



# WEST YORKSHIRE POLICE



CHIEF CONSTABLE FOR WEST YORKSHIRE POLICE  
STATEMENT OF ACCOUNTS 2021/22  
10 MAY 2021 – 31 MARCH 2022



## CHIEF CONSTABLE FOR WEST YORKSHIRE POLICE

### STATEMENT OF ACCOUNTS 2021/22 10th MAY 2021 - 31st MARCH 2022

|  | PAGE |
|--|------|
| Independent Auditors Report  | 3    |
| Narrative Report and Financial Review  | 7    |
| Statement of Responsibilities and Approval for the Statement of Accounts       | 18   |
| <b>Financial Statements for the Chief Constable for West Yorkshire Police:</b> |      |
| Comprehensive Income and Expenditure Statement                                 | 19   |
| Movement in Reserves Statements  | 20   |
| Balance Sheet  | 21   |
| Cash Flow Statement  | 21   |
| Notes to the Core Financial Statements   | 22   |
| Pension Fund Statement of Accounts   | 44   |
| Annual Governance Statement  | 46   |
| Glossary of Terms  | 52   |



# Independent auditor's report to the Chief Constable of West Yorkshire Police

## Report on the audit of the financial statements

### Opinion on the financial statements

We have audited the financial statements of the Chief Constable of West Yorkshire Police for the period ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, notes to the financial statements, including a summary of significant accounting policies and Police Officer Pension Fund Account Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable of West Yorkshire Police as at 31<sup>st</sup> March 2022 and of its expenditure and income for the period then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

### 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 section of our report. We are independent of the Chief Constable of West Yorkshire Police in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge 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.



### **Responsibilities of the Chief Finance Officer for the financial statements**

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and for being satisfied that they give a true and fair view. The Chief Finance Officer is also responsible for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the Chief Constable of West Yorkshire Police will continue in operational existence for the foreseeable future. The Chief Finance Officer is responsible for assessing each year whether or not it is appropriate for the Chief Constable of West Yorkshire Police to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Chief Constable of West Yorkshire Police, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Accounts and Audit Regulations 2015 and Police Reform and Social Responsibility Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Chief Finance Officer incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Joint Independent Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Chief Constable of West Yorkshire Police which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Joint Independent Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.



There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Joint Independent Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on the Chief Constable of West Yorkshire Police's arrangements for securing economy, efficiency and effectiveness in its use of resources**

#### **Matter on which we are required to report by exception**

We are required to report to you if, in our opinion, we are not satisfied that the Chief Constable of West Yorkshire Police has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the period ended 31 March 2022.

We have not completed our work on the Chief Constable of West Yorkshire Police's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the period ended 31 March 2022.

We will report the outcome of our work on the Chief Constable of West Yorkshire Police's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

#### **Responsibilities of the Chief Constable of West Yorkshire Police**

The Chief Constable of West Yorkshire Police is responsible for putting in place proper arrangements to secure 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 arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Chief Constable of West Yorkshire Police 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 of West Yorkshire Police's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

#### **Matters on which we are required to report by exception under the Code of Audit Practice**

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.



### **Use of the audit report**

This report is made solely to the Chief Constable of West Yorkshire Police, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Chief Constable of West Yorkshire Police those matters we are required to state to them 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 of West Yorkshire Police, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Chief Constable of West Yorkshire Police has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Mark Dalton, Key Audit Partner  
For and on behalf of Mazars LLP

5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

31st August 2023



## NARRATIVE REPORT AND FINANCIAL REVIEW PREFACE

### Introduction to the 2021/22 Statement of Accounts by John Robins, Chief Constable for West Yorkshire Police.



With a population of over 2.3 million, West Yorkshire is economically, socially and culturally diverse. This has a number of positive benefits, but also presents some complex policing challenges. More than one in five people live in neighbourhoods within the 10% most deprived nationally and these are also areas where crime and anti-social behaviour is highest.

As the fourth largest force in the country, West Yorkshire faces higher than average demand, both in terms of calls for service and in recorded crime levels. We work in partnership with the five Local Authorities, Leeds, Bradford, Kirklees, Calderdale and Wakefield. Beyond the county of West Yorkshire we also collaborate across the Yorkshire and Humber Region and wider North Eastern Region leading on a number of national and regional policing responsibilities.

Our Neighbourhood Policing model lies at the heart of our service delivery. It is underpinned by local response, crime investigation and safeguarding functions. Neighbourhood policing is supported centrally by specialist operational and crime capabilities, as well as headquarters functions. All combine together to meet the three Policing Purposes in my Policing Strategy to 'Reduce Crime, Protect Vulnerable People and Reassure the Public.' In turn my Strategy delivers against the Mayor's Police and Crime Plan.

Since the last Statement of Accounts, there have been continued reductions in volume crime. The Force has been inspected by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS) which found West Yorkshire to be 'one of the best performing forces, receiving four 'Outstanding,' four 'Good' and two 'Adequate' gradings. This reflects the significant contribution all officers and staff make to providing the best service we can to the communities we serve. The uplift of 852 police officers through the Police Uplift Programme over the three year period, will take numbers to just above 2010 levels and will enable much needed investment in key priority areas such as Safeguarding. The force recruited 624 of the 852 by 31 March 2022, with recruitment of a further 228 officers expected by March 2023.

There remain significant challenges however, between 2010 and 2020 the Force has seen an overall real term reduction in Government funding of around £140 million and our Medium-Term Financial Forecast predicts further financial savings will be required over the next three years. This is within the context of increasingly complex demand and significant issues impacting on policing and criminal justice nationally. Most notably during 2021, violence against women and girls and race inequality and inclusion have focussed the service on these two significant challenges that can undermine public trust and confidence. As a Force we have for a long time focussed on those crimes such as domestic abuse and sexual offences, which disproportionately impact on women and are further strengthening our approach. Our plan of action around race equality and inclusion is to both improve workforce representation and the experience black and ethnic minority communities have around policing.

Our FTE (full time equivalent) workforce comprises 5,674 police officers, 568 PCSOs and 3,688 police staff that provide policing services around the clock. Of these 9,930 officers and staff, 895 are delivering regional and national policing services, such as Counter Terrorism policing, National Police Air Service, Regional Organised Crime Unit and Regional Scientific Support Services. Increasingly complex demand against a backdrop of financial pressures creates significant strains on our officers and staff. We are continuously developing our wellbeing provision and our positive action recruitment campaign is helping ensure that we attract, develop and retain the best talent and have a workforce, which continues to be more reflective of the communities we serve. I am committed to ensuring we have a talented and representative workforce, providing quality policing services to the communities of West Yorkshire and that everything we do is built on our core values of fairness, integrity and respect.

John Robins QPM DL  
Chief Constable for West Yorkshire Police



## THE NARRATIVE REPORT

### Message from the Assistant Chief Officer, Business Operations – Katherine Johnson



The Narrative Report pulls together in a single document information on the budget preparation process, final accounts, performance information, medium term financial plans and other contextual information such as workforce numbers and strategic risk.

The budget for 2021/22 on 31<sup>st</sup> March 2022, including the Force's National and Regional commitments (incl. Counter Terrorism, Regional Crime, NPAS, Regional Scientific Support, VIPER and national firearms) had (FTEs) 5,593 Police Officers, 4,043 Police staff, and 565 PCSO's. A budgeted FTE total of 10,201 compared to the 9,930 actual FTE position referred to by the Chief Constable above.

During 2021/22 West Yorkshire Police have been recruiting up to 624 of our expected additional 852 uplift of Police Officers over the three years 2019/20 to 2022/23, as part of the Prime Minister's pledge to recruit 20,000 more officers nationally into forces. Taking the opportunity to recruit early, we have recruited 79 of the 2022/23 uplift posts in 2021/22 ensuring our new recruits are trained and working within our communities at the earliest opportunity.

Whilst we ended the year over in terms of Police Officer numbers, Police Staff recruitment and retention is a challenge with the labour market being very competitive with many large organisations nationally holding significant vacancies.

Making the best use of our resources is a key element of our Policing Strategy 2020-25, which states that the Force will deliver the required financial savings through a Change Strategy that is informed by an ongoing assessment of threat, harm, risk and demand.

Whilst longer term funding is more certain through the Government's indicative three year Comprehensive Spending Review (CSR), the financial position remains assessed as a red risk, with significant shortfalls throughout the Medium Term Financial Forecast (MTFF).

The financial position is complex, and whilst the Police Uplift Programme (PUP) will lead to significant investment in policing (852 police officers for West Yorkshire over the three years), and maximum precept levels will enable investment in key risk areas, funding still remains a challenge for the Force with serious concerns about the long-term pressures given the increased demand and complexity of policing activity.

The Force has embarked on a significant programme of financial savings achieving a balanced budget for 2022/23 whilst also making investments in key priority areas such as criminal justice, witness care, diversity, equality and inclusion and investigative support.

The Statement of Accounts has been prepared in accordance with the requirements of the Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee. These statements are produced with the aim of providing information to help the reader:

- Understand the overarching financial position of West Yorkshire Police.
- Have confidence that the Chief Constable has spent public money wisely and has been accounted for in an appropriate manner.
- Be assured that the financial position of the Chief Constable is sound and secure.

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years.



## 1. AN INTRODUCTION TO WEST YORKSHIRE

West Yorkshire Police is the fourth largest police force in England and Wales by number of officers. It covers a population of over 2.3 million people from diverse social, economic, cultural and religious backgrounds.

The Force is divided into five District Policing Areas, Leeds, Bradford, Kirklees, Calderdale and Wakefield, aligned to the five District Councils throughout West Yorkshire. The Districts are responsible for local policing services across the Force that address local priorities. Specialist departments deliver the full range of other force-wide policing functions.

Some of our services are delivered in collaboration with other forces. West Yorkshire lead the Counter Terrorism Policing North East (CTPNE), the Yorkshire and the Humber Regional Organised Crime Unit, the Yorkshire and the Humber Scientific Support Services and the National Police Air Service. We also receive services on a collaborative basis for Procurement, Marine and Underwater Search, Clothing and Equipment stores.

The workload in West Yorkshire and policing in general is increasing and evolving. Although demand in terms of calls to service has stabilised over the last year they are still less than pre pandemic levels which is encouraging, there are still significant challenges that the Force faces. The increasing complexity of crime and demand, meaning that whilst volume may be reducing in some areas, workload and complexity is increasing including a shift from traditional to virtual crime and capacity/capability associated with digital investigations and encrypted communications. Other challenges being demand around safeguarding in particular domestic abuse, child sexual exploitation and abuse (CSEA) including non recent cases and mental health. There remain civil emergency threats (terrorist incident, cyber-attacks, floods and pandemics) and there is still a financial challenge for police and partners.

## 2. GOVERNANCE STRUCTURE

The first Elected Mayor of West Yorkshire (the Mayor), Tracy Brabin, took up office on 10 May 2021, at which time, the functions of West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Mayor.

The transfer of the PCC functions to the Mayor meant that the legal entity known as West Yorkshire Police and Crime Commissioner ceased to exist as of 9 May 2021. As a result, the accounts for 2020/21 were prepared on an extended period of time from 1 April 2020 to 9 May 2021, and the accounts for 2021/22 are consequently prepared for the shortened period 10 May 2021 to 31 March 2022.

The Mayor is responsible for the formal oversight of West Yorkshire Police, including provision of all funding, setting the precept, performance scrutiny and strategic policy development. The Mayor is also responsible for holding the Chief Constable to account for ensuring West Yorkshire Police is run efficiently and effectively. Operational decision-making on day-to-day policing matters and the employment of police staff remains the responsibility of the Chief Constable. Many of the Mayor's PCC function responsibilities are delegated to the West Yorkshire Deputy Mayor for Policing, Alison Lowe.

Under the legislative framework and local arrangements, the Mayor is the recipient of funding relating to policing and crime reduction and allocates budget to West Yorkshire Police from the Mayoral Police Fund. As the Mayor is not a Corporation Sole, West Yorkshire Combined Authority (WYCA) has overall responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. Under the legislative framework and local arrangements, WYCA owns all the assets utilised by West Yorkshire Police and the functions and decisions relating to such properties, rights and liabilities are exercised and made by the Mayor. Any receipts arising from such properties, rights and liabilities are to be paid into the Mayoral Police Fund. The Mayor can delegate decisions in respect of assets and liabilities and does this through a scheme of delegation.

The movement on the Mayoral Police Fund is disclosed in the notes to the Statement of Accounts of the West Yorkshire Combined Authority.



### 3. THE CHIEF CONSTABLE

The Chief Constable was established as a Corporation Sole under the Police Reform and Social Responsibility Act 2011 (PRSRA). The Chief Constable is a separate legal entity, distinct from West Yorkshire Combined Authority and has operational independence. Each has specific roles and responsibilities under the PRSRA and The West Yorkshire Combined Authority (Election of Mayor and Functions) Order 2021.

The primary function of the Chief Constable is the exercise of operational policing duties under the Police Act 1996. He holds office under the Crown but is appointed by the Mayor and is accountable to the Mayor for the delivery of an efficient and effective police force in West Yorkshire.

The Chief Constable fulfils his statutory responsibilities for delivering an efficient and effective police force within an annual budget which is set by the Mayor in consultation with the Chief Constable.

The Chief Constable ultimately has a statutory responsibility for maintaining the Queen's peace and, to do this, has direction and control over police officers and police staff employees. It is recognised that in exercising day to day direction and control, the Chief Constable will undertake activities, incur expenditure and generate income to allow the police service to operate effectively.

As a separate legal entity, the Chief Constable is required to prepare a set of statutory accounts which recognise all the financial transactions incurred during 2021/22 for policing West Yorkshire.

WYCA, as the statutory body for the Mayor who has ultimate control over the Chief Constables' resources, has to prepare consolidated group accounts. Expenditure in respect of operational policing, police officer and police staff employee costs are shown in the Chief Constable's Statement of Accounts, whilst the funding sources (i.e. Central Government Police Grant) are shown in the consolidated group accounts of WYCA. It is appropriate that a distinction is made between the financial impact of the day to day direction and control exercised by the Chief Constable and the overall strategic control of the Mayor.





## 5. FINANCIAL PERFORMANCE

### a. Economic Climate

The 2021/22 revenue budget saw a flat core grant from Police Government Funding for existing budgets but with an increase in funding to allow the Force to recruit 255 additional officers as part of the Police Uplift Programme. Whilst this is positive in terms of increasing officer numbers, the funding is still not sufficient to cover the full year effect of the 2.5% pay increases applied in the 2020/21 budget and increased demand pressures. The 2021/22 budget was therefore still heavily reliant on the flexibility to raise Council Tax Precepts.

The Force continues to experience substantial increases in capital costs to support policing in the 21<sup>st</sup> century. Capital Grant funding remained at £0.48m for 2021/22, this was insufficient and well below the level of capital investment required by the Force to ensure we are fit for the future. Capital Grant funding for 2022/23 has been removed and reallocated elsewhere, further increasing the financial restraints placed upon the Force.

Economic forecasting at this point is challenging. Global inflation forecasts had already increased due to the resurgence of demand in the wake of the COVID pandemic and this has been reflected in the 2022/23 budget. Then in February, Russia's invasion of Ukraine continues to adversely impact economic pressures. Although Russia only accounts for 6% of UK's energy imports, the conflict has had a direct link to world energy prices given Russia produces 17% of gas and 12% of oil worldwide. This then increases costs on domestic forecourt fuel prices, domestic energy prices and then as a result of the previous two increases costs of producing other goods and services. These additional costs are over and above what has been provided for in the 2022/23 budget. While inflation rates are currently significantly high, forecasts still expect these to reduce over the next couple of years, however it is anticipated these will fluctuate.

### b. Financial Management

Making the best use of our resources is a key element of our Policing Strategy 2020-25, which states that the Force will deliver the required financial savings through a Change Strategy that is informed by an ongoing assessment of threat, harm, risk and demand.

West Yorkshire has robust and sound financial management practices. Comprehensive financial reports are submitted to the Chief Officer Team on a bi-monthly basis, Medium Term Financial Forecasts (MTFF) are refreshed regularly and decisions are taken based on current and future financial information. The Mayor receives budget monitoring and financial forecasting information every eight weeks as part of the Joint Executive Group meetings. Regular meetings take place between the West Yorkshire Police CFO and Mayor's CFO (Treasurer).

The 2021/22 HMICFRS Assessments of West Yorkshire Police, rated the Force as OUTSTANDING for Strategic Planning, Organisational Management and Value for Money and the latest report of the External Auditor, which gives an opinion on value for money concluded that there were effective arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

### c. Revenue

#### Budget 2021/22

The 2021/22 budget reflected a number of significant cost pressures, these are essentially unfunded given that the only increase in Police Grant Funding was for the Police Uplift Programme. These cost pressures include the impact of the reduction in capital grant funding since 2020/21, which has meant a requirement to increase revenue contributions to capital schemes of £2.3m. Also included within the 2021/22 budget was the full year effect of the Sept 20 pay inflation of 2.5%, Staff/Officer Incremental pay increases and general non pay inflation. In order to mitigate some of the cost pressures, the PCC, in line with most other PCCs in England, increased the band D charge by £15.

In recognition of the financial pressures ahead we have through sound financial performance achieved an underspend in 2021/22.



## Revenue Outturn 2021/22

The following table provides a high level comparison between the approved budget and actual expenditure for the Chief Constable. The Cost of Police Services is under the direction and control of the Chief Constable.

| 10/05/2021 to 31/03/2022           | Budget         | Actual         | Variation     |
|------------------------------------|----------------|----------------|---------------|
| <b>NET SERVICE EXPENDITURE</b>     | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>  |
| Net Cost of Police Services        | 609,290        | 588,051        | 21,239        |
| <b>Net Cost of Police Services</b> | <b>609,290</b> | <b>588,051</b> | <b>21,239</b> |

The Cost of Police Services in the above table is different to the Net Cost of Police Services reported in the Comprehensive Income and Expenditure Statement (CIES) shown on page 19, which is prescribed by the Code of Practice. The difference is primarily made up of accounting adjustments required by the Code. The reconciliation between the two amounts is shown in the following table:

| 1/04/2020 to 9/05/2021<br>£000 |  | 10/05/2021 to 31/03/2022<br>£000 |
|--------------------------------|--|----------------------------------|
| <b>694,478</b>                 | <b>NET EXPENDITURE PER OUTTURN REPORT</b>      | <b>588,051</b>                   |
| (11,174)                       | Interest Payable                               | (8,798)                          |
| 309                            | Net (gains)/losses on financial assets at FVPL | 36                               |
| (1,922)                        | Flexible attachment                            | (1,481)                          |
| <b>681,689</b>                 | <b>NET COST OF SERVICES</b>                    | <b>577,808</b>                   |
| (3,234)                        | Revenue Funding of Capital                     | (8,592)                          |
| (4,106)                        | Minimum Revenue Provision (MRP)                | (4,633)                          |
| 38,940                         | Depreciation, Amortisation and Impairments     | 22,027                           |
| 192,020                        | IAS19 Pension Service Costs (accounting basis) | 210,935                          |
| (94,592)                       | Pension Contributions (funding basis)          | (80,547)                         |
| 12,964                         | Movement on Employee Benefits Accrual          | (14,207)                         |
| <b>823,681</b>                 | <b>COST OF POLICE SERVICES CIES</b>            | <b>702,791</b>                   |



### Outlook – Medium Term Financial Forecast

The Medium Term Financial Forecast presented today shows a balanced position for 2022/23 following the use of £0.134m revenue reserves, and the position for future years, as:

- 2023/24           £ 10.837m shortfall
- 2024/25           £ 11.628m shortfall

A high level summary of the MTFF is provided below.

|                                       | 2022/23<br>Estimate<br>£000 | 2023/24<br>Estimate<br>£000 | 2024/25<br>Estimate<br>£000 |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Pay & Pensions                        | 500,528                     | 527,109                     | 537,229                     |
| Non pay                               | 141,850                     | 138,945                     | 145,092                     |
| Income                                | (117,681)                   | (112,182)                   | (113,367)                   |
| <b>Total Force Budget</b>             | <b>524,697</b>              | <b>553,872</b>              | <b>568,954</b>              |
| WYCA Mayor for Policing               | 1,733                       | 1,768                       | 1,803                       |
| Community Safety Fund                 | 5,182                       | 5,182                       | 5,182                       |
| <b>Total WYCA Mayor For Policing</b>  | <b>6,915</b>                | <b>6,950</b>                | <b>6,985</b>                |
| <b>Net Budget Requirements</b>        | <b>531,612</b>              | <b>560,822</b>              | <b>575,939</b>              |
| Funded by:                            |                             |                             |                             |
| Contribution from Reserves            | 134                         | (0)                         | (0)                         |
| Police Grant                          | 383,143                     | 392,859                     | 398,907                     |
| Collection Fund Surplus/(Deficit)     | (564)                       | (1,455)                     | 0                           |
| Income Loss and S31 CT Support Grants | 1,036                       | 1,926                       | 0                           |
| Precept Requirements                  | 147,863                     | 156,655                     | 165,404                     |
| <b>Total Funding</b>                  | <b>531,612</b>              | <b>549,985</b>              | <b>564,311</b>              |
| <b>Shortfall</b>                      | <b>(0)</b>                  | <b>10,837</b>               | <b>11,628</b>               |

All the assumptions underpinning the current MTFF will be revisited and updated quarterly as we continue work on the next budget cycle. As referred to above, the UK economy since 2022 has gone through an un-forecast significantly higher period of inflation and therefore the deficits forecast for future years, and in year will be significantly more.

### d. Balance Sheet

The Balance Sheet is a snapshot of the Chief Constable’s assets, liabilities, cash balances and reserves at the balance sheet date. A high level summary is provided below.

| 2020/21<br>1/04/2020 to<br>9/05/2021<br>£000 |                        | 2021/22<br>10/05/2021 -<br>31/03/2022<br>£000 |
|--|------------------------|---|
| 0  | Long Term Assets       | 0   |
| 0  | Current Assets         | 0   |
| (29,248)                                     | Current Liabilities    | (15,040)                                      |
| (7,206,228)                                  | Long Term Liabilities  | (7,105,163)                                   |
| <b>(7,235,476)</b>                           | <b>Net Liabilities</b> | <b>(7,120,203)</b>                            |
| <b>(7,235,476)</b>                           | <b>Total Reserves</b>  | <b>(7,120,203)</b>                            |

On 31 March 2022, the Chief Constable had negative net assets of £7.120 billion. The main reason for the negative assets is the pension liabilities associated with the unfunded police officer pension scheme of £6.767 billion and £0.338 billion in the funded Local Government Pension Scheme (LGPS) for police staff. The police officer pension scheme is underwritten by the Home Office who provide an annual top-up grant to fund the difference between pension payments and income from employee and employer contributions. The current deficit in the LGPS will be managed through future employee and employer contributions.



## 6. NON-FINANCIAL PERFORMANCE

### Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) grading

HMICFRS graded West Yorkshire Police’s performance across 10 areas of policing and found the Force was ‘outstanding’ in four areas, ‘good’ in four areas and ‘adequate’ in two areas. HMICFRS said the ‘outstanding’ areas included how the Force disrupts serious organised crime and how it treats the public.

The HMICFRS judgements for PEEL 2021/22 are summarised below.

| Outstanding                        | Good                            | Adequate            | Requires Improvement |
|------------------------------------|---------------------------------|---------------------|----------------------|
| Preventing Crime                   | Responding to the public        | Investigating Crime |                      |
| Treatment of the public            | Protecting vulnerable people    | Supporting victims  |                      |
| Disrupting serious organised crime | Managing offenders              |                     |                      |
| Good use of resources              | Developing a positive workplace |                     |                      |

## 7. PEOPLE / WORKFORCE

On 31 March 2022 West Yorkshire Police employed 10,401 people (headcount) in full and part time contracts, (9,930 FTEs). We also had 214 unpaid members of the special constabulary and 135 volunteers giving a total workforce of 10,750.

The Force Inclusion Strategy seeks to improve ethnic minority and gender representation in the workforce. The following show the trends and progress made in both areas.

### Ethnic Minority Representation

The Census 2011 identifies that in West Yorkshire, persons from an ethnic minority background account for 18.2% of the population. The Force workforce has 6.6% from an ethnic minority background. The improvement in inclusion is shown by the trend over the last five years below.

| Type       | Dec-17     | Dec-18     | Dec-19     | Dec-20     | Dec-21     | Mar-22     |
|------------|------------|------------|------------|------------|------------|------------|
| Officer    | 5.6% (280) | 5.8% (301) | 6.0% (322) | 6.3% (349) | 6.9% (400) | 7.3% (419) |
| Staff      | 4.0% (145) | 4.2% (156) | 4.5% (178) | 4.9% (199) | 5.0% (203) | 5.2% (208) |
| PCSO       | 6.9% (42)  | 5.8% (36)  | 6.1% (37)  | 6.2% (36)  | 6.3% (36)  | 6.9% (41)  |
| Specials   | 12.5% (51) | 13.3% (48) | 11.0% (37) | 11.5% (30) | 12.6% (28) | 12.2% (26) |
| Volunteers | 17.7% (40) | 13.4% (27) | 12.2% (23) | 9.7% (15)  | 9.0% (13)  | 9.2% (13)  |
| Total      | 5.6% (558) | 5.6% (568) | 5.7% (597) | 5.9% (629) | 6.3% (680) | 6.6% (707) |



## Gender Representation

The Census 2011 also identifies that in relation to gender in West Yorkshire, females account for 50.9% of the population. The following table shows the trend over the last five years.

| Officers |              |              |              |              |              |              |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gender   | Dec-17       | Dec-18       | Dec-19       | Dec-20       | Dec-21       | Mar-22       |
| Male     | 66.4% (3335) | 65.6% (3402) | 64.5% (3452) | 64.0% (3564) | 62.8% (3653) | 62.9% (3623) |
| Female   | 33.6% (1687) | 34.4% (1781) | 35.5% (1900) | 36.0% (2006) | 37.2% (2161) | 37.1% (2140) |
| Total    | 5022         | 5183         | 5352         | 5570         | 5814         | 5763         |

| Staff (including PCSOs) |              |              |              |              |              |              |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gender                  | Dec-17       | Dec-18       | Dec-19       | Dec-20       | Dec-21       | Mar-22       |
| Male                    | 43.3% (1877) | 43.3% (1921) | 42.7% (1961) | 42.4% (1985) | 42.4% (1950) | 42.2% (1948) |
| Female                  | 56.7% (2459) | 56.7% (2519) | 57.3% (2627) | 57.6% (2700) | 57.6% (2654) | 57.8% (2664) |
| Total                   | 4336         | 4440         | 4588         | 4685         | 4604         | 4612         |

## 8. PRINCIPAL RISKS AND UNCERTAINTIES

Force risks are managed and monitored through a quarterly risk management group chaired by the Deputy Chief Constable. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.

The Chief Constable's Leadership Team, the Risk Management Group, is actively managing these and quarterly updates are provided to the West Yorkshire Combined Authority and the Joint Independent Audit Committee.

The highest scoring strategic risks cover funding, resourcing and the wider criminal justice system.

## 9. UNCERTAIN FUTURE EVENTS

The UK and many other countries globally are experiencing unstable economic conditions with increasing interest and inflation rates as a result of the COVID pandemic recovery and the Russia Ukraine conflict. This has affected supply chains, resulting in significant price increases and a 'cost of living crisis.' Due to the nature of the Russia and Ukraine conflict there is no forecast end in sight and therefore creates significant uncertainties on when conditions may start to recover.

Whilst the Bank of England is not predicting a recession in 2022, there is still significant pressures that could cause this effect in 2023, not least the economic outlook for the rest of Europe. The Bank of England is forecasted to increase interest rates up to 2.5% in an effort to curb inflation and wage price hikes due to the current strong labour market conditions. This all contributes to the economic uncertainty that the Force is currently facing.

## 10. SUMMARY AND CONCLUSION

West Yorkshire Police continue to deliver effective financial management to support the delivery of the Chief Constable's Policing Strategy and the Mayor's Police and Crime Plan. The Chief Officer team is fully engaged with the budgeting process to ensure resources are directed to priority areas.

The Force is in a strong position as evidenced by the Force Management Statement. The Force is seen as highly performing by HMICFRS with the latest inspection resulting in four 'Outstanding' grades to add to the 'Outstanding' the Force has already achieved for Crime Recording. Public Confidence and Calls for Service are stable, and analysis of activity and resources shows that our workforce are aligned to addressing priority and risk areas for the Force.



However, there are still a number of significant challenges facing the Force, not least the current financial climate, but also including the increasing complexity of crime and demand, the continued threat of serious and organised crime and increasing demands around safeguarding in particular Violence against Women and Girls.

While the settlements for the next two years are expected to bring some growth in the Police Main Grant it is not expected to cover the increasing costs of services so this and the impact of the competitive labour market will significantly impact on the quality of service we are able to provide without further funding from Government.

## 11. EXPLANATION OF ACCOUNTING STATEMENTS

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by Her Majesty's Treasury.

The Statements reflect the current legislative framework, central to which is the Police Reform and Social Responsibility Act 2011.

Fundamentally, the WYCA is responsible for the finances of the whole Group and controls the assets, the majority of liabilities and the reserves. The WYCA receives all the income and funding and makes all payments from the WYCA Police Fund. In turn, the Chief Constable has a duty to fulfil prescribed functions under the Police Reform and Social Responsibility Act 2011 within the annual budget set by the WYCA in consultation with the Chief Constable.

As the functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021, the Financial Statements for the year 2021/22 cover 10 months and 22 days (10 May 2021 to 31 March 2022). The comparator year 2020/21 cover 13 months and 9 days (1 April 2020 to 9 May 2021). Subsequent financial years will be 12 months 1 April to 31 March.

A Glossary of key terms can be found at the end of this publication.

The **Core Statements** are:

- **Comprehensive Income and Expenditure Statement (CIES):** shows the cost for the year of providing services. The WYCA receives all income which is, therefore, excluded from the Chief Constable's Statement.
- **Movement in Reserves Statement (MiRS):** shows the movement of reserves during the year, analysed between usable and unusable reserves. The Chief Constable has no usable reserves. Unusable reserves are those that have been created to reconcile the accounting entries required to comply with the Code with those that must be statutorily charged to the General Fund Balance for council tax setting purposes. These cannot be used to support local expenditure.
- **Balance Sheet (BS):** sets out the assets, liabilities and reserves of the Chief Constable as of 31 March each year, it should be noted that the Financial Statements for the year 2021/22 cover 10 months and 22 days (10 May 2021 to 31 March 2022).
- **Cash Flow Statement (CFS):** summarises the movements in cash and cash equivalents during the year. As all the changes in cash and cash equivalents are presented in the WYCA's accounts, this statement simply shows the net surplus or deficit on the provision of services adjusted for non-cash movements.

The **Supplementary Financial Statements** are:

- The **Pension Fund Account**, which reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme



## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Chief Constable's Responsibilities

The Chief Constable for West Yorkshire Police 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.

### Approval of the Statement of Accounts

In accordance with the Accounts and Audit Regulations 2015, I approve the Statement of Accounts

*J Robins*

John Robins, Chief Constable for West Yorkshire Police  
Date: 22<sup>nd</sup> August 2023

### Chief Finance Officer Responsibilities

The Chief Finance Officer is responsible for preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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

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

The Chief Finance Officer has also:

- Kept proper records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;

### Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of West Yorkshire Police and its income and expenditure for the year ended 31<sup>st</sup> March 2022.

*K Johnson*

Katherine Johnson, Chief Finance Officer for West Yorkshire Police  
Date: 22<sup>nd</sup> August 2023



## THE CHIEF CONSTABLE'S FINANCIAL STATEMENTS

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Taxation is raised by the Mayor to cover expenditure in accordance with statutory requirements; this may differ from the accounting cost. The intra-group funding line represents the funding received from the Mayor.

### Comprehensive Income and Expenditure Statement

As the functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021, the Comprehensive Income and Expenditure Statement for the year 2021/22 cover 10 months and 22 days (10 May 2021 to 31 March 2022). The comparator year 2020/21 cover 13 months and 9 days (1 April 2020 to 9 May 2021). Subsequent financial years will be 12 months 1 April to 31 March.

| 1 April 2020 - 9 May 2021 |                      |                         | 10 May 2021 - 31 Mar 2022                                |                           |                      |                         |
|---------------------------|----------------------|-------------------------|--|---------------------------|----------------------|-------------------------|
| Gross Expenditure<br>£000 | Gross Income<br>£000 | Net Expenditure<br>£000 |  | Gross Expenditure<br>£000 | Gross Income<br>£000 | Net Expenditure<br>£000 |
| 160,509                   | 0                    | 160,509                 | Policing District West                                   | 130,367                   | 0                    | 130,367                 |
| 154,749                   | 0                    | 154,749                 | Policing District East                                   | 125,226                   | 0                    | 125,226                 |
| 108,431                   | 0                    | 108,431                 | Policing Specialist Operations                           | 91,000                    | 0                    | 91,000                  |
| 46,543                    | 0                    | 46,543                  | Policing Specialist Crime                                | 40,554                    | 0                    | 40,554                  |
| 37,181                    | 0                    | 37,181                  | Regional Policing  | 25,143                    | 0                    | 25,143                  |
| 104,217                   | 0                    | 104,217                 | National Policing  | 85,616                    | 0                    | 85,616                  |
| 93,922                    | 0                    | 93,922                  | Finance and Business Services                            | 79,617                    | 0                    | 79,617                  |
| 118,129                   | 0                    | 118,129                 | Corporate and Central Services CC                        | 125,268                   | 0                    | 125,268                 |
| <b>823,680</b>            | <b>0</b>             | <b>823,680</b>          | <b>Cost of Policing Service</b>                          | <b>702,791</b>            | <b>0</b>             | <b>702,791</b>          |
|                           |                      | (793,444)               | Inter Group Funding                                      |                           |                      | (646,012)               |
|                           |                      | 137,345                 | Financing and investment (income) and expenditure        |                           |                      | 132,666                 |
|                           |                      | <b>167,582</b>          | <b>(Surplus) or Deficit on Provision of Services</b>     |                           |                      | <b>189,445</b>          |
|                           |                      | 1,024,997               | Remeasurement of net defined benefit liability / (asset) |                           |                      | (304,718)               |
|                           |                      | <b>1,024,997</b>        | <b>Other Comprehensive (Income) and Expenditure</b>      |                           |                      | <b>(304,718)</b>        |
|                           |                      | <b>1,192,579</b>        | <b>Total Comprehensive (Income) and Expenditure</b>      |                           |                      | <b>(115,273)</b>        |



## Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Chief Constable, analysed into 'usable reserves' and other 'unusable reserves.' The Surplus / Deficit on the Provision of Services line shows the true economic cost of providing Policing services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Precept setting. The Net Increase/Decrease before Transfer to/from Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Chief Constable.

As the functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021, the Movement in Reserves Statement for the year 2021/22 cover 10 months and 22 days (10 May 2021 to 31 March 2022). The comparator year 2020/21 cover 13 months and 9 days (1 April 2020 to 9 May 2021). Subsequent financial years will be 12 months 1 April to 31 March.

|   | Police Fund Balance | Total Usable Reserves | Total Unusable Reserves | Total Reserves     |
|---|---------------------|-----------------------|-------------------------|--------------------|
|   | £000                | £000                  | £000                    | £000               |
| <b>Balance at 10/05/2021</b>  | 0                   | 0                     | (7,235,476)             | (7,235,476)        |
| <b>Movement in Reserves during year</b>   |                     |                       |                         |                    |
| Surplus or (deficit) on the provision of services                               | (189,443)           | (189,443)             | 0                       | (189,443)          |
| Other Comprehensive Income and Expenditure                                      | 0                   | 0                     | 304,718                 | 304,718            |
| <b>Total Comprehensive Income and Expenditure</b>                               | <b>(189,443)</b>    | <b>(189,443)</b>      | <b>304,718</b>          | <b>115,273</b>     |
| Adjustments between accounting basis & funding basis under regulations (note 6) | 189,443             | 189,443               | (189,443)               | 0                  |
| <b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>             | <b>0</b>            | <b>0</b>              | <b>115,273</b>          | <b>115,273</b>     |
| <b>Increase/Decrease in year</b>  | <b>0</b>            | <b>0</b>              | <b>115,273</b>          | <b>115,273</b>     |
| <b>Balance at 31/03/2022 C/fwd.</b>   | <b>0</b>            | <b>0</b>              | <b>(7,120,203)</b>      | <b>(7,120,203)</b> |

## 2020/21 Comparative Movement in Reserves Statement

|   | Police Fund Balance | Total Usable Reserves | Total Unusable Reserves | Total Reserves     |
|---|---------------------|-----------------------|-------------------------|--------------------|
|   | £000                | £000                  | £000                    | £000               |
| <b>Balance at 1/04/2020</b>   | 0                   | 0                     | (6,042,894)             | (6,042,894)        |
| <b>Movement in Reserves during year</b>   |                     |                       |                         |                    |
| Surplus or (deficit) on the provision of services                               | (167,582)           | (167,582)             | 0                       | (167,582)          |
| Other Comprehensive Income and Expenditure                                      | 0                   | 0                     | (1,024,997)             | (1,024,997)        |
| <b>Total Comprehensive Income and Expenditure</b>                               | <b>(167,582)</b>    | <b>(167,582)</b>      | <b>(1,024,997)</b>      | <b>(1,192,579)</b> |
| Adjustments between accounting basis & funding basis under regulations (note 6) | 167,582             | 167,582               | (167,582)               | 0                  |
| <b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>             | <b>0</b>            | <b>0</b>              | <b>(1,192,579)</b>      | <b>(1,192,579)</b> |
| <b>Increase/Decrease in year</b>  | <b>0</b>            | <b>0</b>              | <b>(1,192,579)</b>      | <b>(1,192,579)</b> |
| <b>Balance at 9/05/2021 C/fwd.</b>  | <b>0</b>            | <b>0</b>              | <b>(7,235,476)</b>      | <b>(7,235,476)</b> |



## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets of the Chief Constable (assets less liabilities) are matched by the reserves held by the Chief Constable. Reserves are reported in two categories – usable reserves and unusable reserves. The Chief Constable holds no usable reserves. Unusable reserves are not able to be used to provide services and consist of the Accumulated Absences Account and the Pension Reserve.

Under the legislative framework, the Mayor is responsible for the Mayoral Police Fund and holds all assets, liabilities and usable reserves relating to policing services. These are included in the Single Entity Statements of the West Yorkshire Combined Authority, and then consolidated into its Group Statements.

As the functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021, the Balance Sheet for the year 2021/22 cover 10 months and 22 days (10 May 2021 to 31 March 2022). The comparator year 2020/21 cover 13 months and 9 days (1 April 2020 to 9 May 2021). Subsequent financial years will be 12 months 1 April to 31 March.

| 2020/21<br>1/04/2020 -<br>9/05/2021<br>£000 |                                       | 2021/22<br>10/05/2021 -<br>31/03/2022<br>£000 |
|---|---------------------------------------|---|
| (29,248)                                    | Short Term Creditors                  | (15,040)                                      |
| <b>(29,248)</b>                             | <b>Current Liabilities</b>            | <b>(15,040)</b>                               |
| (7,206,228)                                 | Net Pension Liability (note 11)       | (7,105,163)                                   |
| <b>(7,206,228)</b>                          | <b>Long Term Liabilities</b>          | <b>(7,105,163)</b>                            |
| <b>(7,235,476)</b>                          | <b>Net Assets</b>                     | <b>(7,120,203)</b>                            |
| (29,248)                                    | Accumulated Absences Account (note 9) | (15,040)                                      |
| (7,206,228)                                 | Pension Reserve (note 9)              | (7,105,163)                                   |
| <b>(7,235,476)</b>                          | <b>Total Unusable Reserves</b>        | <b>(7,120,203)</b>                            |

## Cash Flow Statement

The Cash Flow Statement shows non-cash movements in pension interest costs and expected return on pension assets. Under the legislative framework, all cash transactions are held by the Mayor and managed by the West Yorkshire Combined Authority. These are included in the Group Cash Flow Statement of the West Yorkshire Combined Authority.

As the functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021, the Cashflow Statement for the year 2021/22 cover 10 months and 22 days (10 May 2021 to 31 March 2022). The comparator year 2020/21 cover 13 months and 9 days (1 April 2020 to 9 May 2021). Subsequent financial years will be 12 months 1 April to 31 March.

| 2020/21<br>1/04/2020 to<br>9/05/2021<br>£000 |   | 2021/22<br>10/05/2021 to<br>31/03/2022<br>£000 |
|--|---|--|
| 167,582                                      | Net (surplus) or deficit on the provision of services                                     | 189,443  |
| (167,582)                                    | Adjustments to net surplus or deficit on the provision of services for non-cash movements | (189,443)                                      |
| <b>0</b>                                     | <b>Net Increase or (decrease) in cash and cash equivalents</b>                            | <b>0</b>                                       |
| 0  | Cash and cash equivalents at the beginning of the reporting period                        | 0  |
| <b>0</b>                                     | <b>Cash and cash equivalents at the end of the reporting period</b>                       | <b>0</b>                                       |



## NOTES TO THE ACCOUNTS

| NOTE | DESCRIPTION  | PAGE |
|------|--|------|
| 1    | ACCOUNTING POLICIES  | 23   |
| 2    | INTERNATIONAL ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED   | 24   |
| 3a   | CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES                            | 25   |
| 3b   | ASSUMPTIONS ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY | 26   |
| 4    | EVENTS AFTER THE BALANCE SHEET DATE  | 26   |
| 5    | EXPENDITURE AND FUNDING ANALYSIS   | 27   |
| 5a   | EXPENDITURE ANALYSED BY NATURE   | 28   |
| 6    | ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS       | 29   |
| 7    | OFFICER REMUNERATION AND EXIT PACKAGES   | 30   |
| 8    | EXTERNAL AUDIT COSTS   | 32   |
| 9    | RESERVES   | 32   |
| 10   | RELATED PARTIES  | 33   |
| 11   | DEFINED BENEFIT PENSION SCHEMES  | 34   |
| 12   | CONTINGENT LIABILITIES   | 41   |
| 13   | YORKSHIRE AND THE HUMBER LEAD FORCE COLLABORATION                              | 42   |
| 14   | NPAS   | 43   |



## **1 - ACCOUNTING POLICIES**

### **a - General**

The Accounts and Audit Regulations 2015 require the Chief Constable to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2021/22, these proper accounting practices are the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) supported by International Financial Reporting Standards (IFRS).

### **b - Convention**

The Statement of Accounts has been prepared on a going concern basis. Management's assessment of the Chief Constable's ability to continue as a going concern is supported by the assumption that the functions of the Mayor for West Yorkshire and West Yorkshire Combined Authority will continue in operational existence for the foreseeable future reinforced by section 36 of the Mayoral Order which provides that all property rights and liabilities of the Police and Crime Commissioner are transferred to the Mayor's PCC function on 10 May 2021.

The Mayor for West Yorkshire's core policing function is to secure the maintenance of an efficient and effective police force within their area, and to hold the Chief Constable accountable for the delivery of the police and crime plan. The Mayor is also charged with holding the police fund, from which all policing for the local area is financed and is responsible for raising the local policing precept from council tax.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### **c - Accruals**

Transactions are reflected in the financial statements for the accounting period in which the effects are experienced and not necessarily in the period in which any cash is received or paid. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **d - The West Yorkshire Police Group**

The West Yorkshire Police Group comprises two entities: West Yorkshire Combined Authority, which replaced the Police and Crime Commissioner for West Yorkshire on 10 May 2021 and the Chief Constable of West Yorkshire Police.

Both bodies are required to prepare a separate Statement of Accounts.

- The West Yorkshire Combined Authority (the parent).
- The Chief Constable of West Yorkshire Police.

These financial statements for the Chief Constable cover the 10 months and 22 days from the 10 May 2021 to 31 March 2022. The single entity and group statements for the West Yorkshire Combined Authority are for a full year 1 April 2021 to 31 March 2022.

The identification of WYCA as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities given to the Mayor for West Yorkshire (in taking on the PCC functions) under the Police Reform and Social Responsibility Act 2011.



### **e - Overheads and Support Services**

In line with CIPFA's Police objective analysis, the cost of support services are fully allocated to the Chief Constable's services.

### **f – Reserves**

Earmarked reserves and the General Fund Balance are held by the Mayor within the Mayoral Police Fund and are accounted for in the Statement of Accounts of the West Yorkshire Combined Authority.

### **g - Value Added Tax (VAT)**

The Chief Constable does not submit a VAT return as the WYCA submits a single VAT return on behalf of the Group. VAT is included in the Chief Constable's Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable from HM Revenue and Customs.

### **h - Prior Period Adjustment (PPA)**

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Where material errors are discovered in prior period figures they are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

A prior period adjustment has been made to the Note to the EFA on page 28. The amendment does not affect the overall total of the note but is an adjustment under two headings with a nil net impact. No other note or statement is affected.

## **2 - INTERNATIONAL ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED**

At the balance sheet date the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- Annual Improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes four changed standards:
  - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
  - IAS 37 (Onerous contracts) – clarifies the intention of the standard
  - IFRS 16 (Leases) – The example within the standard has been updated.
  - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).

These amendments to International Financial Reporting Standards are not expected to have any material impact on the accounts.



### **3a – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies, the Chief Constable has to make certain judgements about complex transactions or those involving uncertainty about future events. The following are critical management judgements made in applying the accounting policies in the Statement of Accounts.

The relationship between the Mayor, WYCA and the Chief Constable is detailed in Related Party note 10. In assessing which transactions are reported in the Statement of Accounts for the Chief Constable the following critical judgements have been made:

- All major contracts with West Yorkshire Police are made in the name of the WYCA.
- A judgement has been made of the expenditure allocated between the Mayor and Chief Constable to reflect the financial resources of the Mayor consumed at the request of the Chief Constable.
- Liabilities relating to salaries and pensions of police officers and police staff are judged to be the responsibility of the Chief Constable and are recognised in the Balance Sheet of the Chief Constable.
- WYCA owns all of the assets utilised by West Yorkshire Police and the functions and decisions relating to such properties, rights and liabilities are ultimately exercised and made by the Mayor. The Mayor can delegate decisions in respect of assets and liabilities and does this through a scheme of delegation. These assets are judged to be the responsibility of the Mayor and are recognised in the Statement of Accounts for WYCA. Any receipts arising from such assets are paid into the Mayoral Police Fund and are also recognised in the statement of accounts for WYCA.
- The Chief Constable does not hold a bank account in his name. Any bank accounts used by the Chief Constable are held in the name of WYCA. These bank accounts are judged to be the responsibility of the Mayor and are recognised in the statement of accounts for WYCA.
- Earmarked reserves and the General Fund Balance are held by the Mayor within the Mayoral Police Fund and are accounted for in the Statement of Accounts of the WYCA.

#### **Going Concern**

Management's assessment of the Chief Constable's ability to continue as a going concern is supported by the assumption that the functions of the Police and Crime Commissioner will continue in operational existence for the foreseeable future, reinforced by section 36 of the Mayoral Order which provides that all property rights and liabilities of the Police and Crime Commissioner are transferred to the Mayor's PCC function on 10 May 2021. The core functions of the Police and Crime Commissioner is to secure the maintenance of an efficient and effective police force within their area, and to hold the Chief Constable accountable for the delivery of the police and crime plan. The Police and Crime Commissioner is also charged with holding the police fund, from which all policing for the local area is financed and is responsible for raising the local policing precept from council tax. Management's assessment concludes there are no events, individually or collectively, which cause significant doubt on the organisations ability to continue as a going concern during the period of assessment or foreseeable future thereafter.

#### **National Police Air Service and Yorkshire and the Humber Lead Force Collaboration**

The Chief Constable participates along with the Mayor in providing the National Police Air Service (NPAS) and regional collaborative working in partnership with the Yorkshire and Humber Forces to deliver a number of specific specialist services on a regional basis. These activities have been reviewed against IFRS11 on joint arrangements and are deemed by the management to be lead force arrangements that fall outside the scope of a joint operation. Accordingly, the Statement of Accounts include all activities associated with these lead force operations.



### **3b – ASSUMPTIONS ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires the Chief Constable to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. Estimates and associated assumptions are made taking into account 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.

The following item in the Balance Sheet on 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year:

#### **Pension Liabilities**

Estimation of the net liability to pay pensions depends on a number of complex judgments related to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.

For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £143m for Police Officers and a reduction of £30m for Police Staff.

The carrying amount of the Pension Liability on 31 March 2022 was £7,105m.

The effects on the net pension liability of changes in individual assumptions are shown in note 11.

### **4 – EVENTS AFTER THE BALANCE DATE**

The Statement of Accounts was authorised for issue by the Chief Finance Officer for the Chief Constable on 29 July 2022. Events taking place after that date are not reflected in the financial statements or notes. However, where events after this date provide information about conditions existing on 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Following the balance sheet date at 31 March 2022, there has been a subsequent national pensions issue due to the triennial valuation results of the West Yorkshire Pension Fund which provided a materially different value for the defined benefit liability included in the 2021/22 financial statements. An updated actuarial report has been obtained and the financial statements have been amended accordingly.



## 5 – EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how the funding available to the Chief Constable for the year has been used in providing services in comparison with those resources consumed or earned by the Chief Constable in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Chief Constable’s directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### Expenditure and Funding Analysis

| 1/04/2020 to 9/05/2021                        |  |                                     |                                   | 10/05/2021 to 31/03/2022                      |  |                                     |
|---|--|-------------------------------------|-----------------------------------|---|--|-------------------------------------|
| Expenditure Chargeable to GF Balances<br>£000 | Adjustments between the Funding and Accounting Basis<br>£000 | Net Expenditure in the CIES<br>£000 |                                   | Expenditure Chargeable to GF Balances<br>£000 | Adjustments between the Funding and Accounting Basis<br>£000 | Net Expenditure in the CIES<br>£000 |
| 132,520                                       | 27,989   | 160,509                             | Policing District West            | 103,405                                       | 26,961   | 130,366                             |
| 127,691                                       | 27,057   | 154,749                             | Policing District East            | 99,339  | 25,888   | 125,227                             |
| 93,274  | 15,157   | 108,431                             | Policing Specialist Operations    | 76,122  | 14,878   | 91,000                              |
| 40,054  | 6,489  | 46,543                              | Policing Specialist Crime         | 33,710  | 6,844  | 40,554                              |
| 32,508  | 4,673  | 37,181                              | Regional Policing                 | 20,286  | 4,857  | 25,143                              |
| 79,679  | 24,538   | 104,217                             | National Policing                 | 69,223  | 16,393   | 85,616                              |
| 71,854  | 22,068   | 93,922                              | Finance and Business Services     | 66,254  | 13,363   | 79,617                              |
| 104,109                                       | 14,020   | 118,129                             | Corporate and Central Services CC | 109,469                                       | 15,799   | 125,268                             |
| <b>681,689</b>                                | <b>141,991</b>   | <b>823,680</b>                      | <b>Net Cost of Services</b>       | <b>577,808</b>                                | <b>124,983</b>   | <b>702,791</b>                      |
| (681,689)                                     | (111,754)  | (793,444)                           | Intra-group adjustment            | (577,808)                                     | (68,204)   | (646,012)                           |
| 0   | 137,345  | 137,345                             | Other (Income) and Expenditure    | 0   | 132,666  | 132,666                             |
| <b>0</b>                                      | <b>167,582</b>   | <b>167,582</b>                      | <b>(Surplus) or Deficit</b>       | <b>0</b>                                      | <b>189,443</b>   | <b>189,443</b>                      |

\*Values in the ‘Other Differences’ and ‘Adjustments for Capital Purposes’ columns within the below table have been restated to separate the figures accurately between the two sections correcting a prior year error which included the Adjustments for Capital Purposes under the ‘Other’ heading. The restatement does not affect the overall totals of the note.

Expenditure Chargeable to General Fund balances – This column represents net expenditure chargeable under statutory funding provisions, analysed by segment on the basis of the organisational structure under which it operates.

Adjustments between Funding and Accounting Basis – These adjustments are those that add expenditure or income not chargeable to council tax and remove transactions that are only chargeable under statutory provisions.



## Note to the Expenditure and Funding Analysis

\*Restated

| 1/04/2020 to 9/05/2021                   |   |                           |                           | Adjustments Between Funding and Accounting Basis   | 10/05/2021 to 31/03/2022                 |   |                           |                           |
|--|---|---------------------------|---------------------------|--|--|---|---------------------------|---------------------------|
| Adjustments for Capital Purposes<br>£000 | Net Change for Pensions Adjustments<br>£000 | Other Differences<br>£000 | Total Adjustments<br>£000 |  | Adjustments for Capital Purposes<br>£000 | Net Change for Pensions Adjustments<br>£000 | Other Differences<br>£000 | Total Adjustments<br>£000 |
| 0  | 24,702                                      | 3,287                     | 27,989                    | Policing District West   | 0  | 30,258                                      | (3,297)                   | 26,961                    |
| 0  | 23,880                                      | 3,178                     | 27,057                    | Policing District East   | 0  | 29,053                                      | (3,166)                   | 25,888                    |
| 0  | 13,377                                      | 1,780                     | 15,157                    | Policing Specialist Operations   | 0  | 16,697                                      | (1,819)                   | 14,878                    |
| 0  | 5,727                                       | 762                       | 6,489                     | Policing Specialist Crime  | 0  | 7,681                                       | (837)                     | 6,844                     |
| 0  | 4,124                                       | 549                       | 4,673                     | Regional Policing  | 0  | 5,451                                       | (594)                     | 4,857                     |
| 17,179                                   | 6,495                                       | 864                       | 24,538                    | National Policing  | 9,002                                    | 8,295                                       | (904)                     | 16,393                    |
| 18,797                                   | 2,887                                       | 384                       | 22,068                    | Finance and Business Services  | 10,509                                   | 3,203                                       | (349)                     | 13,363                    |
| (4,376)                                  | 16,235                                      | 2,160                     | 14,020                    | Corporate and Central Services CC  | (10,710)                                 | 29,750                                      | (3,242)                   | 15,799                    |
| <b>31,600</b>                            | <b>97,427</b>                               | <b>12,964</b>             | <b>141,991</b>            | <b>Net Cost of Services</b>  | <b>8,801</b>                             | <b>130,388</b>                              | <b>(14,208)</b>           | <b>124,983</b>            |
| (31,600)                                 | *(67,190)                                   | *(12,964)                 | *(111,754)                | Intra group adjustment   | (8,801)                                  | (73,611)                                    | 14,208                    | (68,204)                  |
| 0  | *137,345                                    | 0                         | *137,345                  | Other income and expenditure from the Expenditure and Funding Analysis   | 0  | 132,666                                     | 0                         | 132,666                   |
| <b>0</b>                                 | <b>*167,582</b>                             | <b>*0</b>                 | <b>167,582</b>            | <b>Difference Between General Fund Surplus or Deficit and CIES (Surplus) or Deficit on the Provision of Services</b> | <b>0</b>                                 | <b>189,443</b>                              | <b>0</b>                  | <b>189,443</b>            |

\* Restated

The above table has been restated where indicated. This does not affect any other statements or notes and does not change the total of the table as the adjustment is between the headings below Net Cost of Service.

### Net Charge for the Pensions Adjustment

Net charge for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- **For Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

### Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute and to comply with presentational requirements.

## 5a – EXPENDITURE ANALYSED BY NATURE

| 1/04/2020 to 9/05/2021<br>£000 | Expenditure and income are analysed as follows:        | 10/05/2021 to 31/03/2022<br>£000 |
|--------------------------------|--|----------------------------------|
|                                | <b>Expenditure</b>                                     |                                  |
| 645,702                        | Employee benefits expenses                             | 560,489                          |
| 24,355                         | Premises related expenditure                           | 15,726                           |
| 71,438                         | Supplies and services                                  | 67,856                           |
| 31,377                         | Transport related expenditure                          | 26,807                           |
| 51,158                         | Other service expenses                                 | 31,913                           |
| 137,474                        | Pension related expenditure                            | 132,666                          |
| (793,922)                      | Intra Group Funding                                    | (646,012)                        |
| <b>167,582</b>                 | <b>Total expenditure</b>                               | <b>189,443</b>                   |
| <b>167,582</b>                 | <b>Surplus or Deficit on the Provision of Services</b> | <b>189,443</b>                   |



## 6 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year in accordance with the proper accounting practice.

The following adjustments are for 10/03/2021 to 31/03/2022

|   | Usable Reserves              |                                      | Unusable Reserves         |                                    |  |
|---|------------------------------|--------------------------------------|---------------------------|------------------------------------|--|
|   | Police Fund Balance<br>£'000 | Movement in Usable Reserves<br>£'000 | Pensions Reserve<br>£'000 | Accumulated Absences Fund<br>£'000 | Movement in Unusable Reserves<br>£'000 |
| <b>Pensions Reserve Adjustments:</b>  |                              |                                      |                           |                                    |  |
| Reversal of items debited or credited to the CIES   | (343,601)                    | <b>(343,601)</b>                     | 343,601                   | 0                                  | <b>343,601</b>                         |
| Employer's pensions contributions   | 139,949                      | <b>139,949</b>                       | (139,949)                 | 0                                  | <b>(139,949)</b>                       |
| <b>Accumulated Absences Adjustment Account:</b>   |                              |                                      |                           |                                    |  |
| Officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year | 14,208                       | <b>14,208</b>                        | 0                         | (14,208)                           | <b>(14,208)</b>                        |
| <b>Total Adjustments</b>  | <b>(189,443)</b>             | <b>(189,443)</b>                     | <b>203,652</b>            | <b>(14,208)</b>                    | <b>189,443</b>                         |

The following adjustments are for 1/04/2020 to 9/05/2021

|   | Usable Reserves              |                                      | Unusable Reserves         |                                    |  |
|---|------------------------------|--------------------------------------|---------------------------|------------------------------------|--|
|   | Police Fund Balance<br>£'000 | Movement in Usable Reserves<br>£'000 | Pensions Reserve<br>£'000 | Accumulated Absences Fund<br>£'000 | Movement in Unusable Reserves<br>£'000 |
| <b>Pensions Reserve Adjustments:</b>  |                              |                                      |                           |                                    |  |
| Reversal of items debited or credited to the CIES   | (329,365)                    | <b>(329,365)</b>                     | 329,365                   | 0                                  | <b>329,365</b>                         |
| Employer's pensions contributions   | 174,746                      | <b>174,746</b>                       | (174,746)                 | 0                                  | <b>(174,746)</b>                       |
| <b>Accumulated Absences Adjustment Account:</b>   |                              |                                      |                           |                                    |  |
| Officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year | (12,964)                     | <b>(12,964)</b>                      | 0                         | 12,964                             | <b>12,964</b>                          |
| <b>Total Adjustments</b>  | <b>(167,582)</b>             | <b>(167,582)</b>                     | <b>154,619</b>            | <b>12,964</b>                      | <b>167,582</b>                         |



## 7 – OFFICER REMUNERATION AND EXIT PACKAGES

### Senior Officer Remuneration

As the functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021, the remuneration paid to senior employees and senior police officers in the table below includes remuneration for the year 2021/22 for 10 months and 22 days (10 May 2021 to 31 March 2022). The comparator year 2020/21 cover the 13 months and 9 days (1 April 2020 to 9 May 2021). Subsequent financial years will be 12 months 1 April to 31 March.

|   |                     | Salary,<br>Fees and<br>Allowances | Pension<br>Contribution | Total            |
|---|---------------------|-----------------------------------|-------------------------|------------------|
|   |                     | £                                 | £                       | £                |
| <b>10/05/2021 to 31/03/2022</b>                             |                     |                                   |                         |                  |
| Chief Constable (J Robins)                                  | 10.05.21 - 31.03.22 | 193,083                           | 56,721                  | <b>249,804</b>   |
| Deputy Chief Constable (R Foster)                           | 10.05.21 - 31.03.22 | 145,939                           | 42,220                  | <b>188,159</b>   |
| Assistant Chief Constable (People)                          | 10.05.21 - 30.09.21 | 51,262                            | 14,505                  | <b>65,767</b>    |
| Assistant Chief Constable (People)                          | 28.06.21 - 31.03.22 | 86,584                            | 24,839                  | <b>111,423</b>   |
| Assistant Chief Constable (Specialist Crime)                | 10.05.21 - 31.03.22 | 104,429                           | 29,646                  | <b>134,075</b>   |
| Assistant Chief Constable (Specialist Operations)           | 10.05.21 - 31.03.22 | 112,434                           | 32,984                  | <b>145,418</b>   |
| Assistant Chief Constable (Local Policing and Safeguarding) | 10.05.21 - 31.03.22 | 104,389                           | 31,594                  | <b>135,983</b>   |
| Assistant Chief Constable (Local Policing and Safeguarding) | 06.09.21 - 19.12.21 | 30,818                            | 8,168                   | <b>38,986</b>    |
| Assistant Chief Constable (Regional Specialist Crime)       | 06.09.21 - 31.03.22 | 63,099                            | 16,104                  | <b>79,203</b>    |
| Assistant Chief Constable (NPAS)                            | 10.05.21 - 31.03.22 | 101,735                           | 25,384                  | <b>127,119</b>   |
| Assistant Chief Officer (Business Operations)               | 10.05.21 - 31.03.22 | 105,087                           | 15,028                  | <b>120,115</b>   |
| <b>TOTAL</b>  |                     | <b>1,098,859</b>                  | <b>297,193</b>          | <b>1,396,052</b> |

|   |                   | Salary,<br>Fees and<br>Allowances | Pension<br>Contribution | Total            |
|---|-------------------|-----------------------------------|-------------------------|------------------|
|   |                   | £                                 | £                       | £                |
| <b>1/04/2020 to 9/05/2021</b>   |                   |                                   |                         |                  |
| Chief Constable (J Robins)  | 01.04.20-09.05.21 | 226,598                           | 67,275                  | <b>293,873</b>   |
| Deputy Chief Constable (R Foster)   | 01.04.20-09.05.21 | 178,054                           | 51,912                  | <b>229,966</b>   |
| Assistant Chief Constable (Protective Services - Crime)                             | 01.04.20-25.05.20 | 27,890                            | 5,026                   | <b>32,916</b>    |
| T/Assistant Chief Constable (Protective Services - Crime)                           | 04.05.20-09.05.21 | 112,313                           | 28,773                  | <b>141,086</b>   |
| Assistant Chief Constable (People Directorate)                                      | 01.04.20-09.05.21 | 143,437                           | 40,557                  | <b>183,994</b>   |
| Assistant Chief Constable (Ops Support)   | 01.04.20-22.01.21 | 102,724                           | 29,529                  | <b>132,253</b>   |
| Assistant Chief Constable (Ops Support)   | 11.01.21-09.05.21 | 40,112                            | 11,473                  | <b>51,585</b>    |
| Assistant Chief Constable (District Policing)                                       | 01.04.20-09.05.21 | 137,340                           | 40,557                  | <b>177,897</b>   |
| T/Assistant Chief Constable (NPAS)  | 21.09.20-09.05.21 | 65,918                            | 17,279                  | <b>83,197</b>    |
| Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC  | 01.04.20-03.01.21 | 93,362                            | 13,375                  | <b>106,737</b>   |
| *Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC | 01.01.21-09.05.21 | 40,142                            | 5,648                   | <b>45,790</b>    |
| <b>TOTAL</b>  |                   | <b>1,167,890</b>                  | <b>311,405</b>          | <b>1,479,294</b> |

\*From 1 January 2021 to 9 May 2021 the Section 151 Officer role and responsibilities were covered for both the PCC and Chief Constable by the Chief Constable's Chief Finance Officer. 50% of costs relating to this shared role were charged to the OPCC function.



The number of other employees and senior police officers, not disclosed in the table above, receiving more than £50,000 remuneration (excluding employer's pension contributions) are included in the table below.

| CC<br>Remuneration Band | Number of Employees      |                        | CC<br>Remuneration Band | Number of Employees      |                        |
|-------------------------|--------------------------|------------------------|-------------------------|--------------------------|------------------------|
|                         | 10/05/2021 to 31/03/2022 | 1/04/2020 to 9/05/2021 |                         | 10/05/2021 to 31/03/2022 | 1/04/2020 to 9/05/2021 |
| £50,000 - £54,999       | 30                       | 83                     | £95,000 - £99,999       | 1                        | 5                      |
| £55,000 - £59,999       | 31                       | 47                     | £100,000 - £104,999     | 0                        | 7                      |
| £60,000 - £64,999       | 42                       | 20                     | £105,000 - £109,999     | 1                        | 6                      |
| £65,000 - £69,999       | 19                       | 30                     | £115,000 - £119,999     | 0                        | 2                      |
| £70,000 - £74,999       | 7                        | 14                     | £120,000 - £124,999     | 0                        | 2                      |
| £75,000 - £79,999       | 6                        | 36                     | £125,000 - £129,999     | 0                        | 1                      |
| £80,000 - £84,999       | 12                       | 16                     | £130,000 - £134,999     | 0                        | 1                      |
| £85,000 - £89,999       | 4                        | 9                      | £145,000 - £149,999     | 0                        | 1                      |
| £90,000 - £94,999       | 2                        | 4                      | £185,000 - £189,999     | 1                        | 0                      |

### Exit Packages

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

| Exit Packages            | Compulsory Redundancies | Other Departures | Total        |
|--------------------------|-------------------------|------------------|--------------|
| 10/05/2021 to 31/03/2022 | £                       | £                | £            |
| £0 - £20,000             | 5,827                   | 0                | 5,827        |
| <b>Total</b>             | <b>5,827</b>            | <b>0</b>         | <b>5,827</b> |

| Exit Packages            | Compulsory Redundancies | Other Departures | Total    |
|--------------------------|-------------------------|------------------|----------|
| 10/05/2021 to 31/03/2022 | Numbers                 | Numbers          | Numbers  |
| £0 - £20,000             | 3                       | 0                | 3        |
| <b>Total</b>             | <b>3</b>                | <b>0</b>         | <b>3</b> |

| Exit Packages          | Compulsory Redundancies | Other Departures | Total          |
|------------------------|-------------------------|------------------|----------------|
| 1/04/2020 to 9/05/2021 | £                       | £                | £              |
| £0-£20,000             | 4,842                   | 18,588           | 23,430         |
| £20,001-£40,000        | 23,465                  | 0                | 23,465         |
| £100,001-£150,000      | 101,835                 | 0                | 101,835        |
| <b>Total</b>           | <b>130,142</b>          | <b>18,588</b>    | <b>148,730</b> |

| Exit Packages          | Compulsory Redundancies | Other Departures | Total    |
|------------------------|-------------------------|------------------|----------|
| 1/04/2020 to 9/05/2021 | Numbers                 | Numbers          | Numbers  |
| £0-£20,000             | 1                       | 1                | 2        |
| £20,001-£40,000        | 1                       | 0                | 1        |
| £100,001-£150,000      | 1                       | 0                | 1        |
| <b>Total</b>           | <b>3</b>                | <b>1</b>         | <b>4</b> |

The Chief Constable terminated the contracts of a number of employees in 2021/22, incurring liabilities of £0.006m, (£0.126m in 2020/21). There were no severance payments identified as being due in the early part of 2022/23 (£0m in 2021/22).



## 8 – EXTERNAL AUDIT COSTS

The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts.

| 1/04/2020 to<br>9/05/2021<br>£000 |   | 10/05/2021 to<br>31/03/2022<br>£000 |
|-----------------------------------|---|-------------------------------------|
| 57                                | Fees payable to Grant Thornton with regard to external audit services for the Chief Constable | 0                                   |
| 0                                 | Fees payable to Mazars with regard to external audit services for the Chief Constable         | 23                                  |
| <b>57</b>                         | <b>Total</b>  | <b>23</b>                           |

Grant Thornton ceased to be the auditors for the Chief Constable following the audit of the Financial Statements for 2020/21.

The new Audit firm for the 2021/22 Financial Statements is Mazars. Additional fees will be payable in 2022/23 relating to the 2021/22 audit as the final amount has not yet been agreed.

## 9 – RESERVES

### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Chief Constable accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet costs.

However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pays pensions for which it is directly responsible.

The debit balance on the Pension Reserve therefore shows substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

| 1/04/2020 to<br>9/05/2021<br>£000 |  | 10/05/2021 to<br>31/03/2022<br>£000 |
|-----------------------------------|--|-------------------------------------|
| <b>(6,026,612)</b>                | <b>Opening Balance</b>   | <b>(7,206,229)</b>                  |
| (1,024,997)                       | Remove opening apportionment between PCC and CC  | (9,060)                             |
| (329,365)                         | Actuarial gains or losses on pensions assets and liabilities   | 273,566                             |
| 174,746                           | Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES | (343,601)                           |
|                                   | Employer's pensions contributions and direct payments to pensioners payable in the year  | 139,949                             |
|                                   | Net Increase in assets/liabilities from disposals/acquisitions   | 40,212                              |
| <b>(7,206,228)</b>                | <b>Year end Balance</b>  | <b>(7,105,163)</b>                  |

### Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account represents the value of the future obligation of the Chief Constable to pay officers and staff in respect of unused accumulated absences not taken in the year, e.g. annual leave entitlement carried forward on 31 March 2022. Statutory arrangements require that the impact on the Police Fund Balance be neutralised by transfers to or from the Account.



| 1/04/2020 to<br>9/05/2021<br>£000 |   | 10/05/2021 to<br>31/03/2022<br>£000 |
|-----------------------------------|---|-------------------------------------|
| (16,284)                          | <b>Opening Balance</b>  | (29,248)                            |
| (12,964)                          | Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | 14,208                              |
| (29,248)                          | <b>Year-end Balance</b>   | (15,040)                            |

## 10 – RELATED PARTIES

The Chief Constable is required to disclose material transactions and balances with related parties, bodies or individuals that have the potential to control or exercise significant influence over the Force or be controlled or influenced by the Force. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Force. In this context, related parties include:

- The Elected major of West Yorkshire
- West Yorkshire Combined Authority
- Central Government
- Key Management Personnel including Senior Managers
- Pension fund providers
- Close family members of key management personnel
- Other Public Bodies.

### The Elected Mayor of West Yorkshire

The functions of the West Yorkshire Police and Crime Commissioner (PCC) were transferred by Parliamentary Order to the Elected Mayor of West Yorkshire with effect from 10 May 2021. Under Section 3 of the Order "the mayor is to be treated, in relation to the mayor's PCC functions, as a police and crime commissioner for the purposes of all police and crime commissioner enactments, wherever passed or made, subject to schedule 1 of the Order". The Mayor had direct control over the finances of the West Yorkshire Combined Authority and is responsible for issuing the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the Mayor to deliver the aims and objectives set out in the Police and Crime Plan.

### West Yorkshire Combined Authority

Under the legislative framework and local arrangements, West Yorkshire Combined Authority, under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund.

West Yorkshire Combined Authority charges the Chief Constable for operational assets consumed in the year. This charge covers the annual depreciation charge, amortisation, impairments, and revaluation movements, as reported in the Statement of Accounts for the West Yorkshire Combined Authority. The following charges have been made:

| 1/04/2020 to<br>9/05/2021<br>£000 |  | 10/05/2021 to<br>31/03/2022<br>£000 |
|-----------------------------------|--|-------------------------------------|
| (43,896)                          | <b>Depreciation, Amortisation and Revaluations</b> | 5,517                               |



### **Central Government**

Central Government has significant influence over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates, providing the majority of funding in the form of grants to the Mayor and prescribes the terms of many of the transactions with other parties.

### **Key Management**

Key Management personnel are required to complete a voluntary declaration of any transactions, which they have pecuniary interest in. No interests were declared in 2021/22.

### **Pension Fund Providers**

The Chief Constable's transactions with the Local Government Pension Scheme (administered by West Yorkshire Pension Fund) are shown in the pension related disclosure note.

## **11 – DEFINED BENEFITS PENSION SCHEME**

### **Employee Benefits**

#### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Chief Constable.

#### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

#### **Pension Schemes**

As part of the terms and conditions of employment of its officers and other employees, the Chief Constable makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Chief Constable participates in four pension schemes administered by The West Yorkshire Pension Fund for Staff Pensions and XPS for Police Officer Pensions.

The Local Government Pension Scheme for Staff, under the direction and control of the Chief Constable, is a funded scheme meaning that the Chief Constable and employees pay contributions into a fund that is calculated at a level intended to balance the pensions' liabilities with investment assets.

There are three Pension Schemes for Police Officers, which are unfunded schemes: -

- The 1987 Police Pension Scheme for Police Officers (PPS). This scheme was closed to new recruits from April 2006 when a new scheme was introduced with different contribution rates.
- The 2006 New Police Pension Scheme for Police Officers (NPPS). The 2006 scheme was closed to new recruits from April 2015 when a new scheme was introduced.
- The 2015 Police Pension Scheme for Police Officers.

All are unfunded schemes meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

Following funding changes introduced on 1 April 2006 the Chief Constable now pays an employer's pension contribution into the Pension Fund Account in respect of all schemes.



### Post-Employment Benefits

A separate statement of Police Pension Fund Accounts is prepared to reflect the transactions in respect of funding for the Police Pension Schemes.

All are unfunded schemes meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

Following funding changes introduced on 1 April 2006 the Chief Constable now pays an employer's pension contribution into the Pension Fund Account in respect of all schemes.

The schemes provide defined benefits to members (retirement lump sums and pensions) related to pay and service.

### Assets and Liabilities

The attributable assets of the LGPS are measured at fair value. As unfunded schemes, the police pension schemes have no assets.

The attributable liabilities of each scheme are measured on an actuarial basis using the projected unit method, that is, an assessment of the future payments that is made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of projected earnings for current employees; Scheme liabilities are discounted at the rate, which reflects the time value of money and the characteristics of the liability.

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

- Service cost comprising
  - Current service cost – allocated in the Comprehensive Income and Expenditure Statement (CIES) to the services for which the employees worked
  - Past service cost – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs.
  - Net interest expense on the net defined benefit liability – charged to the Financing and Investment Income and Expenditure line of the CIES.
- Remeasurements comprising:
  - Return on plan assets (LGPS)– excluding amounts included in net interest on the net defined benefit liability, charges to the Pension Reserve as Other Comprehensive Income and expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Contributions paid to the LGPS – charged to the General Fund via an entry in the Movement in Reserves Statement to replace the service cost items above.



## Transactions Relating to Post-employment Benefits

A detailed explanation of the accounting arrangements for all schemes is set out in the notes to the Pension Fund Account.

The cost of retirement benefits is recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Chief Constable is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Police Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

|   | LGPS<br>£000                   |                           | POLICE PS<br>£000              |                     |
|---|--------------------------------|---------------------------|--------------------------------|---------------------|
|   | 10/05/2021<br>to<br>31/03/2022 | 1/04/2020 to<br>9/05/2021 | 10/05/2021<br>to<br>31/03/2022 | 2020/21 to 9<br>May |
| <b>COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT</b>   |                                |                           |                                |                     |
| <b>Cost of Services</b>   |                                |                           |                                |                     |
| Current service costs   | 56,612                         | 47,586                    | 154,323                        | 144,245             |
| Past service costs  | 0                              | 188                       | 0                              | 0                   |
| (Gain)/loss from settlements  | 0                              | 0                         | 0                              | 0                   |
| <i>Finance and Investment Income and Expenditure:</i>   | 0                              | 0                         | 0                              | 0                   |
| Net interest expense  | 8,469                          | 8,988                     | 124,197                        | 128,357             |
| <b>Total Pension Costs Recognised in the Provision of Services</b>                                  | <b>65,081</b>                  | <b>56,763</b>             | <b>278,520</b>                 | <b>272,602</b>      |
| <b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b> |                                |                           |                                |                     |
| <i>Remeasurement of the net defined benefit liability comprising:</i>                               |                                |                           |                                |                     |
| Return on plan assets Actuarial gain/(loss)   | (46,993)                       | (163,042)                 | 0                              | 0                   |
| Experience (gain)/loss on assets  | 0                              | 0                         | 0                              | 0                   |
| Experience (gain)/loss on liabilities   | (1,809)                        | (7,544)                   | 294,303                        | (61,378)            |
| Actuarial (gain)/loss arising on changes in demographic assumptions                                 | (15,138)                       | 0                         | (60,618)                       | 0                   |
| Actuarial (gain)/loss arising on changes in financial assumptions                                   | (128,841)                      | 288,459                   | (314,470)                      | 968,503             |
| <b>Total Pension Costs Recognised in Other Comprehensive Income and Expenditure</b>                 | <b>(192,781)</b>               | <b>117,872</b>            | <b>(80,785)</b>                | <b>907,125</b>      |
| <b>Total Pension Costs Recognised in the Comprehensive Income and Expenditure Statement</b>         | <b>(127,700)</b>               | <b>174,635</b>            | <b>197,735</b>                 | <b>1,179,727</b>    |

|  | 10/05/2021<br>to<br>31/03/2022 | 1/04/2020 to<br>9/05/2021 | 10/05/2021<br>to<br>31/03/2022 | 2020/21 to 9<br>May |
|--|--------------------------------|---------------------------|--------------------------------|---------------------|
| <b>MOVEMENT IN RESERVES STATEMENT</b>  |                                |                           |                                |                     |
| Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code | (65,081)                       | (56,763)                  | (278,520)                      | (272,602)           |
| <b>Actual amount charged against the Police Fund Balance for pensions in the year:</b>   |                                |                           |                                |                     |
| Employers contributions payable to scheme  | 17,861                         | 21,887                    | 57,776                         | 66,234              |
| Additional Employers contributions To Police Pension Fund Account  | 0                              | 0                         | 59,402                         | 80,154              |
| Retirement benefits payable to pensioners  | 0                              | 0                         | 4,910                          | 6,471               |



### Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Chief Constable's obligation in respect of its defined benefits plan is as follows:

|  | LGPS<br>£000                   |                           | POLICE PS<br>£000              |                     |
|--|--------------------------------|---------------------------|--------------------------------|---------------------|
|  | 10/05/2021<br>to<br>31/03/2022 | 1/04/2020 to<br>9/05/2021 | 10/05/2021<br>to<br>31/03/2022 | 2020/21 to 9<br>May |
| Fair value of plan assets  | 861,921                        | 830,168                   | 0                              | 0                   |
| Present value of the defined benefit obligation                  | (1,199,593)                    | (1,344,553)               | (6,767,491)                    | (6,691,844)         |
| <b>Pension asset/(liability) recognised on the Balance Sheet</b> | <b>(337,672)</b>               | <b>(514,385)</b>          | <b>(6,767,491)</b>             | <b>(6,691,844)</b>  |

### Reconciliation of the Movements in the Fair Value of Scheme Assets

|  | LGPS<br>£000                   |                           |
|--|--------------------------------|---------------------------|
|  | 10/05/2021<br>to<br>31/03/2022 | 1/04/2020 to<br>9/05/2021 |
| <b>Opening fair value of scheme assets</b>   | <b>830,168</b>                 | <b>642,552</b>            |
| Remove opening apportionment between PCC and CC                                      | 13,349                         | 0                         |
| Interest income  | 14,256                         | 16,526                    |
| <i>Remeasurements gain / (loss)</i>  |                                |                           |
| The return on plan assets, excluding the amount included in the net interest expense | 46,993                         | 163,042                   |
| Contributions from employer  | 17,861                         | 21,887                    |
| Contributions from employees into the scheme   | 7,807                          | 9,618                     |
| Net decrease in assets from Disposal   | (47,049)                       | 0                         |
| Benefits paid  | (21,464)                       | (23,458)                  |
| <b>Closing fair value of scheme assets</b>   | <b>861,921</b>                 | <b>830,168</b>            |

### Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

|   | LGPS<br>£000                   |                           | POLICE PS<br>£000              |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | 10/05/2021<br>to<br>31/03/2022 | 1/04/2020 to<br>9/05/2021 | 10/05/2021<br>to<br>31/03/2022 | 1/04/2020 to<br>9/05/2021 |
| <b>Opening present value of scheme liabilities</b>                    | <b>(1,344,553)</b>             | <b>(1,004,189)</b>        | <b>(6,691,844)</b>             | <b>(5,665,144)</b>        |
| Remove opening apportionment between PCC and CC                       | (22,409)                       |                           |                                |                           |
| Current service cost  | (56,612)                       | (47,586)                  | (154,323)                      | (144,245)                 |
| Interest cost   | (22,725)                       | (25,514)                  | (124,197)                      | (128,357)                 |
| Contribution from scheme participants                                 | (7,807)                        | (9,618)                   | (24,225)                       | (27,333)                  |
| <i>Remeasurement (gain) and loss:</i>                                 |                                |                           |                                |                           |
| Actuarial gain/(loss) arising from changes in demographic assumptions | 15,138                         | 0                         | 60,618                         | 0                         |
| Actuarial gain/(loss) arising from changes in financial assumptions   | 128,841                        | (288,459)                 | 314,470                        | (968,503)                 |
| Actuarial gain/(loss) on liabilities - experience                     | 1,809                          | 7,544                     | (294,303)                      | 61,378                    |
| Past service costs  | 0                              | (188)                     | 0                              | 0                         |
| Net decrease in liabilities from Disposal                             | 87,261                         | 0                         |                                |                           |
| Benefits paid   | 21,464                         | 23,458                    | 146,313                        | 180,360                   |
| <b>Closing present value of scheme liabilities</b>                    | <b>(1,199,593)</b>             | <b>(1,344,553)</b>        | <b>(6,767,491)</b>             | <b>(6,691,844)</b>        |



**Local Government Pension Scheme assets comprised:**

|                     | 10/05/2021 to 31/03/2022 |               | 1/04/2020 to 9/05/2021 |               |
|---------------------|--------------------------|---------------|------------------------|---------------|
|                     | £000                     | %             | £000                   | %             |
| Equities            | 687,813                  | 79.8%         | 663,304                | 79.9%         |
| Property            | 34,477                   | 4.0%          | 31,546                 | 3.8%          |
| Government Bonds    | 63,782                   | 7.4%          | 67,244                 | 8.1%          |
| Corporate Bonds     | 41,372                   | 4.8%          | 37,358                 | 4.5%          |
| Cash                | 24,996                   | 2.9%          | 18,264                 | 2.2%          |
| Other               | 9,481                    | 1.1%          | 12,453                 | 1.5%          |
| <b>Total Assets</b> | <b>861,921</b>           | <b>100.0%</b> | <b>830,168</b>         | <b>100.0%</b> |

**Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme was assessed by AON Hewitt and the Police Pension scheme by Mercers, both independent firms of actuaries. The most recent full actuarial valuations in respect of the staff scheme were carried out as of 31 March 2019 and in respect of the police schemes as of 31 March 2022.

The principal assumptions used by the actuaries have been:

|  | LGPS                     |                        | POLICE PS                |                        |
|--|--------------------------|------------------------|--------------------------|------------------------|
|  | 10/05/2021 to 31/03/2022 | 1/04/2020 to 9/05/2021 | 10/05/2021 to 31/03/2022 | 1/04/2020 to 9/05/2021 |
| <i>Mortality assumptions:</i>  |                          |                        |                          |                        |
| <i>Longevity at 65 (staff) 60 (officers) for current pensioners:</i> |                          |                        |                          |                        |
| Men  | 21.8                     | 21.9                   | 26.9                     | 27.1                   |
| Women  | 24.6                     | 24.7                   | 29.1                     | 29.2                   |
| <i>Longevity at 65 (staff) 60 (officers) for future pensioners:</i>  |                          |                        |                          |                        |
| Men  | 22.5                     | 22.6                   | 29.2                     | 29.3                   |
| Women  | 25.7                     | 25.8                   | 31.3                     | 31.4                   |
| Rate of Inflation CPI  | 2.90%                    | 2.60%                  | 3.20%                    | 2.70%                  |
| Rate of increase in salaries   | 4.15%                    | 3.85%                  | 4.70%                    | 4.20%                  |
| Rate of increase in pensions   | 2.90%                    | 2.60%                  | 3.30%                    | 2.80%                  |
| Rate for discount rate   | 2.70%                    | 2.00%                  | 2.80%                    | 2.10%                  |



## Sensitivity

The estimation of the defined benefit obligations is sensitive to these actuarial assumptions. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in previous periods.

Impact on the Defined Benefit Obligation in the Scheme:

|  | LGPS<br>£000              |                           | POLICE PS<br>£000         |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | 10/05/2021 to 31/03/2022  |                           | 10/05/2021 to 31/03/2022  |                           |
|  | Increase<br>in Assumption | Decrease<br>in Assumption | Increase<br>in Assumption | Decrease<br>in Assumption |
| <i>Value of Liabilities:</i>                       |                           |                           |                           |                           |
| With above assumptions                             | (1,257,462)               | (1,257,462)               | (6,767,491)               | (6,767,491)               |
|  | +0.1%                     | -0.1%                     | +0.1%                     | -0.1%                     |
| Rate for discounting scheme liabilities (+/- 0.1%) | (1,227,283)               | (1,287,642)               | (6,623,998)               | (6,910,984)               |
| Rate for increase in salaries (+/- 0.1%)           | (1,262,492)               | (1,252,433)               | (6,798,384)               | (6,736,598)               |
| Rate for increase in pensions (+/- 0.1%)           | (1,282,611)               | (1,232,313)               |                           |                           |
| Rate for increase in inflation (+/- 0.1%)          |                           |                           | (6,914,263)               | (6,620,719)               |
|  | +1 year                   | -1 year                   | +1 year                   | -1 year                   |
| Adjustment to mortality age (+/- 1 year)           | (1,301,473)               | (1,213,451)               | (6,976,036)               | (6,558,946)               |

## Impact on the Chief Constable's Cash flows

The objectives of the schemes are to keep employers contributions at as constant a rate as possible.

The Chief Constable's expected contribution to the schemes in 2022/23 is:

- Police Pension Scheme £122.1m Local Government Pension Scheme £20.8m

The weighted average duration of the defined benefit obligation for scheme members is:

- LGPS - 24 years PPS 1987 - 19 years PPS 2006 - 31 years PPS 2015 - 41 years

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk: The Fund holds investment in asset classes such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- Inflation risk: All the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk: In the event that the members live longer than assumed, a deficit will emerge in the Fund. There are also other demographic risks.



### **Police Pension Regulations**

The Chief Constable for West Yorkshire Police, along with other Chief Constables and the Home Office, currently has claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. These claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sergeant judgement but have now been lifted and a case management hearing was held on 25 October 2019. The resulting Order of 28 October 2019 included 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 this interim declaration applies to claimants only, the Government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants who are in the same position as claimants will be treated in the same way.

On 16 July 2020 HM Treasury published their Public service pension schemes consultation: changes to the transitional arrangements to the 2015 Schemes, which contained the proposed remedy regarding the McCloud/Sargeant remedy.

On 4 February 2021 HM Treasury published their response to the consultation. This response confirmed: that the legacy schemes would be closed from 31 March 2022; a remedy would be introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy.

On 19 July 2021, the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022. The Act closed the legacy schemes from 31 March 2022 and brings the retrospective remedy into force by 1 October 2023.

It is now for Home Office to consult on the secondary regulations to bring the police determined by the act into force from 1 October 2023, this consultation is expected in January 2023.

### **Legal Claims**

Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

#### **1. Aarons & Ors**

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims are due to be heard by the Employment Tribunal in December 2022. The settlement of the injury to feelings claims for Aarons sets a helpful precedent. Therefore no liability in respect of compensation claims is recognised in these accounts.

#### **2. Penningtons**

As at 31 March 2022, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts

### **Remedy**

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

The main elements of the Act are:

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



- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

### **Impact on Pension Liability**

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries originally estimated the increase in scheme liabilities for the Chief Constable for West Yorkshire Police to be £284m of pension scheme liabilities.

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

### **Compensation Claims**

In accordance with the Code (8.2.2.2) a contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The claims would meet this definition, and therefore should be considered for disclosure. The Code (8.2.4.2) permits authorities not to provide specific disclosure if information is not material. Given the existence of the claims is adequately disclosed in the accounts, and it is not considered material, no contingent liability will be disclosed.

## **12 – CONTINGENT LIABILITIES**

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence is only confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable.

### **Municipal Mutual Insurance (MMI)**

The Chief Constable has taken professional advice on the amount to provide for the clawback of previous claims settlements under the Municipal Mutual Insurance (MMI) Scheme of Arrangement, It is not possible at this time to determine the likelihood of the scheme of arrangements being called upon and the value of which cannot be certain.

MMI was a mutual insurance provider which became technically insolvent in 1992.



### 13 – YORKSHIRE AND THE HUMBER LEAD FORCE COLLABORATION

The Chief Constable engages in collaborative working in partnership with the Mayor for West Yorkshire and the Yorkshire and Humber Commissioners and Forces to deliver a number of specific services on a regional basis. The Regional Collaborative programme was developed to bring opportunities across many policing activities whilst retaining local identity and accountability.

The governance of this regional programme of activity is via a Collaboration Board.

Regional collaboration is funded from contributions made by the four regional Police Forces with the level of contribution being dependent upon the assessment of the benefit to be derived from each specific project or initiative.

- Where benefit is considered equal, contributions are equal with a 25% contribution from each Region
- Where benefit is proportionate to size, contributions are made in line with each Region's Net Revenue Expenditure (NRE)
- Where benefit is driven by the demand for the service, contributions are made in accordance with the level of demand each Force places on the specific service

Those receiving a service have secured neither joint control of the overall activity nor rights to particular assets or obligations for particular liabilities – i.e. the other parties are only interested in the lead authority delivering the outcomes it has agreed to provide.

The lead force arrangement has been reviewed against IFRS 11 on Joint Arrangements and it has been determined that they fall outside the scope of a joint operation.

| 1/04/2020 to<br>9/05/2021<br>£000 |                                  | 10/05/2021 to<br>31/03/2022<br>£000 |
|-----------------------------------|----------------------------------|-------------------------------------|
|                                   | <b>EXPENDITURE</b>               |                                     |
| 33,351                            | Staff Costs                      | 27,928                              |
| 1,532                             | Property Related Expenses        | 1,471                               |
| 16,923                            | Supplies and Services            | 13,196                              |
| 1,025                             | Transport Related Expenses       | 1,015                               |
| 0                                 | Transfer to Reserves             | 5,348                               |
| <b>52,831</b>                     | <b>Total Expenditure</b>         | <b>48,958</b>                       |
|                                   | <b>INCOME</b>                    |                                     |
| 8,990                             | Other Income                     | (9,430)                             |
| 43,841                            | Contributions                    | (39,528)                            |
| <b>52,831</b>                     | <b>Total Income</b>              | <b>(48,958)</b>                     |
| 0                                 | <b>(DEFICIT)/SURPLUS IN YEAR</b> | 0                                   |



## 14 – NPAS

The primary objective of the NPAS project is to deliver a national service that provides the police service with capability from the air that maximises the benefits of air support to the delivery of frontline services. It is an integrated part of the wider policing strategy and harnesses innovation in the aviation sector for the benefits of policing.

The governance of NPAS is via the NPAS Strategic Board.

The NPAS service is funded from contributions made by each Policing Body receiving a service.

The contributions are based on a direct cost charging model that was developed by the National Police Chiefs Council, independent of NPAS.

Those receiving a service have secured neither joint control of the overall activity nor rights to particular assets or obligations for particular liabilities – i.e. the other parties are only interested in the lead authority delivering the outcomes it has agreed to provide.

The lead force arrangement has been reviewed against IFRS 11 on Joint Arrangements and it has been determined that they fall outside the scope of a joint operation.

| 1/04/2020 to<br>9/05/2021<br>£000 |                                  | 10/05/2021 to<br>31/03/2022<br>£000 |
|-----------------------------------|----------------------------------|-------------------------------------|
|                                   | <b>EXPENDITURE</b>               |                                     |
| 22,491                            | Staff Costs                      | 16,852                              |
| 1,753                             | Property Related Expenses        | 1,302                               |
| 3,742                             | Supplies and Services            | 1,892                               |
| 18,732                            | Transport Related Expenses       | 14,875                              |
| 6,643                             | Transfer to Reserves             | 6,007                               |
| <b>53,361</b>                     | <b>Total Expenditure</b>         | <b>40,928</b>                       |
|                                   | <b>INCOME</b>                    |                                     |
| (48,193)                          | Contributions                    | (40,086)                            |
| (5,168)                           | Other Income                     | (842)                               |
| <b>(53,361)</b>                   | <b>Total Income</b>              | <b>(40,928)</b>                     |
| 0                                 | <b>(DEFICIT)/SURPLUS IN YEAR</b> | 0                                   |



### POLICE OFFICER PENSION FUND ACCOUNT STATEMENT

| 2020/21<br>1/04/2020 to<br>9/05/2021<br>£'000 |   | 2021/22<br>10/05/2021 to<br>31/03/2022<br>£'000 |
|---|---|---|
|   | <b>CONTRIBUTIONS RECEIVABLE</b>               |   |
| (63,691)                                      | Employer's Contributions                      | (56,284)  |
| (2,541)                                       | Early Retirements (Ill Health)                | (1,492)   |
| (27,334)                                      | Officers' Contributions                       | (24,225)  |
|   | <b>TRANSFERS IN</b>                           |   |
| (517)   | Individual Transfers In from Other Schemes    | (520)   |
| <b>(94,083)</b>                               | <b>TOTAL INCOME RECEIVABLE</b>                | <b>(82,521)</b>                                 |
|   | <b>BENEFITS PAYABLE</b>                       |   |
| 148,415                                       | Pensions                                      | 121,278   |
| 25,102  | Commutations and Lump Sum Retirement Benefits | 20,301  |
| 354   | Lump Sum Death Benefits                       | 103   |
|   | <b>PAYMENTS TO AND ON ACCOUNT OF LEAVERS</b>  |   |
| 163   | Refunds of Contributions                      | 237   |
| 203   | Individual Transfers Out to Other Schemes     | 4   |
| <b>174,237</b>                                | <b>TOTAL EXPENDITURE PAYABLE</b>              | <b>141,923</b>                                  |
| 80,154  | NET AMOUNT PAYABLE FOR THE YEAR               | 59,402  |
| (80,154)                                      | ADDITIONAL CONTRIBUTION FROM EMPLOYER         | (59,402)  |
| 0   |   | 0   |

### POLICE OFFICER PENSION FUND NET ASSETS STATEMENT

| 2020/21<br>1/04/2020 to<br>9/05/2021<br>£'000 |                                   | 2021/22<br>10/05/2021 to<br>31/03/2022<br>£'000 |
|---|-----------------------------------|---|
|   | <b>NET ASSETS STATEMENT</b>       |   |
| (69)  | Unpaid Pension Benefits           | (929)   |
| 69  | Amount Owing from the Police Fund | 929   |



### **The Police Pension Scheme in England and Wales**

The Pension Fund Accounts have been prepared in accordance with the IFRS Code and on an accruals basis. This means the sums due to or from the Pension Fund are included as they fall due, whether the cash has been received or paid. The accounting convention adopted is historic cost.

Each individual Police Force is required, under the Police Pension Fund Regulations 2007, to operate a Pension Fund Account and the amounts that must be paid into and out of the Pension Fund Account are specified by the regulations.

The Fund is administered by the Chief Constable, which pays an employer's contribution to the Fund. The pensions of all retired officers are paid directly from the Fund.

The pension scheme is unfunded and consequently the Fund has no investment assets. Benefits payable are funded by the contributions from the Chief Constable and employees and any difference between benefits payable and contributions receivable is met by a top-up grant from the Home Office.

Employees' and employer's contributions to the Fund are based on percentages of pensionable pay set nationally by the Home Office, subject to triennial valuation by the Government Actuary's Department. The accounting policies applicable to the Fund are set out in the Statement of Accounting Policies.

The Net Asset Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date.



## ANNUAL GOVERNANCE STATEMENT FOR THE CHIEF CONSTABLE OF WEST YORKSHIRE POLICE

This annual governance statement reflects the governance framework in place for the Chief Constable of West Yorkshire Police.

### Scope of Responsibility

The Chief Constable for West Yorkshire Police is responsible for maintaining the Queen's peace and has direction and control over the officers and staff operating within West Yorkshire Police. The Chief Constable holds office under the Crown and is appointed by the Mayor of West Yorkshire, subject to confirmation by the Police and Crime Panel for West Yorkshire.

During the period of these financial statements the Lead Local Policing Body for West Yorkshire was the Mayor for West Yorkshire. Following the transfer of the PCC Functions to the West Yorkshire Mayor on the 10<sup>th</sup> of May 2021, with the Legal Body being the West Yorkshire Combined Authority. For the purposes of the document PCC refers to the arrangements in place prior to the period of these financial statements, and Mayor refers to current and future governance arrangements.

The Chief Constable has a professionally qualified Chief Financial Officer (CFO). Under the Police Reform and Social Responsibility Act 2011, the West Yorkshire Police CFO has a personal fiduciary duty by virtue of their appointment as the person responsible for the proper financial administration of West Yorkshire Police. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure (Section 114 of the Local Government Act 1988 as amended by paragraph 188 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 ("2011 Act")). The Chief Constable's CFO is a key member of the Chief Constable's Chief Officer Team. The CFO is actively involved in, and able to bring influence to bear on, strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered. The CFO attends a bi-monthly Joint Executive Group with the Mayor and Chief Constable at which key strategic and joint decisions are taken and, on occasion, attends other weekly community outcome or bi-lateral meetings held between the Chief Constable and the Mayor where the Mayor holds the Chief Constable to account. The CFO leads the promotion and delivery by the Chief Constable of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently and effectively. The CFO ensures the Finance function is resourced to be fit for purposes and oversees that appropriate management accounting systems, functions and internal controls are in place so that finances are kept under review on a regular basis.

Under S.35 of the 2011 Act in exercising their functions the Chief Constable must ensure that good value for money is obtained and this includes ensuring that persons under their direction and control obtain good value for money in exercising their functions. West Yorkshire Police (as a standalone entity) is legally required to produce an Annual Governance Statement. The Statement helps the Mayor to hold the Chief Constable to account for efficient and effective policing. The Statement sits alongside the statutory accounts for the Chief Constable and gives assurance to the Mayor and the public regarding West Yorkshire Police's governance arrangements. In addition, the West Yorkshire Combined Authority produces its own Governance Statement.

### The Governance Framework

Although the Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force, the Mayor is required to hold the Chief Constable to account for the exercise of those functions and those of the persons under their direction and control. It therefore follows that the Mayor must satisfy herself that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice. West Yorkshire Police and the Mayor have a joint assurance framework that is reviewed by the Joint Independent Audit Committee.



This statement has been prepared to state West Yorkshire Police current governance arrangements, to report their effectiveness during the year and to outline future actions planned to further enhance arrangements. Part of the governance arrangements include the Force Accountability Meeting. This is attended by the Senior

Managers in the organisation where the Chief Constable holds senior managers to account for performance and delivery against the Policing Strategy and the Police and Crime Plan.

## Corporate Governance Reporting and Processes

The West Yorkshire Police Chief Officer Team, led by the Chief Constable, is responsible for ensuring West Yorkshire Police has a corporate governance framework that reflects the principles of openness, integrity, accountability, and equality, and supports the delivery of quality policing.

The governance framework enables West Yorkshire Police to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money. An annual review of this framework takes place and appropriate improvements are made to ensure that it remains fit for purpose.

The Chief Officer Team attend a daily operational briefing to discuss performance with all operations.

The Force carries out a monthly programme of Local Accountability Meetings where Chief Officers hold each District or Department to account for the delivery of their plan. West Yorkshire Police management devise a system of internal controls to help ensure that objectives are achieved in a manner that promotes economical, efficient, and effective use of resources and that the assets and interests of the Mayor are safeguarded.

## Organisational Structures and Processes

Decision making structures are well established and regularly reviewed to ensure they are fit for purpose. The West Yorkshire Police Operational Strategy sets out policing priorities. The Police and Crime Plan sets out the resourcing of the Police and Crime Plan priorities, and performance targets and one of the major agencies for delivery of the Police and Crime Plan are West Yorkshire Police. It reflects the areas of greatest importance locally, identified through extensive consultation with the public, or where performance improvement is required. The plan and our planning process are complementary to other partnership plans such as Community Safety Partnerships, Local Criminal Justice Board and Local Strategic Partnerships.

We will work closely with our partners to ensure consistency and alignment where possible. The Chief Constable holds regular Senior Leadership Forums that are attended by the Force Chief Officer Team, District Commanders, and Heads of Departments. These forums are used to consult on and develop policy and ensure the engagement of the senior managers of the organisation in change and develop their leadership skills. The Operational Policing Strategy objectives are cascaded throughout the organisation via Divisional and Departmental Plans and included as appropriate in Team Accountability Meetings (TAMs) and individual Accountability meetings (IAMs) and annual Performance Development Reviews (PDRs).

The Mayor approves an annual budget for West Yorkshire Police and holds the Chief Constable to account for the delivery of an efficient and effective police force.

## The risk management process by which West Yorkshire Police identifies and seeks to prevent and mitigate key risks

An infrastructure has been established to support the effective management of risk and ensure that information on risks is gathered and acted on in a consistent and efficient manner. Joint Independent Audit Committee members consider risk management reports helping to improve the adequacy and effectiveness of risk assessment, risk management and internal control.

The Risk Management Group annually review the Risk Management policy statement and policy guidance.



The Force recognises exposure to a wide and diverse range of risks and opportunities in securing the delivery of priorities and objectives. All employees, volunteers, contractors and partners are responsible for identifying and managing risks as part of their role and the Deputy Chief Constable (DCC), as corporate sponsor, ensures that risk management is supported and championed at Chief Officer Team level.

The risk management policy provides clear guidance by which the Force manages uncertainty in a structured and effective way. The risk management framework and infrastructure provide a solid foundation for risk management and standard for consistency ensuring that information on risks is gathered and acted upon in an efficient manner.

Risk management is fully embedded into the business planning process including operational performance reviews to identify the threat, harm and risk facing the Force to prioritise and identify areas which need resourcing.

The Risk Management Group, chaired by the DCC, meets quarterly to monitor changes to the Force risk profile and process. The Head of Risk Management and Insurance attends the meetings and reports as appropriate to the Chief Constable and to the Joint Independent Audit Committee. Risk management awareness is included in the Force Induction Programmes and ongoing training and guidance is provided appropriate to the level of skill and expertise required through a variety of media.

### ***Business Continuity***

West Yorkshire Police has robust plans in place to ensure business continuity following incidents. The Business Continuity Co-ordinating Group, comprising of relevant Departmental Heads, will assist the Force Business Continuity Co-ordinator in developing the business continuity management process and respond to any business continuity crisis, as required. Updates and assurance regarding Business Continuity arrangements are provided to the Risk Management Group chaired by the Deputy Chief Constable.

### ***Insurance***

West Yorkshire Police and the Mayor continue to maintain, develop and renew the insurance programme to minimise financial risks including an annual review of the personal insurance indemnity policy and standard operating procedure.

### ***Health and Safety***

West Yorkshire Police takes very seriously its responsibility for the health and safety of all who attend the premises where the business of West Yorkshire Police is conducted or are affected by our undertaking. The overall responsibility for health and safety matters rests with the Chief Constable, who ensures that effective procedures and processes are in place.

### **Reviewing and updating standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks**

Financial instructions are reviewed and updated to ensure they remain fit for purpose. Procedure notes and manuals are in place for all key systems and are reviewed regularly. The West Yorkshire Police Scheme of Delegation has been reviewed and sets out financial authorisation levels for police officers and staff throughout the organisation. A Medium Term Financial Strategy is in place and is fully linked to the organisation's strategic objectives. At an operational level, rigorous and regular budget monitoring takes place and a well-established fraud assurance programme is in place. Robust management of income collection and debt recovery continues.



## **Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

Processes for ensuring compliance with relevant law and regulations are well established and work effectively. All reports to Chief Officer Team and Project Boards together with all reports presented to the Mayor must consider legal implications.

A Regional procurement strategy is in place with regular procurement reporting to Regional and Force governance structures.

## **Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks**

Processes for determining the conditions of employment and remuneration of officers and staff within appropriate national frameworks are well established. Modernisation of police pay reports go to Force Chief Officer Team detailing financial impacts, risks and progress to date. Regular equal pay reviews are undertaken and there is a focus on maintaining market competitive pay and benefits. The Force operates an approved job evaluation scheme based upon role profiles for each post. Regular strategic and local consultation is undertaken with staff associations and trades unions.

## **Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training**

A Performance Development Review process exists that identifies, manages and monitors work related and personal development objectives for all Police Officers and Police Staff. Skills training programmes are available through the Force Training and Development Centre, The College of Policing and external suppliers where appropriate.

## **Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

The Mayor manages a comprehensive survey programme that produces reliable and independent information at a neighbourhood level to assess public satisfaction with policing and to understand local priorities and concerns.

The Mayor has extended her web and social media based consultation and has a well-established Youth Advisory Group in line with her election pledges and the Police and Crime Plan. The Mayor continues to be public facing and engage with all sections of the community, partners and stakeholders to make sure that she is accountable day to day to the people she serves and continues to consult regularly and meaningfully with the people of West Yorkshire.

The Chief Officer Team conduct monthly local accountability meetings in Districts and Departments. These are intended to discuss local issues and local performance with local staff. Below these meetings are a series of Team Accountability Meetings and Individual Accountability Meetings all of which are focussed on local issues and performance.

## **Whistleblowing and receiving and investigating complaints from the public and handling citizen and other redress**

A confidential reporting policy is in place to enable officers and staff to report any concerns about malpractice or unlawful actions without fear of recrimination.



The Mayor has in place a process to enable complaints from the public to be investigated, in line with relevant legislation. The Professional Standards department oversee the investigation of complaints from the public into West Yorkshire Police.

Complaint handling in West Yorkshire Police is monitored in regular meetings between the Head of Professional Standards Department and staff within the West Yorkshire Combined Authority team. Specific casework or complaint matters are raised in community outcome meetings between the Chief Constable and the Mayor.

## Internal Audit Assurance

Internal Audit is an independent assurance service, which provides an objective opinion on the effectiveness of the risk management, control and governance processes. In discharging these responsibilities, the Internal Audit function operate in accordance with recognised internal audit practices as defined in the Public Sector Internal Audit Standards (PSIAS).

The Internal Audit function was subject to positive External Quality Assessment (EQA) in 2022 in compliance with the requirements of the PSIAS which states that the function should be subject to external assessment at least once every five years. This assessment provided confirmation and assurance that the audit strategy, planning and reporting processes adopted conforms to the International Standards for the Professional Practice of Internal Auditing (IPPF).

Internal Audit provide an independent opinion annually on the adequacy and effectiveness of the system of internal control and has concluded in 2021/22 that reasonable assurance can be given regarding the overall internal control environment.

The opinion provided is based upon the audit programme undertaken during 2021/22 which was designed to provide assurances on key risks and the main financial systems within the organisation. The acceptance/agreement and the actioning of recommendations by management are also considered in the determination of the overall opinion. The annual audit opinion is reported to the Joint Independent Audit Committee.

## Role of the Chief Financial Officer in Local Government

CIPFA have published a “Statement of the Role of the Chief Financial Officer in Local Government” which describes the role and responsibilities of the CFO and sets out five key principles that define the core activities and behaviours that underpin the role, and the organisational arrangements required to support them. There is an expectation that authorities will comply with the statement or explain their reasons for not doing so.

The five key principles are that the CFO:

- Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority’s strategic objectives sustainably and in the public interest
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority’s overall financial strategy
- Must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively
- Must lead and direct a finance function that is resourced to be fit for purpose
- Must be professionally qualified and suitably experienced.

The Chief Finance Officer undertakes the role of CFO in accordance with the arrangements detailed in the Home Office Financial Management Code of Practice, and in compliance with the CIPFA statement. CIPFA recently published a revised Financial Management Code. We are currently reviewing our arrangements against those of the revised code.



## Standards of Behaviour

Codes of conduct are in place for police officers and police staff. Relevant staff and officers in the Force are also subject to professional codes of conduct for their particular profession. At least once a year, the Force policy on professional standards is reviewed by the Professional Standards Department and assessed based on its effectiveness and discrepancies over that period. West Yorkshire Police expects all members of staff always to be honest, truthful and sincere. We will uphold, administer and enforce all laws without bias or

prejudice in a just, consistent and reasonable manner. A Code of Ethics is well embedded throughout the organisation.

## Significant Governance Issues

Significant governance issues are defined as

- An issue which has prevented or seriously prejudiced achievement of a principal objective
- An issue where additional funding has had to be sought in order to resolve it
- An issue which has resulted in a material impact on the accounts
- An issue which the Head of Audit and Risk has specifically highlighted in the annual audit opinion
- An issue which has attracted significant public interest and has damaged the reputation of the Mayor and/or West Yorkshire Police
- An issue which has resulted in formal action being taken by the Chief Finance Officer and/or the Monitoring Officer.

The transition of Policing Governance (PCC Functions) from West Yorkshire PCC to West Yorkshire Combined Authority, with the PCC Functions now carried out by the Mayor for West Yorkshire supported by a Deputy Mayor for Policing was a significant change in governance arrangements. The governance reporting arrangements have however been retained in a similar form. It does not meet the definition of Significant Governance Issues above, however it is felt appropriate to raise in this section of the AGS.

The significant financial challenges facing the organisation due to the current unfunded inflationary pressures are also appropriate to include.

Signed

*J Robins*

**John Robins**  
**Chief Constable**  
**West Yorkshire Police**  
**Date: 22<sup>nd</sup> August 2023**

*K Johnson*

**Katherine Johnson**  
**Chief Constable's Chief Financial Officer**  
**West Yorkshire Police**  
**Date: 22<sup>nd</sup> August 2023**



## GLOSSARY OF TERMS

### **Accounting Policies**

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising
- Selecting measurement bases for and
- Presenting

Assets, liabilities, gains, losses and changes to reserves.  
Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or Balance Sheet it is to be presented.

### **Actuarial Gains and Losses**

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- (a) events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses), or
- (b) the actuarial assumptions have changed.

### **Budget**

A statement of the Mayor's plans in financial terms. A budget is prepared and approved by the Mayor prior to the start of each financial year.

### **Chief Constable (CC)**

The Chief Constable is a separate corporation sole, which was established on 22 November 2012 under the Police Reform and Social Responsibility Act 2011.

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public services.

### **Commuted Lump Sums**

These are the amounts paid to officers when they retire if they choose to have a lower pension.

### **Contingent Liabilities**

A contingent liability is either:

- (a) a possible obligation arising from the past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Mayor's control, or
- (b) a present 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 with sufficient reliability.

### **Creditors**

Amounts owed by the Chief Constable for work done, goods received or services rendered which have not been paid for by the end of the financial year.



### **Current Service Cost (Pensions)**

The increase in the present value of a defined benefits scheme's liabilities expected to arise from the employee service in the current period.

### **Debtors**

Sums of money due to the Chief Constable for work done or services supplied but not received at the end of the financial year.

### **Deferred Liabilities**

Liabilities which by arrangement are payable beyond the next financial year at some point in the future or paid off by an annual sum over a period of time.

### **Defined Benefits Scheme**

A pension or other retirement benefit scheme, other than a defined contribution scheme, with rules that usually define the benefit independently of the contributions payable and where the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

### **Financial Year**

The 12 months commencing on 1 April covered by the accounts.

The 2021/22 Financial Statements cover the period 10 May 2021 – 31 March 2022. For one year only following the cessation of the Police and Crime Commissioner and introduction of the elected Mayor of West Yorkshire.

### **IAS19**

The objective of International Accounting Standard (IAS) 19, *Accounting for Retirement Benefits in Financial Statements of Employers* is to prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

### **IFRS**

International Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board.

### **Going Concern**

The concept that the Chief Constable will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to significantly curtail the scale of operations.

### **Group**

The term Group refers to the Chief Constable for West Yorkshire Police and the West Yorkshire Combined Authority.

### **Impairment**

A reduction in the value of a non current asset below the amount shown on the balance sheet.

### **Local Policing Body**

The collective term describing elected Police and Crime Commissioners for each police area outside of London and the Mayor's Office for Policing and Crime for the metropolitan police district.

### **Comprehensive Income and Expenditure Statement**

A primary financial statement showing the cost of policing during the financial year.



### **Precept**

The method by which the WYCA Group obtains the income it requires from Council Tax via the appropriate authorities.

### **Relevant Police Officer**

The Chief Constable (England and Wales) and any other senior police officer whose salary is £150,000 per year or more.

### **Remuneration**

All amounts paid to or receivable by a person and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash (e.g. benefits in kind).

### **Senior Employee**

A senior employee is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 per year (to be calculated pro rata for a part-time employee) and who is:

- (a) the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989
- (b) the head of staff for a relevant body which does not have a designated head of paid services, or
- (c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

### **Senior Police Officer**

A senior police officer is defined as a member of a police force holding a rank above that of superintendent (i.e. chief superintendent and above).