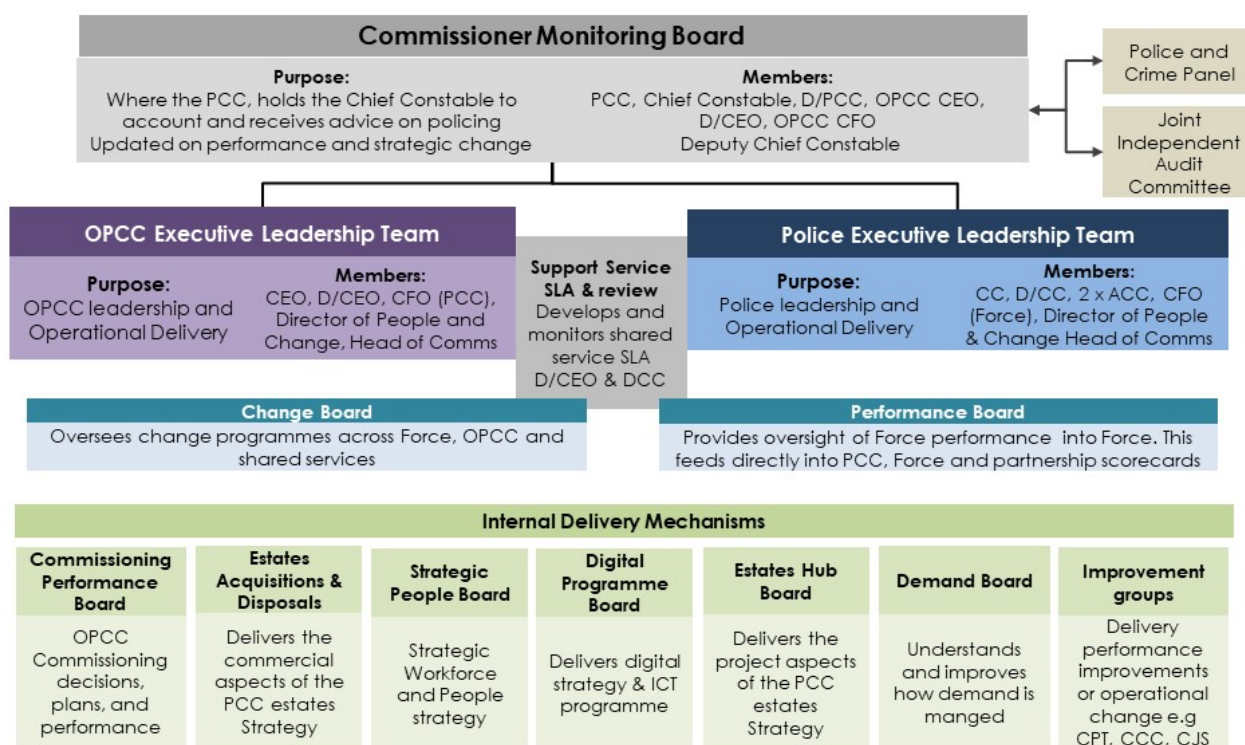
The Chief Constable (CC) is responsible to the PCC for the delivery of efficient and effective operational policing. The PCC holds him to account for the exercise of those functions and those of the persons under his direction and control. The PCC must be satisfied that the Force has appropriate management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

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

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

The overarching structure of governance is shown in the illustration below (the performance and change board are now one meeting).

Wiltshire OPCC & Wiltshire Police Integrated Governance & delivery arrangements



May 2020

The principal areas that comprise the governance framework are:

- The Commissioner's Monitoring Board
- Executive Leaderships Teams
- The Joint Independent Audit Committee (JIAC)
- The Police and Crime Panel
- The Scheme of Governance (incorporating Financial and Contract regulations)
- Performance Reporting
- Risk Management
- Professional Standards

4. REVIEW OF EFFECTIVENESS

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

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

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

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

The Professional Standards Department is an essential part of the Governance Framework facilitating whistle blowing via anonymous reporting and investigating complaints. 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. The PCC has appointed an Independent Adjudicator to ensure both the PCC and CC are following both the spirit and letter of the national complaints and integrity frameworks. An Ethics and Culture Board also exists which provides another control point.

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

The PCC has made the decision to adopt model 2 of the new complaints reform, this means that complaint recording and service recovery is carried out by the OPCC in addition to appeals/reviews. This provides more independence and integrity into the system.

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

- b) Ensuring openness and comprehensive stakeholder engagement

Both the OPCC and the Force have active engagement with the communities they serve. As well as engaging by social media the PCC encourages the community to interact with him at other events, for instance town markets. 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 a desire to be open and transparent meeting with stakeholders and engaging with communities to understand their needs and issues. In January 2021 the PCC held a public consultation which involved the launch of a short video, live social media Q&A sessions, an online survey, a Twitter poll, media releases and emails to MPs and councillors. This consultation received 2,522 responses. 73% of the respondents agreed that an increase of at least £1 per month was appropriate, this good engagement helped inform the 2021-22 Precept decision.

Independent Advisory Groups (IAGs) are in place to obtain stakeholder engagement and provide an independent perspective on issues to constructively advise and challenge Wiltshire Police on its policies, procedures and practises. There is ongoing work to realign IAG geographical areas with the updated Community Policing Teams; giving each IAG group and Chair clarity with their respective CPT Neighbourhood Inspector.

The Public Service Board (PSB) has also been established; bringing together all IAG Chairs, the PCC and Wiltshire Police Executive Leadership to provide an overview of the delivery of policing services. The PSB meets on a quarterly basis. During the Covid-19 period, the PSB and IAGs have moved to online forums where technology has enabled us to share and discuss content.

Particular service delivery areas are presented at the PSB, alongside key topics which may be of heightened interest or concern to members of the public at a local or national level at that time. Most recently in the spring of 2021 following the murder of Sarah Everard, the PSB were briefed on and discussed both Public and Sexual Harassment in our Communities and Policing Public Order. Additional services and topics recently discussed include Stop Search and Use of Force, County Lines, Public Confidence, Reported Crime and Police Response Times. At the conclusion of each PSB, the IAG Chairs look to report back to their respective area and obtain further feedback.

The development of the Wiltshire Diverse Communities (WDC) as its own Independent Advisory Group has brought together Ethnic Minority voices across the county. Within Wiltshire Police, the meeting is attended by the Deputy Chief Constable Paul Mills and members of the Equality, Diversity and Inclusion department. In recent meetings, rich conversations have been held on the use of police powers; with the WDC acting as a critical friend on any disparity of powers towards ethnic minorities.

The WDC also recently heard updates on Wiltshire Police recruitment and its aim to increase the level of representation in policing. Following this, in March 2021 'The Big Debate' was held under the theme 'Developing your police service to be truly diverse and inclusive of its communities'. Giving an overview of policing in the county and Wiltshire Police's approach to equality, diversity and inclusion following on from the Lammy Review on disproportionality in the Criminal Justice System, The Big Debate assisted Wiltshire Police to drive forward on its goals on representation and provided both direction and context for the challenges ahead.

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

Internal stakeholder focus occurs by annual staff surveys. The latest survey in February 2021 obtained a response rate of 55%, and achieved a good engagement index score of 72%. This matched the 2018 score. Considering the impact of the pandemic, which has resulted in a significant number of people working from home, to maintain this score is a good achievement and shows positively the proactive communication plan implemented. The survey also identified that 70% (5% above the public sector average) of staff feel they are encouraged to speak out about wrongdoing with 65% confident that issues raised would be dealt with,

On a monthly basis the Chief Constable hosts an on-line chat opportunity for his staff, at this he takes questions from officers and staff and sets out to give honest straight forward responses. These engagements help identify issues which exist and possible solutions.

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

The PCCs objectives are set out in the Police and Crime Plan. An exceptions based overview of performance is presented to the Police and Crime Panel showing quarterly progress against the plans priorities four times a year. This documentation can be viewed on the Police and Crime Panel website. An annual report is also produced that reflects on the achievements and progress made against the plan in the previous fiscal year. The benefits expected with the plan are monitored via an annual scorecard which is available on the website, which shows good performance.

The CC has considered the priorities in the Police and Crime Plan, and, with staff produced a clear purpose: Proud to serve and protect our communities. This clear statement helps people making decisions on both a day to day basis and strategically.

The new 2020-2024 Performance Strategy was officially launched in 2020 and has been endorsed by the OPCC and the Force. Understanding and managing performance is integral to the day to day business of Wiltshire Police. 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. The principles of our structured approach to performance have been guided by the good practices highlighted

within the national performance framework. Wiltshire were just one of three forces invited to provide comment highlighting our status as a leader when it comes to its performance management and culture.

The 2020-2024 Performance Strategy clearly defines our approach to performance; inclusive of the direction in our culture, the expectation at every level of the organisation and the tools, techniques, governance and assurance that underpin performance management across the OPCC and Wiltshire Police. Since 2014 we have made significant strides to change the outlook on performance and what it means to us. Primarily a performance culture free from targets and any associated perverse behaviour. Instead using outcomes as a tool that enhances the safety of our communities. This refreshed performance strategy solidifies a strong performance culture and approach to performance management that embraces healthy conversation, continuous improvement and the recognition of good performance from chief officers to frontline leaders, operational and support staff. The future will see Wiltshire Police continue to be internally driven and motivated to perform and improve on an individual and organisational level due to the empowerment of performance management and a learning organisation.

In 2018, the organisation purchased Qlik Sense a business intelligence tool. Following its purchase the tool has been developed to enable all staff across the organisation to self-serve important information that will support them making informed decisions at a strategic and operational level. This tool was officially launched in 2020 with supportive training material and on-going drop-in training sessions and will continue to be embedded throughout 2021 alongside the key principles of the new performance strategy. This will enable our business intelligence analysts to focus on proving key insight and recommendations to senior leaders through our performance governance structure and localised board meetings, aligned to the Wiltshire 2025 programme approach. Governance of the Forces performance framework, containing over 800 measures, occurs at the monthly Strategic Performance Board that is chaired by the Deputy Chief Constable. Performance exceptions are analysed using a defined statistical method and progress is discussed at this board.

In October 2020 the Home Office introduced the National Crime and Policing measures. Whereby success against these measures will be judged at a national level with the aim to significantly reduce crime, demonstrate value for money and restore the public's confidence in the criminal justice system. Following the introduction of this new scorecard the force has embedded a local version of the scorecard to analyse through the performance governance structure already highlighted, with the intention of understanding of its own system wide impact on these national policing measures and to ensure that we stay accountable for our own performance and our influence on the national picture.

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

A Commissioning Strategy has been produced by the OPCC. In order to deliver the Police and Crime Plan objectives the PCC acknowledges that there is a requirement to commission various service providers to help with the wider delivery. The strategy sets out a commissioning framework and the principles the PCC will use in managing the commissioned services.

The environmental impact of the OPCC and force has been considered. Work has occurred to encourage agile working which discourages needless journeys and is more efficient. This paid dividends during the pandemic with many staff being able to work from home minimising any impact on the business. The PCC's Estates Strategy (to 2021) has now been largely delivered with improved facilities being brought on line and the estate reduced. Early marketing of estates not required under the current strategy has taken place. Disposal of these sites will be reviewed by the new PCC elected in 2021 with decisions dependent on their new Estates Strategy. The PCC has also invested in a pilot with electronic vehicles to understand if they can become a significant part of the fleet. 12 EV points have been introduced in 3 locations with a further 12 more planned in 2021-22 across 5 sites. The baselining of the carbon footprint has started with consultants producing draft documents which will enable us to produce an environmental strategy once the new PCC is in place. This strategy will also include targets and show a plan to reduce to Net zero emissions by 2050.

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

The Commissioners Monitoring Board (CMB) is key in ensuring strong governance. The Board receives reports on performance, risk, the capital and revenue financial position and it approves all significant spending decisions. This ensures the PCC is aware of current risks and issues. When appropriate reported are

requested. CMB is attended by the PCC, the Deputy PCC, the PCC's Chief Executive, the PCC's Deputy Chief Executive, the CC, the Deputy Chief Constable and the joint Chief Finance Officer. Other officers are invited to attend as necessary. The PCC also receives a weekly operational update from the CC. In addition to this the PCC meets with the Chief Finance Officer bi-weekly to review progress.

The Strategic Change Board and the Strategic Performance Board are attended by Chief Officers and the PCC Chief Executive or Deputy Chief Executive. Exception reports are provided surrounding performance, project delivery and risk management. This enables executives to see lower level risks or issues which may arise in the near future. During the pandemic these meetings have continued in a virtual manner.

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

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

Risk Management is a key tool in identifying the issues which may lead to an intended outcome not being delivered. The OPCC Risk register is reviewed quarterly and reported to the Police and Crime Panel and the Joint Independent Audit Committee. Each department and major project is expected to have an up to date Risk Register. Significant Risks are managed upwards towards the Corporate Risk Register which is reviewed monthly at the Strategic Performance Board.

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

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

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

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

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

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

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

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

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

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

The biggest Corporate Risks are reviewed monthly by the Strategic Performance Board, attended by Chief Officers and the PCC Chief Executive or Deputy Chief Executive. 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 on a quarterly basis by the Chief Executive, the Deputy Chief Executive and the Chief Financial Officer.

The PCC holds the Chief Constable to account at the bi-weekly Commissioners Monitoring Board. The minutes for the Commissioners Monitoring Board are published on the PCCs website for transparency. This board will receive reports on performance, finance, treasury management, partnerships, strategic change, etc.

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

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

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

- 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 Audit Committee (JIAC) 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 Deputy 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 is to ensure that management implement recommendations agreed with auditors holding management accountable. The committee also reviews both the PCC and the Chief Constables risk register, regularly calling for additional reports and presentations as the emerging governance and risk issues dictate.

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

The PCC had a contract with the South West Audit Partnership (SWAP) to provide an internal audit service in 2020-21. 100 days of audit were planned with 9 audits. 6 of these are complete, 1 is delayed for further discussion, 1 is in progress and 1 deferred for review post an independent review. From the 6 audits complete 3 are non-opinion reports. For the remaining 3 audits 1 received an opinion of Reasonable assurance and 2 an opinion of Substantial Assurance. The evaluation system is as follows;

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

- Reasonable Assurance – Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
- Partial Assurance – Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
- No Assurance – Fundamental breakdown or absence of core internal controls.

A summary report is provided annually for JIAC by the Internal Auditors. The report suggests an effective control environment with 'reasonable assurance' the outcome for 2020-21.

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

Both PCC and force websites refer to the annual inspection undertaken of the force by HMICFRS. The PEEL (police effectiveness, efficiency and legitimacy) inspection is designed to give the public information about how local police forces are performing in several important areas, in a way that is comparable both across England and Wales, and year on year. Due to the pandemic there has been no new PEEL inspection in 2020. The outcome of Wiltshire's fifth PEEL inspection was published in May 2019 as below;

- the extent to which the force is effective at reducing crime and keeping people safe is good.
- the extent to which the force operates efficiently and sustainably is good.
- the extent to which the force treats the public and its workforce legitimately is good.

During the year HMIFRS published 'Policing in the Pandemic' – the police response to the coronavirus pandemic during 2020. The report did not provide an opinion on force performance however it did comment on a number of good practices carried out by Wiltshire Police.

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

6. SELF ASSESSMENT

In considering the evidence included in section 5 against the seven principles of good governance the overall opinion is of **substantial** assurance (Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed)

7. SIGNIFICANT GOVERNANCE ISSUES

There were no significant governance issues reported last year and no significant issues have been identified during this review.

Signed

xxxxxxx
Police and Crime Commissioner

K Pritchard
Chief Constable

K Kilgallen
Chief Executive of the OPCC

C Barker
Chief Financial Officer

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Chief Constable for Wiltshire (the 'Chief Constable') for the year ended 31 March 2020 which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Fund Account and the Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable as at 31 March 2020 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Chief Financial Officer and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Chief Constable's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Chief Constable's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an authority associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Chief Constable's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21 that the Chief Constable's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Chief Constable's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Chief Constable's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Chief Constable will continue in operation.

Emphasis of Matter – effects of Covid-19 on the valuation of pooled property holdings by the LGPS pension fund

We draw attention to Note 2 to the financial statements, which describes a material valuation uncertainty in the valuation of pooled property funds within the Wiltshire Pension Fund, arising from circumstances caused by the Covid-19 pandemic. As a result of Covid-

19, property valuations as at 31 March 2020 were not readily available due to the closure of the markets and therefore no trade price was available on which to base a valuation. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

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

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

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Chief Constable gained through our work in relation to the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, the Narrative Report and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

As explained more fully in the Statement of Responsibilities set out on page 7, the Chief Constable is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial 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 Financial Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Chief Constable will no longer be provided.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, we are satisfied that the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Responsibilities of the Chief Constable

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for Wiltshire Police and Crime Commissioner and Chief Constable for the year ended 31 March 2020. We are satisfied that this work does not have a material effect on the financial statements or on our conclusion on the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Use of our report

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

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

London

4 November 2020

Comprehensive Income and Expenditure Statement for the Chief Constable of Wiltshire Police 2020/21

It should be noted that to represent the Chief Constable's use of the PCC's assets, the CC receives charges which are equivalent to the running costs and capital financing incurred by the PCC. All income is recognised in the PCC's net cost of services.

Net Expenditure 2019/20 £'000		Gross Expenditure 2020/21 £'000	Gross Income 2020/21 £'000	Net Expenditure 2020/21 £'000
	See also Note 3 and note 4			
150,984	Police Services	147,635		147,635
150,984	Net Cost of Police Services before intra group funding			147,635
-150,984	Intra Group Funding			-147,635
	Net Cost of Police Services			
33,458	Pension Net Interest Note 13			29,360
-33,458	Intra Group Funding (Pension Net Interest) Note 13			-29,360
152,241	Intra Group Funding (Pensions re-measurement of the net defined benefit liability/(asset)) Note 13			-279,870
152,241	(Surplus)/Deficit on the Provision of Services			-279,870
-152,241	Re-measurement of the net defined benefit liability/(asset) Note 13			279,870
-152,241	Other Comprehensive Income and Expenditure			279,870
	Total Comprehensive Income and Expenditure			

Movement in Reserves Statement

Disclosure of pensions transactions under accounting and audit requirements results in movements in and out of the reserves statement for the Chief Constable. The transactions net to zero during the year which reflects that the Police and Crime Commissioner has ultimate responsibility for all reserves.

General Fund		Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
£'000	£'000	£'000	£' 000	£'000	£'000	£'000
0	0	0	0	0	0	0
Balance as at 31 March 2019						
Movement in reserves during 2019/20						
Total Comprehensive Income and Expenditure						
152,241	0	0	0	152,241	-152,241	0
Adjustments between accounting basis and funding basis under regulations – Note 5						
-152,241	0	0	0	-152,241	152,241	0
Increase/(Decrease) in 2019/20						
0	0	0	0	0	0	0
Balance as at 31 March 2020 Carried Forward						
0	0	0	0	0	0	0
Balance as at 31 March 2020 Brought Forward						
0	0	0	0	0	0	0
Movement in reserves during 2020/21						
Total Comprehensive Income and Expenditure						
-279,870	0	0	0	-279,870	279,870	0
Adjustments between accounting basis and funding basis under regulations - Note 5						
279,870	0	0	0	279,870	-279,870	0
Increase/(Decrease) in 2020/21						
0	0	0	0	0	0	0
Balance as at 31 March 2021 Carried Forward						
0	0	0	0	0	0	0

Balance Sheet for the Chief Constable of Wiltshire Police as at 31 March 2021

31 March 2020 £000		31 March 2021 £000	£000
0	Property, Plant & Equipment	0	
0	Investment Property	0	
1,277,837	Long Term Debtor - Pensions	1,580,945	
1,277,837	Total Long Term Assets		1,580,945
0	Inventories	0	
0	Short Term Debtors	0	
0	Cash & Cash Equivalents	0	
0	Assets Held For Sale (under 1 yr)	0	
0	Total Current Assets		0
0	Short Term Creditors	0	
0	Provisions (under 1 yr)	0	
0	Total Current Liabilities		0
0	Finance Lease Liability	0	
-1,277,837	Liability Related to Defined Benefit Pensions Scheme.	-1,580,945	
-1,277,837	Total Long Term Liabilities		-1,580,945
0	Total Net Assets		0
0	Usable Reserves		0
0	Unusable Reserves		0
0	Total Reserves		0

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. This is balanced with a long term pension debtor of equivalent value to the pension liability to recognise the fact that the Police and Crime Commissioner has ultimate responsibility for these long term liabilities. The Chief Constable's net assets/liabilities will always balance to zero.

C.Barker, Chief Finance Officer. 8th July 2021

Cash Flow Statement

2019/20 £000		2020/21 £000
	<u>Operating Activities</u>	
0	Taxation	0
0	Non Domestic Rates	0
0	Revenue Support Grant	0
0	Police Main Grant	0
0	Cash Received for Goods and Services	0
0	Interest Received	0
0	Cash Inflows Generated from Operating Activities	0
0	Cash Paid to and on behalf of Employees	0
0	Cash Paid for Goods and Services	0
0	Interest Paid	0
0	Cash Outflows from Operating Activities	0
0	Net Cash Flows from Operating Activities	0
	<u>Investing Activities</u>	
0	Purchase of Non-Current Assets	0
0	Proceeds from Sale of Non-Current Assets	0
0	Other Receipts from Investing Activities	0
0	Net Cash Flows from Investing Activities	0
	<u>Financing Activities</u>	
0	Payments for the Reduction of Outstanding PFI Finance Liability	0
0	Net Cash Flows from Financing Activities	0
0	Net increase or decrease in cash & cash equivalents	0
0	Cash & cash equivalents at the beginning of the reporting period	0
0	Cash & cash equivalents at the end of the reporting period	0

All Bank accounts, assets, liabilities, investments and reserves are managed by the Police and Crime Commissioner for Wiltshire; the Chief Constable for Wiltshire has no cash flows to report.

1 Statement of Accounting Policies

1.1 General Principles

The general principles adopted in compiling the accounts of the Chief Constable for Wiltshire Police 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 2020/21, the Service Reporting Code of Practice 2020/21 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 2018, Financial Regulations for the Police and Crime Commissioner for Wiltshire Group and the scheme of delegation between the Police and Crime Commissioner and the Chief Constable.

1.2 Accruals of Income and Expenditure

The Chief Constable's financial accounts are prepared on an accruals basis. Income and expenditure is inclusive of future obligations to pay cash for benefits already received by the CC for Wiltshire and cash to be received in the future for benefits already provided by the CC for Wiltshire.

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 accounts for 2020/21 comply with normal 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

The CC for Wiltshire has a policy to create a provision relating to a liability or loss that is likely to be incurred but there is uncertainty as to the size and timing of the liability. Its purpose is specific and will be charged to the revenue account where the expenditure would be incurred. Adjustments are made in the accounts for any bad or doubtful debts. There are no provision transactions in the Chief Constable's accounts.

1.5 Joint Arrangements

Wiltshire Police have 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.

1.6 Employee Benefits

Benefits payable during employment

Authorities are required to account for employee benefits in the period that they are earned by employees. Wiltshire Police 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 is not cost effective to collect the data; therefore no flexi leave accrual has been posted for 2020/21 due to the immaterial value. Time off in Lieu (TOIL) and annual leave are recorded on an electronic system and the result is that the Group has a £2.585 million accrual for employee leave entitlements carried over at 31 March 2021. For 2020/21 there is a £0.859 million increase in the net cost of services where the accrual has increased from £1.726 million in 2019/20, this is reversed out in the PCC's Movement in Reserves Statement so as to avoid any impact on Council Tax.

Termination benefits

Redundancy payments allowed by Wiltshire Police 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

Post employment benefits

Pensions (Police Officers)

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 Account 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 Chief Constable for Wiltshire's 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 18.4% of pay were paid into the fund by the CC for Wiltshire for the year 2020/21; this contribution will increase to 17.4% for 2021/22.

Changes to the Local Government Pension Scheme allow for members to take larger lump sum payments in return for a reduced annual pension. It is expected that this will reduce the liability of the Authority. 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 Authority. Based on the prudence accounting concept zero take up has been assumed, therefore, no reduction in liability has been included in the balance sheet of the Authority.

In accordance with CIPFA guidelines the liability under IAS 19 for both Police Officer and Support Staff pensions must be included within the Comprehensive Income and Expenditure Statement (CIES) and the Balance Sheet. The cost of service is shown within the CIES of the Chief Constable and is balanced with an intra Group adjustment to the Police and Crime Commissioner for Wiltshire's accounts.

1.7 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.

1.8 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 of the Authority 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.

1.9 Post Balance Sheet Events

Where a material post balance sheet event occurs the Chief Constable has a policy to identify that in the statement of accounts.

1.10 Prior Period Adjustment – 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 CC'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.

1.11 Revenue from Contracts with Customers

For 2020/21, the Code of Practice adopts IFRS 15 which 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 Chief Constable for Wiltshire has no material items that would require additional disclosures under IFRS 15.

2 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 2020/21 the Balance Sheet contains one item for which there is a significant risk of material adjustment in the forthcoming financial year; the Pensions Liability.

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

As a result of Covid-19, property valuations as at 31 March 2021 were not readily available due to the impact on market activity and therefore comparisons on which to base a valuation were less reliable. The Property valuers therefore included an estimation uncertainty clause into the reports. The Wiltshire Pension Fund, of which the Police and Crime Commissioner is an admitted body, holds investments in Pooled Property funds. These amount to £19.3m or 10% of the total LGPS assets attributable to the Police and Crime Commissioner's account.

3 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows the Chief Constable's net expenditure analysed between amounts that the PCC will fund 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 note 'Expenditure and Income Analysed by Nature'.

2020/21	Net Expenditure Chargeable to the General Fund Balances	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000
Police Services	134,670	-884	12,990	859	12,965	147,635
Office of the Police and Crime Commissioner						
Net Cost of Services before intra group funding	134,670	-884	12,990	859	12,965	147,635
Intra Group Funding	-134,670	884	-12,990	-859	-12,965	-147,635
Net Cost of Police Services						
Other Income and Expenditure			29,360		29,360	29,360
Intra Group Funding			-250,510		-250,510	-250,510
Surplus or Deficit			-279,870		-279,870	-279,870

The Surplus/Deficit for the Chief Constable relates to pensions IAS19 accounting requirements and nets to zero with the re-measurement of pension liabilities transaction in the Other Comprehensive Income and Expenditure.

2019/20	Net Expenditure Chargeable to the General Fund Balances	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	2019/20 £'000	2019/20 £'000	2019/20 £'000	2019/20 £'000	2019/20 £'000	2019/20 £'000
Police Services	130,035	-331	21,050	230	20,949	150,984
Office of the Police and Crime Commissioner						
Net Cost of Services before intra group funding	130,035	-331	21,050	230	20,949	150,984
Intra Group Funding	-130,035	331	-21,050	-230	-20,949	-150,984
Net Cost of Police Services						
Other Income and Expenditure			33,458		33,458	33,458
Intra Group Funding			118,783		118,783	118,783
Surplus or Deficit			152,241		152,241	152,241

Adjustments for Capital Purposes

This column adds in asset accounting transactions including charges relating to depreciation, impairment and revaluation.

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 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.

4 Expenditure and Income Analysed by Nature

CIES 2019/20	Adjustments between the Funding and Accounting Basis	General Fund 2019/20		CIES 2020/21	Adjustments between the Funding and Accounting Basis	General Fund 2020/21
£'000	£'000	£'000		£'000	£'000	£'000
46,882		46,882	Police Pay and allowances	48,830		48,830
24,500	-13,575	10,925	Police Officer Pensions	20,100	-8,630	11,470
48,566	-7,966	40,600	Staff Pay and allowances	47,432	-4,881	42,551
1,498	-230	1,268	Other employee expenses	1,873	-859	1,014
4,674	552	5,226	Premises	4,592	599	5,191
2,639	0	2,639	Transport	2,667	0	2,667
11,057	0	11,057	Supplies and Services	11,940	0	11,940
6,588	93	6,681	Third Party Payments	5,372	84	5,456
4,167	-314	3,853	Capital Finances	4,394	201	4,595
100	-100		Net Pensions Interest & Past Service costs	105	-105	
313	591	904	Injury Payments	331	626	957
150,984	-20,949	130,035	Total Financial Resources Consumed at request of Chief Constable	147,635	-12,965	134,670
-150,984	20,949	-130,035	Intra Group Adjustment	-147,635	12,965	-134,670
			Net Cost of Services			
33,458	-33,458		Pension Net Interest	29,360	-29,360	
-33,458	33,458		Intra Group Funding (Pension interest cost & expected return on assets)	-29,360	29,360	
152,241	-152,241		Intra Group Funding (Pensions re- measurement of the net defined benefit liability/(asset))	279,870	-279,870	
152,241	-152,241		Total (Surplus)/Deficit on the Provision of Services	279,870	-279,870	

It should be noted that Chief Constable receives charges for use of the Police and Crime Commissioner's assets. These charges are equivalent to the running costs and capital financing incurred by the Police and Crime Commissioner and include the associated adjustments between Accounting and Funding basis in line with the accounting concept 'substance over form'.

5 Adjustments Between Accounting Basis and Funding Basis Under Statute

2020/21	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	-279,870			279,870
Total Adjustments	-279,870			279,870

2019/20	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	152,241			152,241
Total Adjustments	152,241			152,241

6 Post Balance Sheet Events

The Chief Constable is required to disclose any post Balance Sheet events that have a significant impact on the accounts for the year. For 2020/21 the Chief Constable has no significant post Balance Sheet events for disclosure.

7 Remuneration of Staff

The Chief Constable for Wiltshire is required to disclose 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 Employees 2019/20	Number of Employees 2020/21
50,000 - 54,999	101	102
55,000 – 59,999	57	77
60,000 – 64,999	16	27
65,000 – 69,999	1	5
70,000 – 74,999	4	3
75,000 – 79,999	2	
80,000 – 84,999	5	5
85,000 – 89,999	1	5
90,000 – 94,999	4	2
95,000 – 99,999	1	
100,000 – 104,999		
105,000 – 109,999	1	
110,000 – 114,999		
115,000 – 119,999		1
120,000 – 124,999		
125,000 – 129,999		
130,000 – 134,999	2	2
135,000 – 139,999		
140,000 – 144,999		
145,000 – 149,999		
150,000 – 154,999		
155,000 – 159,999		
160,000 – 164,999		
165,000 – 169,999	1	
170,000 – 174,999		
175,000 – 179,999		
180,000 – 184,999		1
Total	196	230

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 reduced this year. This reduction relates to operational requirements in the previous year that resulted in more overtime.

For 2020/21, a total of £1.634m was recharged to external establishments for officers and staff on secondment (£1.944m 2019/20). As at 31st March 2021 there were 23 employees working in external areas on secondment (21 as at 31st March 2020).

13 of the employees included in the bandings over £50,000 were seconded out to other Forces or Government organisations as at 31 March 2021 (14 seconded officers included for 2019/20).

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 2020/21 and comparative information from 2019/20. 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 2020/21 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.

A couple of changes occurred to senior roles during 2020/21:

M Blythe was Assistant Chief Constable for Wiltshire Police until 31st May 2020

D Smith became Assistant Chief Constable for Wiltshire Police from 18th May 2020.

Senior Officer Remunerations 2020/21	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2020/21	Pension Contributions	Total Remuneration including pension contributions 2020/21
Chief Constable	K. Pritchard	168,174				12,256	180,430	50,601	231,031
Deputy Chief Constable	P. Mills	122,966				9,725	132,691	37,941	170,632
Assistant Chief Constable	M. Cooper	122,352		187		8,122	130,661	36,583	167,244
Assistant Chief Constable (to 31/05/20)	M. Blythe	17,266				1,740	19,006	5,323	24,329
Assistant Chief Constable (from 18/05/20)	D. Smith	107,799		158		7,234	115,190	32,118	147,308
Assistant Chief Officer / Chief Finance Officer	C. Barker	112,683				12,436	125,119	20,628	145,747
Head of People & Change	C. McMullin	79,057				1,239	80,296	14,546	94,842
Head of Communications	C. Mills	66,425					66,425	12,222	78,647

Senior Officer Remunerations 2019/20	Name	Salary (including fees & Allowances)	Bonuses	Expenses	compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2019/20	Pension Contributions	Total Remuneration including pension contributions 2019/20
Chief Constable	K. Pritchard	156,955		388		10,987	168,331	47,123	215,454
Deputy Chief Constable	P. Mills	119,981		544		9,725	130,250	37,016	167,266
Assistant Chief Constable (from 20/05/19)	M. Cooper	102,505		246		4,838	107,588	30,611	138,199
Assistant Chief Constable (from 04/06/19)	M. Blythe	84,860		256		6,603	91,719	26,160	117,879
Temp Assistant Chief Constable (to 30/06/19)	G. Williams	26,085				5,915	32,000	8,086	40,086
Temp Assistant Chief Constable (to 06/01/20)	C. Holden	13,872		576		1,320	15,768	4,270	20,038
Assistant Chief Officer / Chief Finance Office	C. Barker	109,949		392		12,093	122,434	19,906	142,340
Head of People & Change (from 03/06/19)	C. McMullin	73,149		294		929	74,372	13,313	87,685
Head of Communications	C. Mills	70,093		180			70,273	11,794	82,068

8 Termination Benefits

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

Exit package cost band	No. of compulsory redundancies		No. of Other Departures		Total cost of exit packages in each band £'000	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
£0-£20,000						
£20,001-£40,000			1	2	30	12
£40,001-£60,000						
£60,001-£80,000						
£80,001-£100,000						
£100,001-£120,000						

The total cost of exit packages includes early pension payments.

9 Related Parties

In accordance with the Code of Practice and IAS 24 the Chief Constable for Wiltshire is required to state any material transactions with related parties. For 2020/21, no material transactions were declared by key management personnel.

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

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

Wiltshire Police have 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.

The Police Constable for Wiltshire Police is part of the Police and Crime Commissioner for Wiltshire's Group and as such the Police and Crime Commissioner has significant influence over the Chief Constable. To get a full understanding of Wiltshire Police as a whole these accounts should be viewed alongside the Group Statement of Accounts (published separately).

Central Government has significant influence over the general operations of the Police and Crime Commissioner for Wiltshire's Group. Grants received from Central Government are disclosed in the PCC for Wiltshire Group Statement of Accounts.

10 Joint Arrangements

Wiltshire Police 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.

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

2019/20 £000 Expenditure	2019/20 £000 Income	Joint Operation	2020/21 £000 Expenditure	2020/21 £000 Income
737		Black Rock	831	
1,598	154	Brunel MCIT	1,631	125
1,211	75	SWROCU	1,227	33
12	2	Tri Services		
2,553		Forensics	2,777	
751		SW Special Branch	783	32
2,809	78	Wiltshire Council	2,254	18

Black Rock

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

The overall training cost of the facility for the year was £3.295m; this is split on a percentage basis, with Wiltshire contributing 25%, Avon and Somerset 42% and Gloucester 33%.

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 22%, Avon and Somerset 56.15% and Gloucester 21.85%). Due to this arrangement the PCC for Wiltshire accounts for his share as an asset on his Balance Sheet. The current value of the PFI asset as at 31 March 2021 was £21.3m; Wiltshire's share included in the Balance Sheet was £4.7m.

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 £7.928m; this is split on a percentage basis, with Wiltshire contributing 19%, Gloucester 17% and Avon and Somerset 64%.

SWROCU (Formerly Zephyr)

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

The collaboration is led by Avon & Somerset police and costs are split on a percentage basis as follows: Avon and Somerset 32%, Gloucester 11%, Devon and Cornwall 33%, Dorset 12% and Wiltshire 12%.

The overall cost of the collaboration for the year was £10.389m.

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 £1.657m.

Forensics

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

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

The cost of the collaboration for 2020/21 was £19.890m. Wiltshire's total cost was £2.777m for the year.

South West Special Branch

The Special Branch collaboration involves 4 Regional Forces and costs are shared on the following percentage splits, Avon and Somerset 28%, Devon and Cornwall 29%, Dorset 24% and Wiltshire 19%.

The cost of the collaboration totalled £3.997m. Wiltshire's net cost being £0.751m.

Wiltshire Council Alliance

Wiltshire Police has a strategic alliance with Wiltshire Council to look at new ways of working with a joint approach. The partnership enjoys benefits from having a modern and flexible joint IT solution, a shared project management team and shared estate. The strategic alliance results in increased payments to Wiltshire Council where the Council have covered initial costs.

The partnership decides its priorities at a regular joint board and costs of the required services are met as incurred. For 2020/21 Wiltshire Council received total payments amounting to £2.254m from the PCC for his share of the services, some of which relates to capital projects. Total revenue costs (including projects) amounted to £2.174m.

There is a National Enabling Programme for all police forces underway and as part of the project a need to bring IT capabilities back in house was identified. Wiltshire Police have been implementing the changes and

although the IT element of this collaboration came to an end in 2020/21, the strategic alliance with Wiltshire Council will continue for the other areas.

Other Collaborations:

Wiltshire Police is involved in numerous smaller collaborations and partnerships including the Serious Sexual Assault Referral Centre (SSARC), Swindon Multi Agency Safeguarding Hub (MASH), Wiltshire MASH, Local Resilience Forum (LRF) and the Youth Offending Team (YOT).

11 External Audit Fees

Audit fees paid to Grant Thornton in respect of external Audit services (Local Audit & Accountability Act 2014) were £18,102 (£11,550 19/20); no other external audit fees were payable.

12 Accounting Standards Issued That Have Not Yet Been Adopted

For 2020/21 the following accounting standard changes have been issued but not yet adopted. The impact of these changes to the Chief Constable's accounts 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 2021/22 Code of Practice in Local Authority Accounting (COPLAA).

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

2 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 Income and Expenditure Account and the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £000		Police Pension Scheme £000	
	2019/20	2020/21	2019/20	2020/21
Comprehensive Income & Expenditure (CIES)				
Net Cost of Services				
Current Service Costs	13,842	10,931	24,500	20,100
Past Service Costs (Non Distributed Costs)		5	100	100
Gains and Losses on any Settlements or Curtailments				
<i>Net Operating Expenditure</i>				
Net Interest on plan assets & defined benefit obligation	1,658	960	31,800	28,400
Net Charge to the Surplus/Deficit	15,500	11,896	56,400	48,600
Other Comprehensive Income & Expenditure				
Return on plan assets (excluding the amount included in the net interest expense)	11,575	-23,185		
Actuarial gains and losses arising on changes in demographic assumptions	-6,228	3,585	-9,700	15,300
Actuarial gains and losses arising on changes in financial assumptions	-28,001	70,214	-119,663	314,009
Re-measurement of Other Experience	-12,624	-2,053	12,400	-98,000
Total Other Comprehensive Income & Expenditure (Pension Re-measurement of the net defined benefit liability/asset)	-35,278	48,561	-116,963	231,309
Total Charge to the CIES	-19,778	60,457	-60,563	279,909
	Local Government Pension Scheme £000		Police Pension Scheme £000	
	2019/20	2020/21	2019/20	2020/21
Net Charge to the CIES Surplus/Deficit	15,500	11,896	56,400	48,600
Movement in Reserves Statement				
<i>Adjustments between Accounting & Funding Basis:</i>				
Reversal of net charges made for retirement benefits in accordance with the code	-15,500	-11,896	-56,400	-48,600
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to scheme	5,876	6,050		
Retirement benefits payable to pensioners			31,537	31,209
Actual Costs	5,876	6,050	31,537	31,209

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 2020/21 are £6.050 million to Wiltshire Council for the Local Government Pension Scheme (£5.876m 2019/20) and £12.096 million to the Police Pension Scheme (£11,516m 2019/20). The main reason this differs from the £31.209 million above is a further £19.113 million contributions funded by Home Office grant (£20.021 million 2019/20).

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	£000
	2019/20	2020/21
<i>Local Government Pension Scheme</i>		
Present value of defined benefit obligation	-195,128	-282,359
Fair value of plan assets	155,790	188,614
Net Liability – Local Government Pension Scheme	-39,338	-93,745
<i>Police Officer Pension Scheme</i>		
Present value of defined benefit obligation	-1,238,500	-1,487,200
Fair value of plan assets		
Net Liability – Police Officer Pension Scheme	-1,238,500	-1,487,200
Total Net Liability arising from defined benefit obligation	-1,277,837	-1,580,945

The liabilities show the Group's commitment for future payment of retirement benefits. The total deficit of £1,581m for 2020/21 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 2021 are as follows:

	<u>Police staff</u>		<u>Police officers</u>	
	£000	£000	£000	£000
Reconciliation of Present Value of Scheme Liabilities				
	2019/20	2020/21	2019/20	2020/21
Opening Entry	-224,563	-195,128	-1,330,600	-1,238,500
Current Service Costs	-13,842	-10,931	-24,500	-20,100
Interest cost on defined benefit obligation	-5,542	-4,609	-31,800	-28,400
Members Contributions	-1,992	-2,144	-4,700	-5,000
Re-measurement gain/(loss):				
• Actuarial gains/losses arising from changes in demographic assumptions	6,228	-3,585	9,700	-15,300
• Actuarial gains/losses arising from changes in financial assumptions	27,967	-70,193	119,400	-314,300
• Other	12,624	2,053	-12,400	98,000
Past Service Costs		-5	-100	-100
Transfers in/out			-200	-200
Settlements/Curtailments				
Benefits Paid	3,992	2,183	36,700	36,700
Surplus/Deficit	-195,128	-282,359	-1,238,500	-1,487,200
Reconciliation of Fair Value of Scheme Assets				
Opening Entry	159,571	155,790		
Interest income on plan assets	3,884	3,649		
Re-measurement gain/(loss):				
• Return on plan assets (excluding the amount included in net interest expense)	-11,575	23,185		
• Other				
Transfers in/out			200	200
Employer Contributions	5,910	6,029	31,800	31,500
Members Contributions	1,992	2,144	4,700	5,000
Benefits Paid	-3,992	-2,183	-36,700	-36,700
Surplus/Deficit	155,790	188,614	0	0

Additional Information about the Defined Benefit Obligation:

Local Government Pension Scheme	Liability Split	
	£000's	Percentage
Active Members	162,726	57.6%
Deferred Members	66,610	23.6%
Pensioner Members	53,023	18.8%
Total	282,359	100.0%

As at the most recent LGPS valuation, the duration of Employer's funded liabilities is 25 years.

Police Officer Pension Scheme	Liability Split		Duration
	£000's	Percentage	
Active Members	525,800	36.6%	25.8
Deferred Members	88,300	6.1%	24.7
Pensioner Members	824,400	57.3%	13.1
Total	1,438,500	100.0%	18.4

Injury Pensions	Liability Split		Duration
	£000's	Percentage	
Contingent Injuries	26,200	53.8%	25.8
Injury Pension Liabilities	22,500	46.2%	16.3
Total	48,700	100.0%	21.4

Assumptions to Estimate Assets and Liabilities

For 2020/21, 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	
	2019/20	2020/21	2019/20	2020/21
Long term expected rate of return on assets in the scheme:				
Equity Investments	2.30%	2.05%		
Bonds	2.30%	2.05%		
Property	2.30%	2.05%		
Cash	2.30%	2.05%		
Mortality assumptions:				
Longevity for current pensioners:				
Men	21.7	21.9	27.2	27.4
Women	24.0	24.4	29.2	29.7
Longevity for future pensioners:				
Men	22.5	22.9	28.3	28.7
Women	25.5	26.2	30.4	31.0
CARE Scheme Revaluation rate			3.15%	4.10%
Rate of Increase in salaries	2.20%	3.20%	2.80%	3.30%
Rate of Increase in pensions	1.80%	2.80%	1.90%	2.85%
Rate for discounting scheme liabilities	2.30%	2.05%	2.30%	2.00%

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 2021 was 17.1% (-4.8% April – March 2020)

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 2021 is £188.614m (£155.790m March 2020).

Local Government Pension Scheme Assets Comprised:

	31 March 2020			31 March 2021		
	£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	699	0	699	0	2,183	2,183
Equity Securities:						
Consumer	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0
Energy and Utilities	0	0	0	0	0	0
Financial Institutions	0	0	0	0	0	0
Health and Care	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Sub-total</i>	0	0	0	0	0	0
Debt Securities:						
Corporate Bonds (investment grade)	0	0	0	0	0	0
Corporate Bonds (non-investment grade)	0	0	0	0	0	0
UK Government	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Sub-total</i>	0	0	0	0	0	0
Real Estate:						
UK Property	0	13,031	13,031	0	12,831	12,831
Overseas Property	0	5,887	5,887	0	6,464	6,464
<i>Sub-total</i>	0	18,918	18,918	0	19,295	19,295
Investment Funds and Unit Trusts:						
Equities	0	84,002	84,002	0	81,600	81,600
Bonds	0	40,075	40,075	0	58,642	58,642
Hedge Funds	0	0	0	0	0	0
Commodities	0	0	0	0	0	0
Infrastructure	0	12,063	12,063	0	12,460	12,460
Other	0	33	33	0	14,434	14,434
<i>Sub-total</i>	0	136,173	136,173	0	167,136	167,136
Derivatives:						
Foreign Exchange	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Assets	699	155,091	155,790	0	188,614	188,614

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 2021	Approx % increase to employer liability	Approx monetary amount (£000)
0.5% decrease in rate for discounting scheme liabilities	10%	144,765
1 year increase in member life expectancy	3%	44,544
0.5% increase in the rate of increase in salaries	1%	8,614
0.5% increase in the rate of increase in pensions CPI	8%	119,533

Local Government Pension Scheme - Change in assumptions at year ended 31 Mar 2021	Approx % increase to employer liability	Approx monetary amount (£000)
0.5% decrease in rate for discounting scheme liabilities	13%	35,476
0.5% increase in the rate of increase in salaries	1%	3,545
0.5% increase in the rate of increase in pensions CPI	11%	31,223

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 3-5%. 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 2022 is as follows:

Local Government Pension Scheme	Assets	Obligations	Net (Liability)/Asset	
	£000's	£000's	£000's	% of pay
Current Service Cost		17,563	-17,563	-53.7%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		17,563	-17,563	-53.7%
Interest Income on Plan Assets	3,924		3,924	12.0%
Interest cost on Defined Benefit Obligation		5,967	-5,967	-18.2%
Total Net Interest Cost	3,924	5,967	-2,043	-6.2%
Total Included in Surplus/Deficit CIES	3,924	23,530	-19,606	-59.9%

Police Officer Pension Scheme	Assets	Obligations	Net (Liability)/Asset	
	£000's	£000's	£000's	% of pay
Current Service Cost		32,900	-32,900	-87.7%
Past Service Cost inc curtailments				
Effect of Settlements				
Total Service Cost		32,900	-32,900	-87.7%
Interest Income on Plan Assets				
Interest cost on Defined Benefit Obligation		29,800	-29,800	-79.4%
Total Net Interest Cost		29,800	-29,800	-79.4%
Total Included in Surplus/Deficit CIES		62,700	-62,700	-167.1%

Contributions expected to be paid to the schemes during the month of April 2021 are as follows:

Police pension scheme employer's contributions: £1.002m: (£12.024m projected for the year)
Police pension scheme member's contributions: £0.432m: (£5.184m projected for the year)

Local Government pension scheme employer's contributions: £0.503m: (£6.036m projected for the year)
Local Government pension scheme member's contributions: £0.188m: (£2.256m 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 2020/21 the net amount payable on the pension fund account before top up grant was £19.113m. A total amount of £15.734m in pension grant was received, leaving a net amount of £3.378m due from the Home Office.

The balance of £3.378m is included within the Balance Sheet of the Group as a debtor.

Injury Awards

Wiltshire Police incurs costs relating to Injury Awards for employees forced to leave work through injury. The total cost for 2020/21 was £626,064 (£591,160 2019/20), this was financed through revenue and reserve.

13 Contingent Assets & Contingent Liabilities

Police Officer Pensions Legal Cases

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

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

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

Impact on pension liability

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

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

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

Compensation Claims

Claimants have lodged claims for compensation. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 31 March 2021, 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.

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

2019/20 £000	Fund Account (Note 22 provides further information)	2020/21 £000	2020/21 £000
10,609	Contributions Receivable		
316	Employer contributions 31% (21.3% 2019/20)	11,188	
312	Other Bodies	282	
4,748	Early Retirements (Ill Health)	331	
15,986	Members	4,970	16,771
192	Transfers In from other schemes	207	207
	Benefits Payable		
29,786	Pensions	30,744	
6,215	Commutations	5,073	
36,001	Lump Sum Death Benefits		35,817
	Payments to and on account of leavers		
12	Refunds of contributions	10	
164	Scheme Pays	255	
22	Transfers out to other schemes	9	
198			274
20,021	Net amount payable for the year		19,113
20,021	Transfer from Police Fund to meet Pension Fund deficit		19,113
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 2021, 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 the Pensions note.

Glossary

Accounting Period	The period of time covered by the accounts, for Wiltshire PCC this is 1 st April to 31 st 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)
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.