



Office of the
**Police & Crime
Commissioner**
West Yorkshire



**WEST YORKSHIRE
POLICE**

**POLICE AND CRIME COMMISSIONER
FOR WEST YORKSHIRE
STATEMENT OF ACCOUNTS
2020/21 to 9 May**



POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE

STATEMENT OF ACCOUNTS 2020/21 to 9 May

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

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of the Police and Crime Commissioner for West Yorkshire (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the period ended 9 May 2021 which comprise the Police and Crime Commissioner Comprehensive Income and Expenditure Statement, the Police and Crime Commissioner Movement in Reserves Statement, the Police and Crime Commissioner Group Comprehensive Income and Expenditure Statement, the Police and Crime Commissioner Group Movement in Reserves Statement, the Police and Crime Commissioner Group and Police and Crime Commissioner Balance Sheets, the Police and Crime Commissioner Group and Police and Crime Commissioner Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies, and include the police officer pension fund financial statements comprising the Fund Account, the Net Assets Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 9 May 2021 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the period then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

Emphasis of matter – demise of the organisation

In forming our opinion on the financial statements, which is not modified, we draw attention to Note 3 to the financial statements, which describes the transfer by Parliamentary Order of the functions of the Police and Crime Commissioner to the Elected Mayor of West Yorkshire, with effect from 10 May 2021. The transfer of the functions of the Police and Crime Commissioner to the Elected Mayor means that all staff, properties, rights and liabilities transferred from the Police and Crime Commissioner's Office to the West Yorkshire Combined Authority.

Conclusions relating to going concern

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



based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Police and Crime Commissioner and the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.
- We have nothing to report in respect of the above matters.

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

As explained more fully in the Statement of Responsibilities set out on page 9, the Police and Crime Commissioner is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk

that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, the Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2007, the Police Pensions Regulations 2015 and the Police Pensions Regulations 2006.
- We enquired of senior officers and the Police and Crime Commissioner, concerning the Police and Crime Commissioner and group's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit and the Police and Crime Commissioner, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries posted which met a range of criteria determined during the course of the audit, in particular those posted around the reporting date which had an impact on the Comprehensive Income and Expenditure Statement, and
 - accounting estimates made in respect of the valuation of assets and liabilities in the Balance Sheet.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that the Chief Finance Officer has in place to prevent and detect fraud;
 - journal entry testing, with a focus on entries meeting the criteria determined by the audit team;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings, and the valuation of the net defined benefit pensions liability;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.



- The team communications in respect of potential non-compliance with relevant laws and regulations, included the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the valuation of land and buildings and the valuation of the net defined benefit pensions liability.
- Assessment of the appropriateness of the collective competence and capabilities of the Police and Crime Commissioner and group's engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA, LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the period ended 9 May 2021.

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

Responsibilities of the Police and Crime Commissioner

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements,



the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

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

We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for West Yorkshire for the period ended 9 May 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Police and Crime Commissioner for the period ended 9 May 2021.

We are satisfied that this work does not have a material effect on the financial statements for the period ended 9 May 2021.

Use of our report

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

Paul Grady

Paul Grady Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
London

29 April 2022



STATEMENT OF RESPONSIBILITIES AND APPROVAL FOR THE STATEMENT OF ACCOUNTS

The Mayor exercising her Police and Crime Commissioner responsibilities,

The Mayor 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;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

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;
- Approved proper accounting procedures and records which were maintained and kept up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;
- Assessed the PCC and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Used the going concern basis of accounting on the assumption that the functions of the PCC and Group will continue in operational existence for the foreseeable future, supported 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;
- Maintain such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

APPROVAL FOR THE STATEMENT OF ACCOUNTS

In accordance with the Accounts and Audit Regulations 2015 these Statement of Accounts were approved by:

T Brabin

A Taylor

Tracy Brabin
Mayor of West Yorkshire
29 April 2022

Angela Taylor
Chief Finance Officer
West Yorkshire Combined Authority
29 April 2022



NARRATIVE REPORT AND FINANCIAL REVIEW

PREFACE

Tracy Brabin, Mayor of West Yorkshire

In May I was honoured to receive the support of the people of West Yorkshire to become the county's first elected Mayor, and the first female 'metro mayor' in the country. It is a tremendous privilege to take over the responsibilities of Police and Crime Commissioner from Mark Burns-Williamson. My approach will be to build on Mark's successes by putting the victim first and tackling the underlying causes of crime. In the year ahead we will work to deliver on my election pledges to recruit more frontline police officers and staff, and to work with stakeholders in the region to put keeping women and girls safe at the heart of my policing plan.

At the publishing of the PCC's Budget Statement last year, we were already coming to terms with the unprecedented challenges of the Covid pandemic. At the start of 2020, few of us could have predicted the great challenges which the following 18 months would present. Covid-19 has affected every one of us; in our homes, workplaces, and schools. Throughout the year our dedicated key-workers in West Yorkshire Police continued their hard work to serve the public, and I would like to thank those officers and staff for their important role in aiding the national recovery.

The sudden and exceptional change to the way we all conducted our everyday lives also had an impact on crime rates. Generally, crime levels fell (most notably for burglary, theft, and vehicle offences), but with most of us staying at home, there was also the expectation of an increase in crimes which occur within domestic settings.

At this challenging time, it was vital that services for victims, survivors, and vulnerable people in our communities were maintained, and the PCC made an important pledge to the providers of our funded services to maintain normal grant payments, and provide support where services needed to adapt to meet changing needs.

Under lockdown, partners expressed concerns for the potential increase in domestic abuse. The OPCC was able to help meet this challenge by gaining over £700k of MoJ funding for 16 different local organisations and charities to support ongoing domestic abuse and sexual violence projects. Projects supported included Bradford Rape Crisis and Sexual Abuse Survivors Service, Karma Nirvana, Leeds Women's Aid, and Survivors West Yorkshire.

Through the Violence Reduction Unit and West Yorkshire Police's Operation Jemlock, we have been able to sustain the reduction in the use of weapons seen in 2019/20, however enforcement remains just one aspect of the VRU's work. During the past year, the VRU has distributed almost £500k of funding to 40 charitable organisations and social enterprises working in our communities to protect children from serious violence or criminal exploitation, to fund opportunities for early intervention.

In terms of specific investments in policing, with the help of the West Yorkshire Police and Crime Panel and residents who supported our proposals for the Council Tax Precept, this budget will fund additional officers and police staff to be recruited this year, while sustaining the level of non-partner funded Police Community Support Officers (PCSOs) as part of Neighbourhood Policing Teams. Complementing this investment in staff and officers will be two new police stations which are to be built (subject to planning permission) in Dewsbury and Huddersfield town centres.



Finally, the PCC's Safer Communities Fund concluded in March 2021, having distributed £3.77m to over 800 organisations working at grassroots level in West Yorkshire. This project has been a landmark for the OPCC in supporting those in need and helping to keep communities safe.

The new financial year 2021/22 coincides with my first year as Mayor, within which I will develop a new Police and Crime Plan for West Yorkshire. I look forward to working with the Deputy Mayor for Policing and Crime, Alison Lowe, the diverse communities of West Yorkshire, West Yorkshire Police, and our wider partnership to deliver on our shared ambitions.

Tracy Brabin
Mayor of West Yorkshire



THE NARRATIVE REPORT

Overview from the Chief Finance Officer

The functions of the Police and Crime Commissioner (PCC), in West Yorkshire, were transferred by Parliamentary Order (The West Yorkshire Combined Authority (Election of Mayor and Functions) order 2021), to the Elected Mayor of West Yorkshire with effect from 10 May 2021. The transfer of the PCC functions to the Elected Mayor mean that the legal entity known as of the Police and Crime Commissioner's Office ceased to exist as of 9 May and all staff, properties, rights and liabilities transfer to the West Yorkshire Combined Authority. As the functions of the PCC will continue, the accounts have been prepared on a going concern basis.

The requirement in section 3(3) of the Local Audit and Accountability Act 2014(98) for a relevant authority to prepare a statement of accounts for each financial year ending on 31 March is modified under section 40 of the Order whereby in the case of the Police and Crime Commissioner and Chief Constable for the financial year which began on 1 April 2020 to require (a) the Police and Crime Commissioner, or after the transferred made by this Order, the Combined Authority in respect of the Police and Crime Commissioner's accounts; and (b) the Chief Constable; to prepare a statement of accounts from that date for the period which ends on 9 May 2021.

From 10 May 2021 the post of Police and Crime Commissioner was abolished and the role of the PCC transferred to the West Yorkshire Combined Authority as a function to be exercised by the Elected Mayor of West Yorkshire.

The financial climate remains challenging with the cost of inflation and pay rises being absorbed within the grant settlement for 2020/21 and also 2021/22. While additional funding was received for the Police Uplift Programme in 2020/21, it also requires specific targets for officer numbers being met, which essentially leaves inflation, and pay rises to be funded from current budgets.

Despite the above challenges during 2020/21 the PCC continued to provide additional resource in order to keep communities safe and feeling safe. In order to achieve this, during 2020/21 the Police and Crime Commissioner (PCC) has:

- Provided funding for recruiting 311 additional police officers and staff in 2020/21 all of whom have been recruited.
- Continued to invest in digital technology to keep police officers more visible on the streets.
- Continued to passport community safety funding to Local Authority partners to enable the Community Safety Partnerships to maintain valuable services to the people of West Yorkshire.
- Continued to provide funding to the West Yorkshire Rape Crisis Centres.

This document has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It aims to provide information to help the reader understand the overarching financial position of the PCC (and West Yorkshire Police), provide an overview of overarching governance arrangements and give confidence to the reader that the resources of West Yorkshire Police are effectively managed.

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



1. RELATIONSHIP BETWEEN THE POLICE AND CRIME COMMISSIONER AND THE CHIEF CONSTABLE

As set out above from 10 May 2021 the Mayor for West Yorkshire is to be treated, in relation to the Mayor's PCC functions, as a Police and Crime Commissioner for the purpose of all police and crime commissioner enactments.

The Police and Crime Commissioner and the Chief Constable each have specific roles and responsibilities under legislation and are established as separate legal entities.

The Police and Crime Commissioner:

- Appoints the Chief Constable and may suspend him or require him to resign or retire
- Must maintain the Police Force and ensure it is efficient and effective
- Must issue a Police and Crime Plan
- Must hold the Chief Constable to account for his actions and those of his officers and staff
- Received all income from grants, precepts and charges

The Chief Constable:

- Holds office as a servant to the crown and is not an employee
- Has a statutory responsibility for the control, direction and delivery of operational policing services in the West Yorkshire Police area
- Has direction and control over police officers and is the employer of police staff
- Is operationally independent
- Must have regard to the Commissioners Police and Crime Plan
- Holds no property, rights or liabilities
- May not borrow money

2. AN INTRODUCTION TO WEST YORKSHIRE

The richness of the different people and places of West Yorkshire is the greatest strength of our area. Our cities, towns and villages include some of England's most beautiful landscapes and architecture and the diversity of the 2.3 million people living across the county - with 18 per cent of our population from a minority ethnic background - brings a distinctiveness and strength in difference in us together. Our communities have been enriched by successive generations of people from elsewhere and it is our diversity of people and places that has made West Yorkshire economically, socially and culturally what it is today. Nevertheless, many people in West Yorkshire live in poverty and are isolated. Many of our Neighbourhood Policing Teams support communities with high levels of deprivation compared to the national average, where demands are greater and all too often more complex than most other areas.

3. FINANCIAL PERFORMANCE

a. Economic Climate

The 2020/21 revenue budget saw a flat core grant from Police Government Funding for existing budgets but an increase in funding to allow West Yorkshire Police to recruit 256 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 2.5% pay increases applied in the 2020/21 budget and continued demand pressures. The 2020/21 budget was therefore still heavily reliant on the flexibility to raise Council Tax Precepts.

West Yorkshire Police continues to experience substantial increases in capital costs to support policing in the 21st century. Capital Grant funding at £0.48m for 2020/21, which was a 74% reduction from the previous year, was insufficient and well below the level of capital investment required by West Yorkshire Police.

Economic forecasting at this point is challenging with the medium and long term impact of both Brexit and Covid-19 unknown at this time. The PCC is also still working within the constraints of one year funding settlements.

b. Financial Management

West Yorkshire has robust and sound financial management practices. Comprehensive financial reports are submitted to the Chief Officer Team on a monthly basis, Medium Term Financial Forecasts are refreshed regularly and decisions are taken based on current and future financial information. The PCC received 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 the OPCC / West Yorkshire Combined Authority.

c. Revenue

Budget 2020/21

The 2020/21 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 included the impact of the reduction in capital grant funding, which has meant significant further pressure on the revenue budget to make revenue contributions to capital funding. Also included within the 2020/21 budget was pay inflation of 2.5% and Staff/Officer Incremental pay increases. 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 £9.33 a 4.99% increase (the Home Office cap was £10 on the band D).

Revenue Outturn 2020/21 to 9 May

The following table provides a high level comparison between the approved budget and actual expenditure for the group.

2020/21	BUDGET 1/4/20-9/5/21	Actual 1/4/20-9/5/21	Variation
NET SERVICE EXPENDITURE	£'000	£'000	£'000
Net Cost of Police Services	511,639	492,372	17,820
OPCC Direction and Control	257	214	43
OPCC Corporate and Democratic Core	1,860	1,780	80
OPCC Partnership Initiatives	5,736	6,490	(754)
Other Operating Costs	10,357	7,964	2,393
Net Cost of Police Services	529,849	508,820	21,029
Net Total Contributions to/(from) Earmarked Reserves	(2,451)	14,297	(16,748)
Transfer to/(from) General Reserve	(1,072)	3,209	(4,281)
TOTAL NET EXPENDITURE	526,326	526,326	(0)
FINANCING			
Police Grant	207,788	207,788	0
RSG	18,488	18,488	0
NNDR	154,947	154,947	0
Precept	145,103	145,103	0
TOTAL GROUP FINANCING	526,326	526,326	0

The Net Cost of Police Services in the above table is different to the Net Cost of Police Services reported in the CIES (shown on page 24), 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:



2019/20 £000		2020/21 to 9 May £000
447,614	TOTAL NET EXPENDITURE PER OUTTURN REPORT	508,799
778	Interest Receivable	443
(10,473)	Interest Payable	(11,175)
0	Net (gains)/losses on financial assets at FVPL	309
25	Flexible Attachment	(3)
437,943	NET COST OF SERVICES	498,372
(6,020)	Revenue Funding of Capital	(3,234)
(3,261)	Minimum Revenue Provision (MRP)	(4,106)
25,732	Depreciation, Amortisation and Impairments	38,940
192,105	IAS19 Pension Service Costs (accounting basis)	192,703
(77,489)	Pension Contributions (funding basis)	(94,905)
1,870	Movement on Employee Benefits Accrual	12,898
570,881	COST OF POLICE SERVICES CIES	640,669

Outlook – Medium Term Financial Forecast

The Medium Term Financial Forecast presented in February shows a balanced position for 2021/22 following the use of £0.969m of revenue reserves, and the position for future years, as:

- 2022/23 £ 16.565m shortfall
- 2023/24 £ 20.599m shortfall
- 2024/25 £ 23.984m shortfall

A high level summary of the MTFF is provided below.

	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Pay & Pensions	468,630	485,541	500,573	510,149
Non pay	140,424	157,581	150,852	149,559
Income	(114,877)	(114,240)	(115,411)	(116,808)
Total Force Budget	<u>494,177</u>	<u>528,882</u>	<u>536,014</u>	<u>542,900</u>
Office of the PCC	1,695	1,729	1,764	1,799
Community Safety Fund	5,182	5,182	5,182	5,182
Shared Services	235	239	244	249
Total OPCC and Shared Services	<u>7,112</u>	<u>7,150</u>	<u>7,190</u>	<u>7,230</u>
Net Budget Requirements	<u>501,289</u>	<u>536,032</u>	<u>543,204</u>	<u>550,130</u>
Funded by:				
Contribution from Reserves	969	134	0	0
Police Grant	362,693	377,364	377,364	377,364
Collection Fund Surplus/(Deficit)	(1,455)	(1,455)	(1,455)	0
Income Loss and S31 CT Support Grants	860	1,926	1,926	0
Precept Requirements	<u>138,222</u>	<u>141,498</u>	<u>144,770</u>	<u>148,782</u>
Total Funding	<u>501,289</u>	<u>519,467</u>	<u>522,605</u>	<u>526,146</u>
Shortfall	<u>(0)</u>	<u>16,565</u>	<u>20,599</u>	<u>23,984</u>

All the underpinning assumptions have since been updated and challenged and the position is looking improved, however there are still significant funding challenges in the medium to long term.



There remains financial uncertainty over the medium term with the originally anticipated three year 2020 Comprehensive Spending Review (CSR), expected to provide some certainty over funding over the medium term, being replaced with a one year funding settlement for 2021/22. The short term nature of annual funding settlements makes it difficult to plan for the medium and long term with any certainty. The Government is expected to launch its Spending Review in early summer 2021 and it is expected to be a three year review.

Covid-19 has impacted Precept Funding with lower than projected increases to the council tax base and reduced collection rates compared to assumptions previously built into the MTFF. There has been financial support from central government in regard to loss of income directly attributable to Covid-19 during 2020/21, however it is not clear to what extent support will continue into the next financial year.

The mitigation to these funding challenges will be the continuation of the savings programme to review services, drive out efficiencies and identify cashable savings.

d. Capital

In addition to spending on day to day activities, the PCC incurs expenditure on land and buildings, information technology and other items of plant and equipment, which have a longer term life.

Capital outturn 2020/21 to 9 May

The following table shows the net capital position compared to the approved capital programme.

	Approved Budget £000	Actual Spend £000
Estates Schemes	6,914	7,381
Vehicles and Equipment	3,157	2,666
ICT Schemes	7,515	7,899
NPAS	13,277	10,900
	<u>30,863</u>	<u>28,846</u>

Medium Term Capital Plan

The PCC has approved a Medium Term Capital Plan (MTCP) costing £164.790m over the next four years, which will provide West Yorkshire Police with improved infrastructure and assets to deliver services to West Yorkshire Communities.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Estates Schemes	18,046	22,997	11,493	2,527	55,063
Vehicles and Equipment	8,117	10,926	7,487	3,767	30,297
ICT Schemes	6,652	15,718	8,560	4,487	35,417
	<u>32,815</u>	<u>49,641</u>	<u>27,540</u>	<u>10,781</u>	<u>120,777</u>
NPAS	10,436	11,758	10,839	10,980	44,013
	<u>43,251</u>	<u>61,399</u>	<u>38,379</u>	<u>21,761</u>	<u>164,790</u>



e. Group Balance Sheet

The Balance Sheet is a snapshot of the Police and Crime Commissioner's assets, liabilities, cash balances and reserves at the balance sheet date. A high level summary is provided below.

31 March 2020 £000		9 May 2021 £000
310,550	Long Term Assets	293,743
136,314	Current Assets	158,619
(110,557)	Current Liabilities	(142,738)
(6,202,414)	Long Term Liabilities	(7,379,564)
(5,866,109)	Net Liabilities	(7,069,940)
(5,866,109)	Total Reserves	(7,069,940)

4. NON-FINANCIAL PERFORMANCE

The Office of the Police and Crime Commissioner reviews West Yorkshire Police's (WYP) performance through the statistics and reports published by national bodies such as Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), the Office of National Statistics, the Ministry of Justice, and through WYP's own performance monitoring work. We hold a 'Delivery Quarterly' meeting with the Chief Constable to discuss police performance and to ensure that any new patterns in offending in our districts are being addressed.

The Mayor of West Yorkshire (through her Policing & Crime Team), reviews West Yorkshire Police's performance through data and reports published by national bodies such as Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), the Office of National Statistics, the Ministry of Justice, and through West Yorkshire Police's own performance monitoring work. We hold a 'Delivery Quarterly' meeting with the Chief Constable to discuss police performance and to ensure that any new patterns in offending in our districts are being addressed. The Mayor and Deputy Mayor also hold 'Community Outcome Meetings' with West Yorkshire Police (WYP) to look at crime and safety issues that are of significant interest to local communities.

During the past twelve months, the level of recorded crime has fallen as we have all lived under the restrictions of Covid lockdowns. Government advice to stay at home during the most intense phases of the pandemic has meant that there has been less opportunity for some types of offending (notably robbery, theft, and burglary offences). However, the OPCC and partners were aware that the conditions of the pandemic may lead to an increase in other types of offending. This was especially the case for offences which take place away from public view, such as domestic abuse or child exploitation or abuse.

Consequently, 2020/21's overall recorded crime levels fell in West Yorkshire by 13% (to 249,994 offences). This continues the trend of a reduction in recorded crime seen in 2019/20, albeit influenced this year by the Covid emergency. Categories of offence which have seen a notable reduction over the past year include burglary (-36%), robbery (-32%), and vehicle offences (-40%).

Where there were increases in recorded crime, the significant case was stalking and harassment (up by 17%; England and Wales average +28%), although analysis by West Yorkshire Police has identified that this increase is influenced by new crime recording practices. In addition, drug offences were up 15%, and there were small increases in public order/miscellaneous crimes offences; this most likely linked to lockdown restriction infringements. Domestic abuse and sexual offences recorded decreases over the year (counter to expectations), although these crimes are likely to experience under-reporting.



Behind these figures, HMCFRS's 2020 assessment of police services' Effectiveness, Efficiency, and Legitimacy (the 'PEEL' inspections) saw West Yorkshire Police gain 'Good' assessments for Effectiveness and Legitimacy, and an 'Outstanding' grade for Efficiency. West Yorkshire Police were one of just six forces in England and Wales to achieve 'Outstanding' recognition for force efficiency. A new assessment is expected in autumn 2021.

Residents' safety concerns and priorities are measured through the Mayor's 'Your Views' survey, which was relaunched in March. Results from this survey (which attracted just under 3,000 responses) recorded that 76% of respondents said they feel safe in their local area, with 78% satisfied with the work of West Yorkshire Police in their local neighbourhood. The OPCC also ran 'Community Conversation' engagement surveys during 2020 which aimed to gauge residents' concerns and support needs during the early stages of the pandemic.

5. PEOPLE

At 30th April 2021, West Yorkshire Police employed 10,363 people in full and part time contracts. We also had 258 unpaid members of the special constabulary and 142 volunteers giving a total workforce of 10,763

Below is the make-up of the Police workforce:

As at 30 April 2021		
	Workforce Head Count	Full Time Equivalents
Police Officers	5,648	5,547
Police Staff	4,150	3,798
PCSO's	565	541
Paid Employees	10,363	9,886
Special Constabulary	258	
Volunteers	142	
Total Workforce	10,763	

6. PRINCIPAL RISKS AND UNCERTAINTIES

A risk management strategy is in place to identify and evaluate risk. Risks are managed and monitored through a quarterly risk management meeting chaired by the Police and Crime Commissioner. 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.

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.

These are being actively managed by the Chief Constable's Leadership Team, the Risk Management Group and quarterly updates are provided to the Police and Crime Commissioner's "Good Governance Group" and the Joint Independent Audit and Ethics Committee.

7. COVID-19

West Yorkshire Police's operational response to Covid-19 in relation to its Gold Command structure, its positive support to Local Authorities and its approach to enforcement has been seen as best practice by the National Police Chiefs Council (NPCC). As the Force continues to respond to the changing operational challenges associated with Covid-19, a key challenge will be maintaining the confidence of the local communities as we attempt to strike the right balance of preserving legitimacy whilst handling the ongoing restrictions.

Additional costs were encountered as a result of responding to and adapting to the pandemic in ensuring continued service delivery. Forces were granted access to the Income Loss Recovery Scheme which assisted in recovering partly, loss of income due to the pandemic. The



substantial expenditure on PPE during the initial lockdown was subsidised by additional funding provided by the Government. Additional funding has also been provided by the Government to assist with the enforcement of the latest lockdown easing plans which will hopefully cover the period up to having no further restrictions in place.

8. SUMMARY AND CONCLUSION

We collectively continue to deliver effective financial management to support the delivery of the Police and Crime Plan. The OPCC Executive and Chief Officer team were fully engaged with the budgeting process to ensure resources are directed to priority areas. This will continue with the Mayor and Deputy Mayor and the West Yorkshire Combined Authority Chief Finance Officer.

The resources available to police forces, and particularly West Yorkshire, have reduced significantly since March 2010 and we are currently delivering policing services within a budget that had been reduced by £140m between 2010 and 2020. This resulted in a significant reduction in police officer and staff strength. Precept increases and use of reserves enabled police officer recruitment growth to commence in 2016 and each subsequent year to help meet the increasing demand placed on West Yorkshire Police and to start to rebuild the front line. The national Police Uplift Programme has enabled further recruitment; however, we are likely to still be below the 2010 officer number at least until 2023.

The financial outlook remains challenging, but I am confident that the Mayor, Chief Constable and their respective leadership teams will continue to deliver strong and effective financial management in order to maintain an appropriate level of funding for essential operational services.

EXPLANATION OF ACCOUNTING STATEMENTS

The Accounts and Audit (Coronavirus) Amendments Regulations 2020 require the Police and Crime Commissioner (PCC), and Chief Constable (CC) to produce a Statement of Accounts each financial year. These statements contain a number of different elements, which are explained below.

Statement of Accounts

The accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (the Act)
- The Home Office Financial Management Code of Practice for the Police Service of England and Wales
- The Police and Crime Commissioner's Scheme of Delegation and Financial Regulations

Within the Group, the PCC and the Chief Constable have separate single entity financial statements. This reflects the fact that they are two separate corporations sole.

The Police and Crime Commissioner is responsible for the finances of the whole Group and controls the assets, liabilities and reserves. The Police and Crime Commissioner receives all income and funding and makes all payments for the Group from the Police Fund. In turn, the Chief Constable fulfils his functions under the Police Reform and Social Responsibility Act within an annual budget agreed by the Police and Crime Commissioner. A scheme of consent is in operation between the two bodies determining their respective responsibilities.

During 2020/21, the vast majority of police staff were under the direction and control of the Chief Constable, and these costs are shown in the Chief Constable's Comprehensive Income and Expenditure Statement.

A small team of staff supports the Police and Crime Commissioner, shown separately as the corporate and democratic core within the PCC's statements.

This document contains two sets of accounts; the Police and Crime Commissioner's single entity accounts and the Group accounts which incorporates the accounts produced by the Chief Constable.

The single entity statements comprise of:

- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Cash Flow Statement

The contents of these statements are explained below.

Group Accounts

The Chief Constable for West Yorkshire is a wholly owned subsidiary of the Police and Crime Commissioner. The accounts of these two bodies are consolidated on a line by line basis with intergroup balances and transactions eliminated in full. They share a common year end of 31 March, modified to 9 May for 2020/21, and apply uniform accounting policies. The group accounts are prepared in accordance with chapter nine of the Code of Practice.

The consolidated Group core financial statements consist of:

Comprehensive Income and Expenditure Statement (CIES)

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. The PCC raises taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the PCC, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Movement in Reserves Statement shows how the movement in year of the PCC's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to taxation for the year. The Net Increase/Decrease line shows that the statutory General Fund Balance movement in the year following those adjustments.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCC. The net assets of the PCC (assets less liabilities) are matched by the reserves held by the PCC. Reserves are reported in two categories. The first category of reserves are useable reserves, i.e. those reserves that the PCC may use to provide service, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the PCC is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCC during the reporting period. The statement shows how the PCC generates and used cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCC are funded by way of taxation and grant income or from the recipients of services provided by the PCC. Investing activities represent the extent to which



cash outflows have been made for resources which are intended to contribute to the PCC's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCC.

The Supplementary Financial Statements are:

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to tax payers how the funding available to the PCC (i.e. government grants, precepts), for the year has been used in providing services in comparison with those resources consumed or earned by the PCC in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Group's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Annual Governance Statement

This sets out the key governance structures of the PCC and Group and key internal controls.

Pension Fund Accounts

This sets out the financial position of the Police Pension Fund as at 9 May 2021.

Revenue Accounts

Showing a summary of the lead force collaborative regional and national revenue accounts.

Notes

Provide more detail about the PCC's accounting policies and individual transactions.

Further information about the accounts is available from:

Angela Taylor
Chief Finance Officer
West Yorkshire Combined Authority
Wellington House
40-50 Wellington Street
Leeds
LS1 2DE



SINGLE ENTITY FINANCIAL STATEMENTS FOR THE POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE

Comprehensive Income and Expenditure Statement (CIES)

The Chief Constable is responsible for the day to day provision of the policing functions, including direction and control of police officers and police staff. The PCC has delegated certain powers to the Chief Constable over authorisation of revenue expenditure within the agreed budget.

Expenditure related to the Cost of Police Services will be shown in the Chief Constable's Comprehensive Income and Expenditure Statement. All income, funding and expenditure directly controlled by the PCC will be shown in the PCC Single Entity CIES.

The single entity Balance Sheet and Cash flow for the Police and Crime Commissioner can be found within the Group Statements on page 24-25.

The notes to the single entity statements are disclosed within the Group Statements

The accounting policies for the single entity statements are as detailed for the Group consolidated statements.

Comprehensive Income and Expenditure Statement Police and Crime Commissioner (Single Entity)

2019/20			2020/21 to 9 May			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
16,027	(169,587)	(153,560)	Corporate and Central Services PCC	19,833	(202,844)	(183,011)
16,027	(169,587)	(153,560)	Cost of Policing Service	19,833	(202,844)	(183,011)
		687,681	Intra-group adjustment - funding provided by the PCC for financial resources consumed by the CC			793,444
		534,121	Total Cost of Policing Service			610,432
	(43)		Other operating (income) and expenditure (Note 7)			(1,471)
	9,789		Financing and investment (income) and expenditure (Note 8)			10,552
	(532,119)		Taxation and non-specific grant (income) and expenditure (Note 9)			(614,905)
		11,747	(Surplus) or Deficit on Provision of Services			4,609
	(24,417)		(Surplus) or deficit on revaluation of Property, Plant and Equipment			4,957
	551		Remeasurement of net defined benefit liability / (asset)			1,686
		(23,866)	Other Comprehensive (Income) and Expenditure			6,643
		(12,119)	Total Comprehensive (Income) and Expenditure			11,251



Movement in Reserves Statement Police and Crime Commissioner (Single Entity)

	Revenue Reserves			Capital Reserves		Total Usable Reserves	Total Unusable Reserves	Total Reserves
	Police Fund Balance	Earmarked Reserves	General Fund Total	Deferred Capital Receipts Reserve	Capital Grants Unapplied			
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	15,250	42,944	58,195	5,622	2,474	66,291	98,381	164,673
Movement in Reserves during year								
Surplus or (deficit) on the provision of services	(11,748)	0	(11,748)	0	0	(11,748)	0	(11,748)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	23,866	23,866
Total Comprehensive Income and Expenditure	(11,748)	0	(11,748)	0	0	(11,748)	23,866	12,119
Adjustments between accounting basis & funding basis under regulations (note 5)	2,699	0	2,699	577	(55)	3,222	(3,222)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(9,049)	0	(9,049)	577	(55)	(8,526)	20,645	12,119
Transfers (to)/from Earmarked Reserves (Note 6)	6,356	(6,356)	0	0	0	0	0	0
Increase/Decrease in year	(2,693)	(6,356)	(9,049)	577	(55)	(8,526)	20,645	12,119
Balance at 31 March 2020 C/fwd	12,555	36,588	49,144	6,199	2,419	57,764	119,027	176,791

Movement in Reserves Statement Police and Crime Commissioner (Single Entity)

	Revenue Reserves			Capital Reserves		Total Usable Reserves	Total Unusable Reserves	Total Reserves
	Police Fund Balance	Earmarked Reserves	General Fund Total	Deferred Capital Receipts Reserve	Capital Grants Unapplied			
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020	12,555	36,588	49,145	6,199	2,419	57,762	119,027	176,790
Movement in Reserves during year								
Surplus or (deficit) on the provision of services	(4,609)	0	(4,609)	0	0	(4,609)	0	(4,609)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(6,643)	(6,643)
Total Comprehensive Income and Expenditure	(4,609)	0	(4,609)	0	0	(4,609)	(6,643)	(11,251)
Adjustments between accounting basis & funding basis under regulations (note 5)	20,493	0	20,493	293	(71)	20,715	(20,715)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	15,883	0	15,883	293	(71)	16,105	(27,357)	(11,251)
Transfers (to)/from Earmarked Reserves (Note 6)	(12,674)	12,674	0	0	0	0	0	0
Increase/Decrease in year	3,209	12,674	15,883	293	(71)	16,105	(27,357)	(11,251)
Balance at 9 May 2021 C/fwd	15,764	49,264	65,027	6,492	2,348	73,868	91,672	165,539



GROUP FINANCIAL STATEMENTS FOR THE POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE

Comprehensive Income and Expenditure Statement (CIES)

The Chief Constable is responsible for the day to day provision of the policing functions, including direction and control of police officers and police staff. The PCC has delegated certain powers to the Chief Constable over authorisation of revenue expenditure within the agreed budget.

Expenditure related to the Cost of Police Services will be shown in the Chief Constable Comprehensive Income and Expenditure Statement. All income and funding and expenditure directly controlled by the PCC will be shown in the PCC Single Entity CIES.

The Group CIES shows the consolidated income, funding and expenditure of the whole Group.

Comprehensive Income and Expenditure Statement Police and Crime Commissioner Group

2019/20			2020/21 to 9 May			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
149,506	0	149,506	Policing District West	160,509	0	160,509
142,729	0	142,729	Policing District East	154,749	0	154,749
98,088	0	98,088	Policing Specialist Operations	108,431	0	108,431
38,935	0	38,935	Policing Specialist Crime	46,543	0	46,543
31,387	0	31,387	Regional Policing	37,181	0	37,181
87,636	0	87,636	National Policing	104,217	0	104,217
81,843	0	81,843	Finance and Business Services	93,922	0	93,922
97,674	0	97,674	Corporate and Central Services CC	118,129	0	118,129
16,027	(169,587)	(153,560)	Corporate and Central Services PCC	19,833	(202,844)	(183,011)
743,825	(169,587)	574,238	Cost of Policing Service	843,513	(202,844)	640,669
		(43)	Other operating (income) and expenditure (Note 7)			(1,471)
		152,701	Financing and investment (income) and expenditure (Note 8)			147,897
		(532,119)	Taxation and non-specific grant (income) and expenditure (Note 9)			(614,905)
		194,777	(Surplus) or Deficit on Provision of Services			172,191
		(24,417)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			4,957
		57,314	Remeasurement of net defined benefit liability / (asset)			1,026,683
		32,897	Other Comprehensive (Income) and Expenditure			1,031,640
		227,675	Total Comprehensive (Income) and Expenditure			1,203,831



Movement in Reserves Statement Police and Crime Commissioner Group

	Revenue Reserves			Capital Reserves		Total Usable Reserves	Total Unusable Reserves	Total Group Reserves
	Police Fund Balance	Earmarked Reserves	General Fund Total	Deferred Capital Receipts Reserve	Capital Grants Unapplied			
	£000	£000	£000	£000	£000			
Balance at 1 April 2019	15,252	42,945	58,197	5,622	2,474	66,293	(5,704,722)	(5,638,429)
Movement in Reserves during year								
Surplus or (deficit) on the provision of services	(194,777)	0	(194,777)	0	0	(194,777)	0	(194,777)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(32,897)	(32,897)
Total Comprehensive Income and Expenditure	(194,777)	0	(194,777)	0	0	(194,777)	(32,897)	(227,675)
Adjustments between accounting basis & funding basis under regulations (note 5)	185,729	0	185,729	577	(55)	186,252	(186,252)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(9,048)	0	(9,048)	577	(55)	(8,525)	(219,149)	(227,675)
Transfers (to)/from Earmarked Reserves (Note 6)	6,356	(6,356)	0	0	0	0	0	0
Increase/Decrease in year	(2,692)	(6,356)	(9,048)	577	(55)	(8,525)	(219,149)	(227,674)
Balance at 31 March 2020 C/fwd	12,555	36,589	49,145	6,199	2,419	57,763	(5,923,870)	(5,866,106)

Movement in Reserves Statement Police and Crime Commissioner and Group

	Revenue Reserves			Capital Reserves		Total Usable Reserves	Total Unusable Reserves	Total Group Reserves
	Police Fund Balance	Earmarked Reserves	General Fund Total	Deferred Capital Receipts Reserve	Capital Grants Unapplied			
	£000	£000	£000	£000	£000			
Balance at 1 April 2020	12,555	36,589	49,145	6,199	2,419	57,763	(5,923,870)	(5,866,106)
Movement in Reserves during year								
Surplus or (deficit) on the provision of services	(172,191)	0	(172,191)	0	0	(172,191)	0	(172,191)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	(1,031,640)	(1,031,640)
Total Comprehensive Income and Expenditure	(172,191)	0	(172,191)	0	0	(172,191)	(1,031,640)	(1,203,831)
Adjustments between accounting basis & funding basis under regulations (note 5)	188,075	0	188,075	293	(71)	188,298	(188,298)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	15,883	0	15,883	293	(71)	16,106	(1,219,938)	(1,203,831)
Transfers (to)/from Earmarked Reserves (Note 6)	(12,674)	12,674	0	0	0	0	0	0
Increase/Decrease in year	3,209	12,674	15,883	293	(71)	16,106	(1,219,938)	(1,203,831)
Balance at 9 May 2021 C/fwd	15,764	49,264	65,028	6,492	2,348	73,869	(7,143,807)	(7,069,940)



Balance Sheet Police and Crime Commissioner Single Entity and Group

Balance Sheet

Statutory and local arrangements and practice determine that the PCC holds and maintains direct control of all the assets, liabilities and reserves at the balance sheet date.

All the assets, liabilities and reserves are recognised on the PCC Balance Sheet other than liabilities relating to staff within the employment of the Chief Constable.

All payments for the Group are made by the PCC from the PCC Police Fund and all income and funding is received by PCC. The PCC also has a statutory responsibility for Treasury Management, and the management of cash and cash equivalents.

Balance Sheet Police and Crime Commissioner Single Entity and Group

PCC 31 March 2020 £000	GROUP 31 March 2020 £000		GROUP Notes	GROUP 9 May 2021 £000	PCC 9 May 2021 £000
296,712	296,712	Property, Plant & Equipment	11	283,378	283,378
9,470	9,470	Intangible Assets	11	7,742	7,742
0	0	Long Term Investments	12	0	0
4,368	4,368	Long Term Debtor	14	2,623	2,623
310,550	310,550	Long Term Assets		293,743	293,743
64,335	64,335	Short Term Investments	12	53,105	53,105
3,688	3,688	Assets Held for Sale	11	(0)	(0)
3,328	3,328	Inventories	13	3,309	3,309
64,893	64,893	Short Term Debtors	14	102,132	102,132
70	70	Cash and Cash Equivalents	15	74	74
136,314	136,314	Current Assets		158,620	158,620
(1,499)	(1,499)	Cash and Cash Equivalents	15	(6,477)	(6,477)
(23,606)	(23,606)	Short Term Borrowing	12	(17,002)	(17,002)
(63,648)	(79,932)	Short Term Creditors	16	(112,857)	(83,609)
(2,663)	(2,663)	Short Term PFI Finance Lease Liability	30	(2,516)	(2,516)
(2,857)	(2,857)	Provisions	17	(3,886)	(3,886)
(94,274)	(110,557)	Current Liabilities		(142,738)	(113,490)
(4,368)	(4,368)	Long Term Creditors	16	(2,623)	(2,623)
(2,000)	(2,000)	Long Term Provisions	17	(2,500)	(2,500)
(74,995)	(74,995)	Long Term Borrowing	12	(74,407)	(74,407)
(87,563)	(87,563)	Long Term PFI Finance Lease Liability	30	(84,746)	(84,746)
(6,876)	(6,033,488)	Other Long Term Liabilities	31	(7,215,289)	(9,061)
(175,802)	(6,202,414)	Long Term Liabilities		(7,379,564)	(173,336)
176,787	(5,866,109)	Net Assets / Liabilities		(7,069,940)	165,539
57,761	57,761	Usable Reserves	18	73,868	73,868
119,026	(5,923,870)	Unusable Reserves	19	(7,143,807)	91,672
176,787	(5,866,109)	Total Reserves		(7,069,940)	165,539



Cash Flow Statement Police and Crime Commissioner Single Entity and Group

PCC	GROUP		GROUP	PCC
2019/20	2019/20		2020/21 to 9 May	2020/21 to 9 May
£000	£000		£000	£000
11,747	194,776	Net (surplus) or deficit on the provision of services	172,191	4,609
(34,022)	(217,051)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(195,299)	(27,716)
(9,111)	(9,111)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities.	6,973	6,973
(31,385)	(31,385)	Net Cash flows from Operating Activities (Note 20)	(16,135)	(16,135)
21,293	21,293	Investing Activities (Note 21)	(224)	(224)
16,240	16,240	Financing Activities (Note 22)	21,331	21,331
6,148	6,148	Net Increase or (decrease) in cash and cash equivalents	4,974	4,974
(4,718)	(4,718)	Cash and cash equivalents at the beginning of the reporting period	1,429	1,429
1,429	1,429	Cash and cash equivalents at the end of the reporting period (Note 15)	6,403	6,403



NOTES TO THE ACCOUNTS

Where the Notes for the PCC single entity Accounts differ to that of the Groups, single entity detail will be included within the Group Note, otherwise the single entity Note is the same as the Group Note.

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Note 1 - ACCOUNTING POLICIES

General

The Police and Crime Commissioner for West Yorkshire (PCC) is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 and those Regulations require that they are to be prepared in accordance with proper accounting practices.

These financial statements have been prepared in accordance with the Code of Practice 2020/21 (the Code) on Local Authority Accounting in the United Kingdom. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS).

Convention

These financial statements have been prepared on a going concern basis, reinforced by section 36 of the Mayoral Order which provides that all staff, properties, rights and liabilities transfer to the West Yorkshire Combined Authority. For further details please refer to Note 2a.

Accruals

Transactions should be 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.

The West Yorkshire Police Group

The West Yorkshire Police Group comprises two corporations sole: the Police and Crime Commissioner for West Yorkshire and the Chief Constable of West Yorkshire.

Both bodies are required to prepare a separate Statement of Accounts. Within this report there are two sets of financial statements, representing the accounts of:

- The Police and Crime Commissioner for West Yorkshire (the parent);
- The West Yorkshire Police Group.

The financial statements cover the 13 months and 9 days to the 9 May 2021. The term 'Group' is used to indicate the aggregated transactions and policies of the PCC and the Chief Constable.

The identification of PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities given to him under the Police Reform and Social Responsibility Act 2011.

Balance Sheet

Statutory and local arrangements and practice determine that the PCC holds and maintains direct control of all the assets, liabilities and reserves at the balance sheet date.

Special arrangements exist in relation to the employee related liabilities (pension and accumulated absences) which are under the direction and control of the Chief Constable, which, in line with CIPFA guidance, are shown in the Chief Constable's balance sheet.

Based on the statutory powers and responsibilities as designated by the Police Reform and Social Responsibility Act 2011, and the local agreements and practice in place, and taking account of the guidance included in the Code, it has been determined that all the assets, liabilities and reserves are recognised on the PCC Balance Sheet other than liabilities relating to staff within the employment of the Chief Constable. These are recognised in the Chief Constable's balance sheet, although ultimate responsibility for the liability remains with the PCC Group.

All payments for the Group are made by the PCC from the PCC Police Fund and all income and funding is received by PCC. The PCC has the responsibility for managing the financial relationships with third parties and has legal responsibility for discharging the contractual terms and conditions of suppliers. The PCC also has a statutory responsibility for Treasury Management, and the management of cash and cash equivalents.



As a result, working capital balances are shown on the balance sheet of the PCC.

Comprehensive Income and Expenditure Statement (CIES)

Under the Police Reform and Social Responsibility Act 2011, the Chief Constable is responsible for the day to day provision of the policing functions, including direction and control of police officers and police staff. The PCC has delegated certain powers to the Chief Constable over authorisation of revenue expenditure within the agreed budget.

Based on the statutory powers and responsibilities as designated by the Act, and the local agreements and practice in place, and taking account of the guidance included in the Code, it has been determined that expenditure related to the Cost of Police Services will be shown in the Chief Constable's comprehensive income and expenditure statement, funded by an equal and opposite credit from the PCC. All income and funding and expenditure directly controlled by the PCC (which is largely that expenditure which occurs below Cost of Police Services in the Group CIES) will be shown in the PCC Single Entity CIES.

The Group CIES shows the consolidated income, funding and expenditure of the whole Group.

Changes in Accounting Policy

Changes in accounting policy are only made when required by proper accounting practices or the change provides more reliable or more relevant information about the effect of the transactions, other events or conditions on the organisation's financial position or performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Critical Accounting Judgements in Applying Accounting Policies

In the application of the accounting policies, management is required to make certain judgements, estimates and assumptions about complex transactions or those involving uncertainty about future events. These are set out in Note 2a to the Accounts.

Value Added Tax

VAT is included in the Comprehensive Income and Expenditure Statement, whether of a revenue or capital nature, only to the extent that it is irrecoverable from HM Revenue and Customs.

The PCC is responsible for the submission of a single VAT return covering all of the transactions from a group perspective.

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 occurred in Note 12, Financial Instruments where the 2019/20 figures have been restated to accurately reflect the short-term receivables (£10m) and payables (£26m) as at the balance sheet date. This also restates the Customers table on page 75 within Note 33 which has also been update to accurately reflect the short-term receivables.

No other note or primary statements has been affected.

Information relating to specific accounting policies can be found alongside the relevant accounting Notes from pages 29 – 77.

International Accounting Standards that have been issued but not yet adopted

These are accounting standards which have not yet been adopted to the Code which will apply in 2021/22:

- Definition of a Business: Amendments to IFRS 3 Business Combinations



- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

These amendments are not expected to have any material impact on the accounts.

Note 2a – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

The Statement of Accounts are prepared on a going concern basis. 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. The concept is that the PCC and Chief Constable will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations. The Force is reliant on the connected relationship between the PCC and the Force. It is assumed the PCCs function will continue to discharge its liabilities in the normal course of its business in order for the Force to continue as a going concern.

Transfer of functions:

The functions of the Police and Crime Commissioner (PCC), in West Yorkshire, were transferred by Parliamentary Order (The West Yorkshire Combined Authority (Election of Mayor and Functions) order 2021), to the Elected Mayor of West Yorkshire with effect from 10 May 2021. The transferred of the PCC functions to the Elected Mayor mean that the legal entity known as of the Police and Commissioner's Office ceased to exist as of 9 May.

Following management's assessment of the PCC function continuing as a going concern, reinforced by section 36 of the Mayoral Order which provides that all staff, properties, rights and liabilities transfer to the West Yorkshire Combined Authority, these accounts have been prepared on a going concern basis.

These Statement of Accounts cover the period from 1 April 2020 to 9 May 2021, a period of 13 months and 9 days. In preparing the Financial Statements for the extended accounting period as at 9 May 2021, a management judgements have been made relating to the recognition of income and expenditure, and carrying amounts of assets and liabilities, given the unusual year end date, imposed by the Mayoral Order, to ensure the Financial Statements are materially accurate and reflective of the financial position as at 9 May 2021.

Details of the critical judgements taken by management:

- IAS19 pension entries for the period to 9 May 2021 were based upon reports obtained from the PCCs Pension Actuaries as at the Balance Sheet date, whereby actual data was provided by the PCC and used for asset valuations and cash flows data included to 30 April 2021, plus 9 days estimated data.
- Non-current asset valuations as at 9 May 2021 Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimations set out in the professional standards of the Royal Institution of Chartered Surveyors and were performed as at 9 May 2021 by RICS qualified external valuers. Management made the judgement to value all non-current assets at the Balance Sheet date given the unusual accounting period and uncertain market conditions experienced since Covid-19.
- The valuations of helicopters at 9 May 2021 were performed by external experts within the field of aviation and were produced based on either current prices where there is an active second-hand market, or latest list price adjusted for the condition of the asset. In arriving at the valuation as at 9 May 2021 assumptions around airworthiness, component data and current flight times are analysed in conjunction with standard industry bespoke valuation tools (Aircraft Valuation Reference Material and the Aircraft Bluebook).
- CIES costs in respect of depreciation and impairment of non-current assets were included as actual charges as at 31 March 2021. Management then estimated an additional 1 month and 9 days based on the 12 months actual charge.
- Loans and investment balances were obtained at 9 May 2021



- PFI Unitary Charge and balance sheet entries were accounted on the basis of the actual position as at 9 May 2021
- Insurance estimates at 9 May 2021 were based upon claims as at the balance sheet date
- Collection Fund Adjustments as at 31 March 2021
- Accumulated Absences were accounted for on the basis of the position as at 30 April 2021 for Accrued Rest Days, Flexi Leave balances, and Unelected Overtime. Management judgement was that the difference in position from 30 April 2021 to 9 May 2021 was not material to the Financial Statements Annual Leave balances were accounted for on the basis of the actual position as at 9 May 2021
- Usable reserves were accounted for on the basis of the actual position as at 9 May 2021
- Cash and Cash Equivalents were accounted for on the basis of the actual position at 9 May 2021

May 2021 transactions were examined and the following items were deemed material and accrued into the Statements for the 9 days of May:

- Pay and associated employer costs were accrued on the basis of 9 days actual costs for May
- Non-pay costs were accrued on the basis of 9 days actual and expected costs for May
- Police Grant funding and Precept were accrued for on the basis of 9 days of actual Funding for May
- Depreciation accrued an additional 1 month and 9 days costs based on actuals at 31 March
- Police Pension income and expenditure was accrued into the Police Pension Fund Account based on 9 days out of 31 of the actual May 2021 pension payments

A judgement has been made of the expenditure allocated between the PCC and Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable.

The PCC is the lead local policing body for 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 PCC 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.

Note 2b – ASSUMPTIONS ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the Group 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.

Items in the Balance Sheet at 9 May 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

ITEM	UNCERTAINTIES	EFFECT IF ACTUAL RESULTS DIFFER FROM ASSUMPTION
Pensions Liability	Estimation of net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and judgements in respect of the performance of the underlying assets which the LGPS pension scheme invests in (it should be noted	The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £130m for Police Officers and a reduction of £33m for Police Staff. Further details of the effect of accounting assumptions can be found within Note 31.

	<p>that the Police Officer Pension Scheme does not hold any assets). A firm of consulting actuaries is engaged to provide the PCC with expert advice in respect of the forecasts to be applied.</p> <p>In determining the value of the employers liabilities for the LGPS and the Police Officer pension Scheme, the actuaries have rolled forward the results from the most recent funding valuation, using the financial and demographic assumptions set for accounting purposes. Therefore, no allowance is made for pension increase experience. Instead, after each triennial valuation the accounting liabilities are recalculated using up to date membership data and results. This sometimes results in experience items which then need to be incorporated into subsequent accounting reports.</p>	<p>The pension fund investments are spread over a number of asset classes within public and private financial markets. There is always an element of uncertainty inherent within the valuation of private assets, and now coupled with recent market uncertainty as a result of Covid-19.</p> <p>Based on the current market conditions at the 9 May 2021, particularly in respect of the ongoing impact of Covid-19, the PCC understands that the direction of the economy could have a direct impact on the net liability value. This will most likely be in the form of below average returns on plan assets and market yields. In addition, the overall position is also influenced by the effect of market movements on assumptions used to place a value on the defined benefit obligation. The asset position at 9 May 2021 is, however, much stronger than that reflected in 2019/20 financial statements.</p> <p>The roll forward approach adopted by the actuary mean experience items may emerge representing the difference between the actual experience of the members of the fund, and the experience that had been assumed for them in previous accounting reports. As an example, if member died earlier than assumed this will result in an actuarial gain as the liabilities will be lower than estimated in the roll forward method adopted by the actuary is less accurate than the use of a full actuarial valuation, however the impact is mitigated by the inclusion of the aforementioned experience items which are incorporated into subsequent accounting reports.</p> <p>The carrying amount of the Pension Liability at 9 May 2021 was £7,215.3m</p>
<p>Property</p>	<p>The valuation date of properties for 2020/21 was the 9 May 2021 with all properties being valued at the balance sheet date.</p> <p>The PCC has assessed the year end impact of Covid-19 on its asset base and sought the professional advice of its external valuers to determine whether its assets are materially misstated. The outbreak of Covid-19 has impacted global finances and market activity is being impacted in many sectors. The PCC's valuers have stated that the valuations completed in 2020/21 at 9 May have NOT been undertaken on the basis of 'material valuation uncertainty' as per VPS3 and VPGA 10 of the RICS Red Book Global. Consequently, a higher degree of certainty is attached to the 2020/21</p>	<p>Many of the PCCs properties are valued as specialist properties, which are valued on depreciated replacement cost (DRC) basis. Whilst the removal of the 'material uncertainty' provides the PCC with additional assurance, it is possible that in the long term, the Covid-19 situation could impact on construction costs, and risk that the pandemic could impact on asset values in the future.</p> <p>The PCC is confident at the balance sheet date the valuers have provide assurance that it is highly unlikely that asset values are misstated.</p> <p>Given the unknown future impact that Covid-19 might have on the real estate market, the valuation of the PCC's non-current asset portfolio will be kept under frequent review until such a time that firmer valuations can be enacted. The wider external context will continue to be reviewed in 2021/22 to assess any further impacts.</p>



	valuations compared to those undertaken for the 2019/20 Accounts.	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. The carrying amount of Property at 9 May 2021 was £198.5m
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Note 3 – EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Chief Finance Officer for the PCC on 30 July 2021. 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 at 9 May 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The functions of the Police and Crime Commissioner (PCC), in West Yorkshire, were transferred by Parliamentary Order (The West Yorkshire Combined Authority (Election of Mayor and Functions) order 2021), to the Elected Mayor of West Yorkshire with effect from 10 May 2021. The transfer of the PCC functions to the Elected Mayor mean that the legal entity known as of the Police and Crime Commissioner’s Office ceased to exist as of 9 May and all staff, properties, rights and liabilities transferred to the West Yorkshire Combined Authority. As the functions of the PCC will continue, the accounts have been prepared on a going concern basis.

Following the transfer the Mayor of West Yorkshire stated her intention to cease West Yorkshire’s role as the lead policing body for NPAS. She informed the National Strategic Board of NPAS of her decision before issuing formal notice. The future governance and leadership of NPAS will now be for the National Strategic Board to determine, in discussion with the Home Office, National Police Chiefs Council (NPCC) and Association of Police and Crime Commissioners (APCC). The Mayor has made it clear that while a position is reached on a new delivery model and structure, West Yorkshire Police will continue to deliver NPAS.

**Note 4 – EXPENDITURE AND FUNDING ANALYSIS**

Expenditure and Funding Analysis Police and Crime Commissioner (Single Entity)

2019/20				2020/21 to 9 May		
Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
(153,940)	380	(153,560)	Corporate and Central Services PCC	(183,316)	305	(183,011)
(153,940)	380	(153,560)	Net Cost of Services	(183,316)	305	(183,011)
591,883	95,797	687,681	Intra-group adjustment	681,689	111,754	793,444
(432,216)	(90,156)	(522,374)	Other (Income) and Expenditure	(515,899)	(89,924)	(605,824)
3,323	(3,323)	0	Movement from Reserves to General Fund	1,641	(1,641)	0
162,990	2,318	165,307	Other (Income) and Expenditure	167,431	20,189	187,620
9,050	2,698	11,747	(Surplus) or Deficit	(15,886)	20,494	4,609
58,197	Opening General Fund Balance			49,145		
(9,050)	Less/Plus Surplus or (Deficit) on General Fund Balance in Year			15,886		
49,145	Closing General Fund Balance at 9th May 2020/21			65,028		

Note to the Expenditure and Funding Analysis Police and Crime Commissioner (Single Entity)

2019/20				Adjustments Between Funding and Accounting Basis	2020/21 to 9 May			
Adjustments for Capital Purposes £000	Net Change in the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	Adjustment from General Fund to arrive at the CIES	Adjustments for Capital Purposes £000	Net Change in the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
0	355	25	380	Corporate and Central Services PCC	0	371	(66)	305
0	355	25	380	Net Cost of Services	0	371	(66)	305
16,451	0	0	16,451	Intra group adjustment	31,600	0	0	31,600
(14,738)	94	510	(14,134)	Other income and expenditure from the Expenditure and Funding Analysis	(15,267)	129	3,727	(11,411)
1,713	449	535	2,697	Difference Between General Fund Surplus or Deficit and CIES (Surplus) or Deficit on the Provision of Services	16,333	500	3,661	20,494



Expenditure and Funding Analysis Police and Crime Commissioner Single Entity and Group

2019/20			2020/21 to 9 May			
Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to General Fund Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
117,631	31,875	149,506	Policing District West	132,520	27,989	160,509
112,414	30,315	142,729	Policing District East	127,691	27,057	154,749
81,705	16,383	98,088	Policing Specialist Operations	93,274	15,157	108,431
32,402	6,533	38,935	Policing Specialist Crime	40,054	6,489	46,543
26,871	4,516	31,387	Regional Policing	32,508	4,673	37,181
71,624	16,012	87,636	National Policing	79,679	24,538	104,217
63,891	17,952	81,843	Finance and Business Services	71,854	22,068	93,922
85,345	12,329	97,674	Corporate and Central Services CC	104,109	14,020	118,129
(153,940)	380	(153,560)	Corporate and Central Services PCC	(183,316)	305	(183,011)
437,943	136,294	574,238	Net Cost of Services	498,373	142,296	640,669
(432,216)	(90,156)	(522,372)	Other (Income) and Expenditure PCC	(515,899)	(89,924)	(605,824)
0	142,913	142,913	Other (Income) and Expenditure CC	0	137,345	137,345
3,323	(3,323)	0	Movement from Reserves to General Fund	1,641	(1,641)	0
(428,893)	49,434	(379,459)	Other (Income) and Expenditure	(514,258)	45,780	(468,479)
9,050	185,728	194,778	(Surplus) or Deficit	(15,886)	188,078	172,191
58,197	Opening General Fund Balance			49,145		
(9,050)	Less/Plus Surplus or (Deficit) on General Fund Balance in Year			15,886		
49,145	Closing General Fund Balance at 9th May 2020/21			65,028		

Note to the Expenditure and Funding Analysis Police and Crime Commissioner Single Entity and Group

2019/20				Adjustments Between Funding and Accounting Basis	2020/21 to 9 May			
Adjustments for Capital Purposes £000	Net Change in the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	Adjustment from General Fund to arrive at the CIES	Adjustments for Capital Purposes £000	Net Change in the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
0	31,382	492	31,874	Policing District West	0	24,702	3,287	27,989
0	29,847	468	30,315	Policing District East	0	23,880	3,178	27,057
0	16,130	253	16,383	Policing Specialist Operations	0	13,377	1,780	15,157
0	6,432	101	6,533	Policing Specialist Crime	0	5,727	762	6,489
0	4,446	70	4,516	Regional Policing	0	4,124	549	4,673
7,989	7,899	124	16,012	National Policing	17,179	6,495	864	24,538
15,360	2,552	40	17,952	Finance and Business Services	18,797	2,887	384	22,068
(6,898)	18,930	297	12,329	Corporate and Central Services CC	(4,376)	16,235	2,160	14,020
0	355	25	380	Corporate and Central Services PCC	0	371	(66)	305
16,451	117,973	1,870	136,292	Net Cost of Services	31,600	97,798	12,898	142,296
(14,738)	63,561	510	49,433	Other (income) and expenditure from the Expenditure and Funding Analysis	(15,267)	57,320	3,727	45,780
1,713	181,534	2,380	185,625	Difference Between General Fund Surplus or Deficit and CIES (Surplus) or Deficit on the Provision of Services	16,333	155,118	16,625	188,078



Adjustment for Capital Purposes

Adjustment for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in year and those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

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 PCC 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:

- For **Financing and investing income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practice in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 5 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION for the PCC and GROUP

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the PCC to meet future capital and revenue expenditure. The following sets out the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all receipts which the Group is required to pay and out of which all liabilities of the Group are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Group is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Group is required to recover) at the end of the financial year.



Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. However, in the 2015 spending review these rules were relaxed, to allow Local Authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects to deliver more efficient and sustainable services.

The balance on the reserve shows the resources that have yet to be applied for at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Group has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure.

The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Usable Reserves	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Usable Reserves
	£'000	£'000	£'000	£'000
The following adjustments are for 2019/20				
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the CIES differs from revenue for the year calculated in accordance with statutory requirements				
Pension costs (to or from the Pensions Reserve)	(449)	0	0	(449)
Financial instruments (to or from FIAA)	20	0	0	20
Council tax and NDR (to or from the Collection Fund AA)	(511)	0	0	(511)
Officer remuneration (to or from the Accumulated Absences AA) PCC	(25)	0	0	(25)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(14,895)	0	55	(14,840)
Total Amendments to Revenue Resources PCC and GROUP	(15,860)	0	55	(15,805)
Pension costs (to or from the Pensions Reserve)	(181,184)	0	0	(181,184)
Officer remuneration (to or from the Accumulated Absences AA)	(1,845)	0	0	(1,845)
Total Amendments to Revenue Resources CC and GROUP	(183,029)	0	0	(183,029)
Total Amendments to Revenue Resources GROUP	(198,889)	0	55	(198,834)
Adjustments to the Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	577	(577)	0	0
Statutory provision for the repayment of debt (from the Capital AA)	3,261	0	0	3,261
Capital expenditure financed from revenue balances (to the Capital AA)	9,323	0	0	9,323
Adjustments to the Revenue and Capital Resources PCC and GROUP	13,161	(577)	0	12,584
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0
Total Adjustments to Capital Resources PCC and GROUP	0	0	0	0
Total Adjustments PCC	(2,699)	(577)	55	(3,221)
Total Adjustments CC	(183,029)	0	0	(183,029)
Total Adjustments GROUP	(185,728)	(577)	55	(186,250)



Usable Reserves	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Usable Reserves
	£'000	£'000	£'000	£'000
The following adjustments are for 2020/21 to 9 May				
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the CIES and differs from revenue for the year calculated in accordance with statutory requirements				
Pension costs (to or from the Pensions Reserve)	(499)	0	0	(499)
Financial instruments (to or from FIAA)	21	0	0	21
Council tax and NDR (to or from the Collection Fund AA)	(3,728)	0	0	(3,728)
Officer remuneration (to or from the Accumulated Absences AA)	66	0	0	66
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(30,487)	0	71	(30,416)
Total Amendments to Revenue Resources PCC and GROUP	(34,627)	0	71	(34,556)
Pension costs (to or from the Pensions Reserve)	(154,619)	0	0	(154,619)
Officer remuneration (to or from the Accumulated Absences AA)	(12,964)	0	0	(12,964)
Total Amendments to Revenue Resources CC and GROUP	(167,582)	0	0	(167,582)
Total Amendments to Revenue Resources GROUP	(202,209)	0	71	(202,138)
Adjustments to the Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,174	(5,174)	0	0
Statutory provision for the repayment of debt (from the Capital AA)	4,106	0	0	4,106
Capital expenditure financed from revenue balances (to the Capital AA)	4,854	0	0	4,854
Adjustments to the Revenue and Capital Resources PCC and GROUP	14,134	(5,174)	0	8,960
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	4,881	0	4,881
Total Adjustments to Capital Resources PCC and GROUP	0	4,881	0	4,881
Total Adjustments PCC	(20,493)	(293)	71	(20,715)
Total Adjustments CC	(167,582)	0	0	(167,582)
Total Adjustments GROUP	(188,075)	(293)	71	(188,297)

Note 6 – MOVEMENTS IN EARMARKED RESERVES for the PCC and GROUP

This note sets out the amounts set aside by the PCC and Group from the Police Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2020/21.

	Balance at 31 March 2019	Transfer Out 2019/20	Transfer In 2019/20	Balance at 31 March 2020	Transfer Out 2020/21 to 9 May	Transfer In 2020/21 to 9 May	NET Transfer 2020/21 to 9 May	Balance at 9 May 2021
	£000	£000	£000	£000	£000	£000	£000	£000
Devovement Reserve	0	0	0	0	0	3,131	3,131	3,131
VIPER Reserve	5,080	(454)	0	4,626	(101)	442	341	4,967
PFI Reserve	11,561	0	840	12,401	0	840	840	13,241
Regional Working Reserve	823	(625)	0	198	0	0	0	198
Dilapidation Reserve	1650	(1,120)	0	530	0	0	0	530
PNLD Reserve	584	0	161	745	(625)	144	(481)	264
Organisational Change Fund	17323	(7,701)	3,362	12,984	(2,324)	0	(2,324)	10,660
Community Safety Fund	1444	(35)	1,000	2,409	(260)	0	(260)	2,150
Partnership Executive Group	592	(1,228)	1,000	364	(364)	0	(364)	0
Operational Reserve	3,536	(1,464)	0	2,072	(969)	0	(969)	1,103
Wellbeing Reserve	351	(110)	18	259	(100)	0	(100)	160
Police Uplift Programme Reserve	0	0	0	0	0	2,400	2,400	2,400
Safeguarding Reserve	0	0	0	0	0	500	500	500
Income Loss Reserve	0	0	0	0	0	1,213	1,213	1,213
COVID Reserve	0	0	0	0	0	2,104	2,104	2,104
NPAS	0	0	0	0	0	5,000	5,000	5,000
NPAS Operational Reserve	0	0	0	0	0	1,643	1,643	1,643
Total	42,944	(12,737)	6,381	36,589	(4,743)	17,417	12,674	49,264


Note 7 – OTHER OPERATING EXPENDITURE for the PCC and GROUP

2019/20 £000		2020/21 to 9 May £000
(25)	Flexible attachment	3
(18)	(Gains) / losses on the disposal of non-current assets	(1,474)
(43)	Total	(1,471)

Note 8 – FINANCING AND INVESTING INCOME AND EXPENDITURE for the PCC and GROUP

2019/20 £000		2020/21 to 9 May £000
10,473	Interest payable and similar charges	11,175
(778)	Interest receivable and similar income	(443)
0	Net (gains)/losses on financial assets at fair value through profit and loss	(310)
94	Pensions net interest cost expense PCC	129
9,789	Sub-total PCC	10,551
142,912	Pensions net interest cost expense CC	137,345
152,701	Total Group	147,897

Note 9 – TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE for the PCC and GROUP

2019/20 £000		2020/21 to 9 May £000
	Council tax income:	
(26,558)	Bradford Metropolitan District Council	(30,868)
(11,676)	Calderdale Council	(13,547)
(22,100)	Kirklees Council	(25,980)
(42,516)	Leeds City Council	(48,911)
(18,973)	Wakefield Metropolitan District Council	(22,070)
(130,051)	Non domestic rates	(154,947)
(172,809)	Police Grant	(207,788)
(16,693)	Revenue Support Grant	(18,488)
(79,346)	Police Pension Top Up	(80,154)
(2,267)	Capital grants and contributions	(1,522)
(9,130)	Capital grants and contributions NPAS	(10,630)
(532,119)	Total	(614,905)



Note 10 – EXPENDITURE AND INCOME ANALYSED BY NATURE for the PCC and GROUP

Expenditure and Income Analysed by Nature

GROUP	2020/21 to 9 May £000	2019/20 £000
Expenditure		
Employee benefits expenses	649,542	577,428
Premises related expenditure	24,556	21,104
Supplies and services	86,693	75,724
Transport related expenditure	31,435	31,891
Other service expenses	14,269	13,948
Pension related expenditure	137,474	143,007
Depreciation, amortisation, impairment	38,940	25,732
Interest payments	11,618	10,493
Gain on the disposal of assets	(1,474)	(18)
Total expenditure	993,053	899,309
Income		
Fees, charges and other service income	(111,942)	(102,058)
Interest and investment income	(443)	(778)
Income from precepts, non-domestic rates	(319,811)	(251,874)
Government grants and contributions	(388,667)	(349,821)
Total income	(820,863)	(704,531)
Surplus or Deficit on the Provision of Services	172,191	194,778

Expenditure and Income Analysed by Nature

PCC	2020/21 to 9 May £000	2019/20 £000
Expenditure		
Employee benefits expenses	3,840	3,316
Premises related expenditure	201	481
Supplies and services	15,255	12,140
Transport related expenditure	58	90
Other service expenses	2,051	2,116
Interest payments	11,618	10,493
Gain on the disposal of assets	(1,474)	(18)
Intra Group Funding	793,922	687,660
Total expenditure	825,471	716,278
Income		
Fees, charges and other service income	(111,942)	(102,058)
Interest and investment income	(443)	(778)
Income from precepts, non-domestic rates	(319,811)	(251,874)
Government grants and contributions	(388,667)	(349,821)
Total income	(820,863)	(704,531)
Surplus or Deficit on the Provision of Services	4,609	11,747



Note 11 – PROPERTY, PLANT AND EQUIPMENT for the PCC and GROUP

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services, for rental to others or for administrative purposes that are expected to be used for more than one financial year.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item flows to the Group and the cost of the item can be measured reliably. It is subject to a de-minimis level of £10,000.

Expenditure that maintains but does not extend the previously assessed standards of performance, such as routine repairs and maintenance, is charged to revenue as it is incurred.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet at current value. If there is no market-based evidence of current value, it is estimated using a depreciated replacement cost approach.

Land and building assets have been historically revalued at a minimum of every five years in accordance with the Practice statements in the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors. During 2020/21 all Land and Building assets were re-valued, regardless of the length of time since their previous valuation.

Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement to reverse any previous charges made for related impairment losses.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

The values of each category of assets and material individual assets are reviewed at the end of each financial year for evidence of reductions in value.

An impairment loss on a re-valued asset shall be recognised in the Revaluation Reserve (these entries are reflected in the Movement in Reserves Statement) to the extent that the impairment does not exceed the amount in the Revaluation Reserve for the same asset (i.e. up to the historical cost of the asset) and thereafter in the Surplus or Deficit on the Provision of Services.

Where an impairment loss is charged to the Comprehensive Income and Expenditure Statement but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

Disposals

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are classed as capital receipts and are credited to the Capital Receipts Reserve via an appropriation from the Movement in Reserves Statement. The Capital Receipts Reserve can only be used for new capital investment or set aside to reduce the underlying need to borrow (the capital financing requirement).



The amount written off disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets. An exception is made for assets without a determinable finite useful life such as freehold land and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on a straight line basis over the useful life of the asset as determined by the valuer. It is charged to the Comprehensive Income and Expenditure Statement. No depreciation is applied in year of acquisition or construction completing.

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

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Capital Receipts

Capital Receipts are principally the proceeds arising from the sale of fixed assets. Insurance income from vehicle write-offs valued in excess of £10,000 per vehicle is also treated as Capital Receipts. Receipts less than £10,000 per item are treated as de-minimis and included in the Comprehensive Income and Expenditure Statement.

Movements in 2020/21 to 9 May	Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Assets Under Construction £'000	NPAS Helicopters £'000	NPAS Equipment £'000	PFI Land and Buildings £'000	Total Property, Plant and Equipment £'000
COST OR VALUATION							
At 1 April 2020	122,162	59,669	13,351	25,451	43,920	84,970	349,521
Additions	2,971	8,767	6,364	1,815	7,425	0	27,342
Revaluation increases/(decreases) in the Revaluation Reserve	(6,988)	0	0	(3,929)	0	(3,355)	(14,272)
Revaluation increases/(decreases) in the CIES	(692)	0	0	(6,803)	0	1	(7,494)
De-recognition - disposals	0	(1,304)	0	0	0	0	(1,304)
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Assets reclassified from Assets Under Construction	0	0	(14,059)	14,059	0	0	0
Transferred Vehicles		53					53
At 9 May 2021	117,453	67,185	5,656	30,593	51,345	81,616	353,848
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 April 2020	(1,662)	(29,855)	0	(1,314)	(19,979)	0	(52,810)
Depreciation charge	(3,538)	(12,121)	0	(1,653)	(8,723)	(2,120)	(28,155)
Depreciation written out to the Revaluation Reserve	4,899		0	2,527	0	1,889	9,315
Impairment (losses)/reversals recognised in the CIES	0	(70)	0	0	0	0	(70)
Downward revaluation taken to Revaluation Reserve	0	0	0	0	0	0	0
De-recognition - disposals	0	1,304	0	0	0	0	1,304
Transferred Vehicles		(53)					(53)
At 9 May 2021	(301)	(40,795)	0	(440)	(28,702)	(231)	(70,469)
NET BOOK VALUE							
At 31 March 2020	120,500	29,814	13,351	24,137	23,940	84,970	296,712
At 9 May 2021	117,152	26,390	5,655	30,153	22,643	81,385	283,379



Comparator Year: Movements in 2019/20	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	NPAS Assets	NPAS Equipment	PFI Land and Buildings	Total property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION							
At 1 April 2019	107,932	63,828	14,609	25,451	38,488	78,572	328,880
Additions	3,220	8,041	3,258	0	5,930	0	20,449
Revaluation increases/(decreases) in the Revaluation Reserve	10,173	0	0	0	0	6,599	16,772
Revaluation increases/(decreases) in the CIES	346	0	0	0	0	(201)	145
De-recognition - disposals	(30)	(12,201)	0	0	(498)	0	(12,729)
Assets reclassified (to)/from Held for Sale	(3,995)	0	0	0	0	0	(3,995)
Assets reclassified from Assets Under Construction	4,516	0	(4,516)	0	0	0	0
At 31 March 2020	122,162	59,669	13,351	25,451	43,920	84,970	349,521
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 April 2019	(4,292)	(31,736)	0	(101)	(13,701)	0	(49,830)
Depreciation charge	(2,627)	(10,048)	0	(1,213)	(6,776)	(2,413)	(23,077)
Depreciation written out to the Revaluation Reserve	5,233	0	0	0	0	2,413	7,646
Impairment (losses)/reversals recognised in the CIES	0	(272)	0	0	0	0	(272)
Downward revaluation taken to Revaluation Reserve	0	0	0	0	0	0	0
De-recognition - disposals	24	12,201	0	0	498	0	12,723
At 31 March 2020	(1,662)	(29,855)	0	(1,314)	(19,979)	0	(52,810)
NET BOOK VALUE							
At 31 March 2019	103,640	32,092	14,609	25,350	24,787	78,572	279,050
At 31 March 2020	120,500	29,814	13,351	24,137	23,940	84,970	296,712

DEPRECIATION

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings (excluding land) - straight line allocation over the life of the property as estimated by the valuer.
- Vehicles - straight line method over 4 years.
- IT (including intangible fixed assets) and other equipment - straight line method over 5 years.
- Helicopters - straight line allocation over 15 years.

CAPITAL COMMITMENT

At 9 May 2021, the 2020/21 capital commitments were £8.65m, Including NPAS (2019/20 capital commitments were £11.024m). The major commitments were:

- | | |
|---------------------------------|-------|
| • Halifax Refurbishment | £2.0m |
| • Vehicle Replacement | £1.7m |
| • Ballistic Protective Vehicles | £0.9m |
| • NPAS Parts | £0.5m |
| • New Kirklees DHQ | £0.5m |
| • Infrastructure Upgrade | £0.4m |



REVALUATIONS

The PCC and Group carries out an annual revaluation assessment on all Property, Plant and Equipment to ensure an appropriate and materially accurate valuation is maintained in the accounts.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimations set out in the professional standards of the Royal Institution of Chartered Surveyors.

Valuations of helicopters are based on current prices where there is an active second-hand market or latest list price adjusted for the condition of the asset. Assumptions are based around airworthiness component data and current flight times that are then analysed in conjunction with standard industry bespoke valuation tools (Aircraft Valuation Reference Material and the Aircraft Bluebook).

Other classes of vehicles, plant and equipment are carried at depreciated historic cost as a proxy for current value.

The significant assumptions in estimating the current values are:

- for operational land and buildings current value is interpreted as the amount that would be paid for the asset in its existing use.
- for non-operational land and buildings current value measurement is fair value, estimated at highest and best use from a market participant's perspective.
- where properties are valued under the depreciated replacement costs (DRC) basis, assumptions are used in relation to the obsolescence factor, the BCIS costs and the functionality of the properties which are updated annually.

Valuations were carried out on 9th of May 2021 as follows:

Properties - By RICS Qualified external valuers from Carter Jonas, Leeds in accordance with CIPFA's IFRS Code of Practice 2020/21. Land and Buildings were valued as at 9 May 2021, with a total value of £199m. The previous valuation of these properties was £172m.

The revaluation of non-current assets as at the Balance Sheet date are:

	Land and Buildings £'000	Assets Under Constructions £'000	Vehicles, Plant, Furniture & Equipment £'000	NPAS Helicopter £'000	NPAS Equipment £'000	PFI Assets £'000	Total property, Plant and Equipment £'000
Carried at historical cost	0	5,655	26,390	0	22,643	0	54,688
Valued at current value as at:							
09 May 2021	117,152	0	0	31,600	0	81,385	230,137
31 March 2020	0	0	0	0	0	0	0
31 March 2019	0	0	0	0	0	0	0
31 March 2018	0	0	0	0	0	0	0
31 March 2017	0	0	0	0	0	0	0
Total Cost or Valuation	117,152	5,655	26,390	31,600	22,643	81,385	284,825

IMPAIRMENTS

During 2020/21, the PCC and Group has recognised a total impairment loss of £0.692m across a number of properties in its estate.

ASSETS HELD FOR SALE

Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset is recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other



Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation and revaluations), and their recoverable amount at the date of the decision not to sell.

	Current		Non-Current	
	2020/21 to 9 May £000	2019/20 £000	2020/21 to 9 May £000	2019/20 £000
Balance outstanding at start of year	3,688	312	0	0
Revaluation increase/(decrease) in the CIES	0	(66)	0	0
Assets newly classified as held for sale:				
Property, Plant and Equipment	12	3,995	0	0
Assets declassified as held for sale:				
Property, Plant and Equipment	0	0	0	0
Assets sold				
Property, Plant and Equipment	(3,700)	(553)	0	0
Balance outstanding at year-end	(0)	3,688	0	0

INTANGIBLE ASSETS

Intangible Assets are identifiable non-monetary assets without physical substance. They must be controlled by the Group as a result of past events (e.g. software licences), and future economic or service benefits must be expected to flow from the intangible asset to the Group.

Expenditure on intangible assets is capitalised when it brings benefits to the Group for more than one financial year.

Internally generated assets are only recognised once it can be demonstrated that:

- The project is technically feasibility
- There is an intention to complete the asset and there is an ability to use or sell the asset
- the asset generates probable future economic benefit or service potential;
- The availability of adequate resources to complete the asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are measured initially at cost. Amounts are only revalued where the current value of the assets held can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

The PCC and Group accounts for its software and intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets may include both purchased licences and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the PCC and Group.



The carrying amount of intangible assets is amortised on a straight line basis.
 The movement on Intangible Asset balances during the year is as follows:

	2020/21 to 9 May		2019/20	
	Other Assets £000	Total £000	Other Assets £000	Total £000
Balance at start of the year				
- Gross carrying amounts	14,600	14,600	13,773	13,773
- Accumulated amortisation	(5,130)	(5,130)	(2,668)	(2,668)
- Derecognition - Disposals	0	0	(1,449)	(1,449)
Net carrying amount at start of year	9,470	9,470	9,656	9,656
Additions:				
- Purchases	1,492	1,492	2,277	2,277
Impairment losses recognised in the CIES	0	0	0	0
Amortisation for the Period	(3,220)	(3,220)	(2,463)	(2,463)
Net carrying amount at the end of year	7,742	7,742	9,470	9,470
Comprising:				
- Gross Carrying amounts	16,092	16,092	14,600	14,600
- Accumulated amortisation	(8,350)	(8,350)	(5,130)	(5,130)
	7,742	7,742	9,470	9,470

Note 12 – FINANCIAL INSTRUMENTS for PCC and GROUP

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another. The term financial instrument covers both financial assets such as loans receivable, and financial liabilities such as borrowings.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

For most of the borrowings that the PCC has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

To meet new Code requirements, financial assets are now classified based on the business model for holding the financial assets and their cash flow characteristics.

There are three main classes of financial assets measured at:

Amortised Cost

Financial assets measured at amortised cost represent loan and loan-type arrangements where repayments of interest and principal take place on set dates and at specified amounts. The amount recognised in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.



Fair Value Through Other Comprehensive Income (FVOCI)

These are assets measured and carried at fair value. Where gains and losses occur due to changes in fair value (both realised and unrealised), these would be accounted for through a reserve account with balances debited or credited to the CIES when the asset is disposed of.

Fair Value through Profit of Loss (FVPL)

These are assets measured and carried at fair value. Gains or losses due to changes in fair value (both realised and unrealised) would be recognised in the CIES as they occur.

The PCC's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Impairment of Financial Assets – Expected Credit Loss and Expected Credit Loss Allowance

At each reporting date, using reasonable and supportable forward looking information that is available without undue cost or effort, an authority shall assess whether the risk of default occurring over the life of the financial instrument has increased significantly since it was recognised. Some debts are unlikely to be recovered because something has happened since the debt was raised.

An assessment of the reduction in recoverable debt has been made both individually and collectively over the next 12 months. The PCC has considered the expected credit loss allowance under IFRS 9 and concluded that the impact will not be material.

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

* A prior period adjustment has been made within the 2019/20 figures to accurately reflect the short-term receivables and payables as at the balance sheet date. The restatement does not affect any other note or primary statement.

	Long-Term		Current	
	20/21 to 9 May £000	31 March 2020 £000	20/21 to 9 May £000	31 March 2020 £000
Financial Assets at Amortised Cost				*Restated
Investments	0	0	53,105	64,335
Cash held by the Group	0	0	74	70
Cash equivalents	0	0	0	0
Total Investments	0	0	53,179	64,405
Debtors	0	0	37,666	26,167
Total Debtors	0	0	37,666	26,167
Financial Liabilities at Amortised Cost				
Borrowings	(74,407)	(74,995)	(17,002)	(23,606)
Bank Overdraft	0	0	(6,477)	(1,499)
Total Borrowings	(74,407)	(74,995)	(23,479)	(25,105)
Other Long Term Liabilities				
Private Finance Initiative	(84,746)	(87,563)	(2,516)	(2,663)
Total Other Long Term Liabilities	(84,746)	(87,563)	(2,516)	(2,663)
Creditors	0	0	(25,761)	(27,781)
Total Creditors	0	0	(25,761)	(27,781)



Income, Expenses, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2020/21 to 9 May			2019/20		
	Financial Liabilities measured at amortised cost	Financial Assets measured at FVPL	Total	Financial Liabilities measured at amortised cost	Financial Assets Loans and Receivables	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net (gain)/loss on financial assets at FVPL	0	(310)	(310)	0	0	0
Interest expense	11,171	0	11,171	10,465	0	10,465
Impairment losses (gain)	0	0	0	0	0	0
Exchange rate loss on investment	0	0	0	0	0	0
Fee expense	4	0	4	8	0	8
Total expense in Surplus or Deficit on the Provision of Services	11,175	(310)	10,865	10,473	0	10,473
Interest income	(443)	0	(443)	(778)	0	(778)
Total income in Surplus or Deficit on the Provision of Services	(443)	0	(443)	(778)	0	(778)
Net (gain)/loss for the year	10,733	(310)	10,423	9,695	0	9,695

Fair Values of Assets and Liabilities Carried at Amortised Cost

Financial liabilities, financial assets represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost.

Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments.

Disclosures have not been made where the carrying amount is a reasonable approximation of fair value. The PCC has determined that for PFI scheme liabilities, the carrying value represents the best estimate of fair value, as the carrying value is based on the effective interest rate of the contract, which reflects the unique risks associated with that contract.

The fair values calculated are as follows:

The fair value is greater than the carrying amount because the PCC and Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

* A prior period adjustment has been made within the 2019/20 figures to accurately reflect the short-term receivables and payables as at the balance sheet date. The restatement also affects the Customer table in Note 33. The restatement does not affect any primary statement.

	20/21 to 9 May		31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	*Restated £'000	*Restated £'000
PWLB debt	66,341	100,521	76,564	103,906
Non-PWLB debt	25,067	29,928	22,038	25,501
PFI	87,262	87,262	90,227	90,227
Total debt	178,671	217,710	188,829	219,634
Trade creditors	25,761	25,761	27,781	27,781
Total Financial Liabilities	204,432	243,471	216,610	247,415



	20/21 to 9 May		31 March 2020	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount *Restated £'000	Fair Value *Restated £'000
Loans and receivables < 1 year	53,105	53,105	64,335	64,335
Loans and receivables > 1 year	0	0	0	0
Total loans and receivables	53,105	53,105	64,335	64,335
Trade debtors	37,666	37,666	26,167	26,167
Total Financial Assets	90,771	90,771	90,502	90,502

* A prior period adjustment has been made within the 2019/20 figures to accurately reflect the short-term receivables and payables as at the balance sheet date. The restatement does not affect any other note or primary statement.

Note 13 – INVENTORIES for PCC and GROUP

2020/21 to 9 May	Opening Balance £000	Purchases £000	Expense in Year £000	Write Offs £000	Closing Balance £000
Clothing	2,071	2,582	(2,663)	0	1,990
Police Support Unit	262	575	(510)	0	327
Fuel	224	1,732	(1,911)	0	45
IT	381	612	(545)	0	448
Other	240	2,955	(2,794)	0	401
NPAS Fuel	151	1,678	(1,728)	0	101
	3,329	10,134	(10,153)	0	3,309

2019/20	Opening Balance £000	Purchases £000	Expense in Year £000	Write Offs £000	Closing Balance £000
Clothing	1,669	5,195	(4,793)	0	2,071
Police Support Unit	325	420	(483)	0	262
Fuel	254	2,337	(2,367)	0	224
IT	46	677	(342)	0	381
Other	178	2,283	(2,221)	0	240
NPAS Fuel	132	1,894	(1,875)	0	151
	2,604	12,806	(12,081)	0	3,329

Note 14 – DEBTORS for PCC and GROUP

	9 May 2021 £000	31 March 2020 £000
Central government bodies	55,087	31,804
Local authorities	7,980	1,077
Police forces	8,540	17,328
Other entities and individuals	30,527	14,684
Total current debtors	102,132	64,893
Long term debtors	2,623	4,368
Total debtors	104,755	69,261



The increase in the debtors balance at the 9 May 2021, compared to the 31 March 2020, is as a direct result of the unusual year end date which has led to increased recognition of debtors relating to funding due from central and local government for the period 1 April 2021 to 9 May 2021 but was received after the 9 May 2021. Also the recognition of prepayment for invoices paid in advance of the 9 May 2021 which relate to goods and services received after 9 May 2021.

Note 15 – CASH AND CASH EQUIVALENTS for PCC and GROUP

Cash is represented by cash in hand and deposits with any financial institution, re-payable without penalty, on notice of no more than 24 hours. Cash equivalents are highly liquid investments that mature within three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the PCC's cash management.

The balance of Cash and Cash Equivalents is made up of the following elements:

	9 May 2021 £000	31 March 2020 £000
Cash held by the Group	74	70
Short-term deposits with banks	0	0
Total	74	70
Bank current accounts	(6,477)	(1,499)
Total Cash and Cash Equivalents	(6,403)	(1,429)

The Group holds cash seizures and property on behalf of third parties in relation to suspected or intended acts of crime until a court decision is made. These monies are therefore not included in the Police and Crime Commissioner's Balance Sheet. As at the 9 May 2021 the sum of these transactions was £8.3m (previous year balance £6.3m).

Note 16 – CREDITORS for PCC and GROUP

	9 May 2021 £000	31 March 2020 £000
Central government bodies	16,093	15,692
Local authorities	16,969	11,531
Police forces	4,187	8,376
Other entities and individuals PCC	46,360	28,049
Current creditors PCC and GROUP	83,609	63,648
Other entities and individuals CC	29,248	16,284
Current creditors and GROUP	29,248	16,284
Total current creditors GROUP	112,857	79,932
Long term creditors PCC and GROUP	2,623	4,368
Total creditors Group	115,480	84,300

The increase in the creditors balance at the 9 May 2021, compared to the 31 March 2020, is as a direct result of the unusual year end date which has led to increased recognition of creditors relating to goods and services, received on or before 9 May 2021 but paid for after the 9 May 2021. Also the recognition of some central government grant income received on or before 9 May 2021 but relate to the period after 9 May 2021.



Note 17 – PROVISIONS for PCC and GROUP

Provisions are made where an event has taken place that gives rise to a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, and a reliable estimate can be made of the amount of the obligation.

	Outstanding Legal Cases £000	Injury and Damage Compensation Claims £000	Insurance £000	Other Provisions £000	Total £000
Balance at 1 April 2020	1,638	669	2,489	60	4,856
Additional provisions made in 2020/21	1,290	741	1,859	0	3,890
Amounts used in 2020/21	(632)	(896)	(772)	(60)	(2,360)
Balance at 9 May 2021	2,295	515	3,576	0	6,386

	Outstanding Legal Cases £000	Injury and Damage Compensation Claims £000	Insurance £000	Other Provisions £000	Total £000
Balance at 1 April 2019	1,335	258	2,407	1,115	5,115
Additional provisions made in 2019/20	1,308	1,054	673	60	3,095
Amounts used in 2019/20	(1,005)	(643)	(591)	(1,115)	(3,354)
Balance at 31 March 2020	1,638	669	2,489	60	4,856

Outstanding Legal Cases

The amount provided of £2.295m in respect of outstanding legal claims is made up of £0.402m for employment tribunals and £0.711m for litigated insurance claims, and £1.182m for other legal cases.

Injury Compensation Claims

All of the injury compensation claims are individually insignificant. They relate to personal injury sustained where the PCC and Group is alleged to be at fault. Provision is made for those claims where it is deemed probable that the PCC and Group will have to make a settlement, based on past experience of court decisions about liability and the amount of damages payable. The PCC and Group may be reimbursed by its insurers, but until claims are actually settled no income is recognised.

Insurance Provision

The PCC and Group has a provision to meet certain claims made against it. The provision currently bears the first £750,000 of any claim arising from the following policies:

- (i) Public/Products Liability
- (ii) Liability to Employees
- (iii) Motor Vehicles (Third Party Liability, £750,000 excess)
- (iv) Libel and Slander
- (v) Officials Indemnity

The PCC and Group, on the advice of its insurance brokers, has provided £337k in respect of the anticipated clawback of previous claims settlements under the Municipal Mutual Insurance (MMI) Scheme of Arrangement. MMI was a mutual insurance provider which became technically insolvent in 1992. All other provisions are individually insignificant.



Note 18 – USABLE RESERVES for PCC and GROUP

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the Police Fund in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred it is charged to revenue as part of the Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Movement in Reserves Statement, so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits and do not represent usable resources – these reserves are explained elsewhere in the relevant Accounting Policies and notes to the financial statements.

Movements in usable reserves are detailed in the Movement in Reserves Statement.

31 March 2020 £000		9 May 2021 £000
12,555	General Fund Balance	15,764
2,419	Capital Grants Unapplied Account	2,348
6,199	Capital Receipts Reserve	6,492
	<i>Earmarked Reserves:</i>	
4,626	Viper Reserve	4,967
12,401	PFI Reserve	13,241
198	Regional Working Reserve	198
530	Dilapidations Reserve	530
745	PNLD Reserve	264
12,984	Organisational Change Fund	10,660
2,409	Community Safety Fund	2,150
364	Partnership Executive Group	0
2,072	Operational Reserve	1,103
259	Wellbeing Reserve	160
0	Devolvement Reserve	3,131
0	Police Uplift Programme Reserve	2,400
0	Safeguarding Reserve	500
0	Income Loss Reserve	1,213
0	COVID Reserve	2,104
0	NPAS	5,000
0	NPAS Operational Reserve	1,643
57,762	Total Usable Reserves	73,868

Note 19 – UNUSABLE RESERVES for PCC and GROUP

The reserves of the PCC and Group have been presented to show a clear distinction between accounting reserves that are unusable and cannot be used to support expenditure and usable reserves.

31 March 2020 £000		9 May 2021 £000
85,331	Revaluation Reserve	75,824
40,921	Capital Adjustment Account	28,900
(327)	Financial Instruments Adjustment Account	(306)
40	Collection Fund Adjustment Account	(3,688)
(6,873)	Pensions Reserve PCC	(9,061)
(66)	Accumulated Absences Adjustment Account PCC	0
119,025	Total Unusable Reserves PCC and GROUP	91,672
(6,026,612)	Pensions Reserve CC	(7,206,228)
(16,284)	Accumulated Absences Adjustment Account CC	(29,248)
(6,042,895)	Total Unusable Reserves CC and GROUP	(7,235,476)
(5,923,870)	Total Unusable Reserves GROUP	(7,143,807)



Revaluation Reserve

The Revaluation Reserve contains the gains made arising from increases in the value of Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2019/20 £000	Revaluation Reserve	9 May 2021 £000
63,485	Balance at 1 April	85,331
24,417	Revaluation of Assets	(4,957)
0	Impairment losses not charged to the Surplus/Deficit on the Provision of Services	0
24,417	Increase/decrease on revaluation of non-current assets not charged to the Surplus/Deficit on the Provision of Services	(4,957)
(452)	Amount written off on disposal	(2,060)
(2,119)	Difference between fair value depreciation and historical cost depreciation	(2,490)
(2,571)	Amount written off to the Capital Adjustment Account	(4,550)
85,331	Year end Balance	75,824

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the PCC and Group as finance for the costs of acquisition, construction and enhancement.

The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 5 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.



2019/20 £000	Capital Adjustment Account	9 May 2021 £000
40,608	Balance at 1 April	40,925
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
(23,077)	Charges for depreciation of non-current assets	(28,155)
(193)	Charges for impairment of non-current assets	(7,564)
(2,463)	Amortisation of intangible assets	(3,220)
(559)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(3,700)
(26,292)		(42,639)
2,571	Adjusting amounts written out of the Revaluation Reserve	4,550
(23,721)	Net written out amount of the cost of non-current assets consumed in the year	(38,089)
	Capital financing applied in the year:	
0	Use of the Capital Receipts Reserve to finance new capital expenditure	4,881
2,267	Capital grants and contributions credited to the CIES that have been applied to capital financing	1,522
9,130	Capital grants and contributions credited to the CIES that have been applied to capital financing NPAS	10,630
53	Application of grants to capital financing from the Capital Grants Unapplied Account	71
3,261	Statutory provision for the financing of capital investment charged against the Police Fund	4,106
9,323	Capital expenditure charged against the Police Fund Balance	4,854
24,034		26,064
40,921	Year end Balance	28,900

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The PCC and Group uses the Account to manage premiums paid and discounts received on the early redemption of loans.

Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the Police Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the Police Fund Balance in accordance with statutory arrangements for spreading the burden on council tax.

Discounts are treated similarly, being credited to the Comprehensive Income and Expenditure Statement, reversed out to the Financial Instruments Adjustment Account and the income posted back over time to the Police Fund Balance.

As a result of past debt restructuring, the balance of premiums and discounts currently included within the Account will be transferred to the Police Fund over a period of years, being fully written out by 2052/53.

2019/20 £000	Financial Instruments Adjustment Account	9 May 2021 £000
(1,230)	Premiums on repayment of loans	(1,243)
883	Discounts on repayment of loans	916
(347)	Balance at 1 April	(327)
	Movement during the year:	
(13)	Premiums amortised to Police Fund during year	(12)
33	Discounts amortised to Police Fund during year	33
20	Amount by which finance costs charged to the CIES different from finance costs chargeable in the year in accordance with statutory requirements	21
(1,243)	Premiums on loans c/fwd	(1,255)
916	Discounts on loans c/fwd	949
(327)	Balance at 9 May 2020/21	(306)



Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory requirements for paying across amounts to the Police Fund from the Collection Funds of the Billing Authorities.

2019/20 £000	Collection Fund Adjustment Account	9 May 2021 £000
551	Balance at 1 April	40
(511)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(3,728)
40	Balance at 9 May 2020/21	(3,688)

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 PCC and Group 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 PCC and Group 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 PCC and Group 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.

2019/20 £000	Pensions Reserve GROUP	9 May 2021 £000
(5,794,538)	Balance at 1 April	(6,033,485)
(57,314)	Actuarial gains or losses on pensions assets and liabilities	(1,026,683)
(338,468)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(330,177)
156,835	Employer's pensions contributions and direct payments to pensioners payable in the year	175,059
(6,033,485)	Balance at 9 May 2020/21	(7,215,289)

2019/20 £000	Pensions Reserve Police and Crime Commissioner	9 May 2021 £000
(5,874)	Balance at 1 April	(6,873)
(551)	Actuarial gains or losses on pensions assets and liabilities	(1,686)
(659)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(812)
211	Employer's pensions contributions and direct payments to pensioners payable in the year	313
(6,873)	Balance at 9 May 2020/21	(9,061)

Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account represents the value of the future obligation of the PCC and Group to pay officers and staff in respect of unused accumulated absences not taken in the year, e.g. annual leave entitlement carried forward at 9 May 2021. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.



The significant increase in the Group liability value at the end of 2020/21 relates to local arrangements in respect of higher carry forward thresholds for both officers and staff in relation to annual leave balances, this is due to Covid-19 related factors during 2020/21.

2019/20 £000	GROUP	9 May 2021 £000
(14,480)	Balance at 1 April	(16,350)
(1,870)	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	(12,898)
(16,350)	Balance at 9 May 2020/21	(29,248)

2019/20 £000	PCC	9 May 2021 £000
(41)	Balance at 1 April	(66)
(25)	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	66
(66)	Balance at 9 May 2020/21	0

Note 20 – CASHFLOW STATEMENT – OPERATING ACTIVITIES

PCC	GROUP		GROUP	PCC
2019/20 £000	2019/20 £000		20/21 to 9 May £000	20/21 to 9 May £000
11,747	194,777	(Surplus) / Deficit for the year	172,191	4,609
		Adjust for non cash items		
23,270	23,270	Depreciation and impairment of fixed assets	(35,720)	(35,720)
2,463	2,463	Amortisation of intangible fixed assets	(3,220)	(3,220)
4,672	6,517	(Increase) / decrease in creditors	(31,180)	(18,216)
15,044	15,044	Increase / (decrease) in debtors	35,494	35,494
(726)	(726)	Increase / (decrease) in stock	(19)	(19)
449	449	Pensions PCC	(499)	(499)
0	181,185	Pensions CC	(154,619)	0
0	0	Interest Accruals	(309)	(309)
(259)	(259)	Provisions set aside in year	(1,528)	(1,528)
559	559	Carrying amount of non-current asset sold	(3,700)	(3,700)
		Adjust for investing activities		
(2,320)	(2,320)	Capital & Grant Contribution	1,593	1,593
(9,130)	(9,130)	Capital & Grant Contribution NPAS	10,630	10,630
(577)	(577)	Proceeds from sale of property, plant & equipment	5,174	5,174
10,466	10,466	Interest paid	(10,761)	(10,761)
(778)	(778)	Interest received	337	337
(31,386)	(31,386)	Net cash flows from operating activities	(16,135)	(16,135)


Note 21 – CASHFLOW STATEMENT – INVESTING ACTIVITIES for PCC and GROUP

2019/20 £000		2020/21 to 9 May £000
22,726	Purchase of property, plant and equipment, investment property and intangible assets	28,846
390,572	Purchase of short-term and long-term investments	449,665
(577)	Proceeds from sale of property, plant and equipment, investment property and intangible assets	(5,174)
(379,200)	Proceeds from short-term and long-term investments	(461,000)
(2,320)	Capital Grants	(1,593)
(9,130)	Capital Grants NPAS	(10,630)
(778)	Interest received	(337)
21,293	Net cash flows from investing activities	(224)

Note 22 – CASHFLOW STATEMENT – FINANCING ACTIVITIES for PCC and GROUP

2019/20 £000		2020/21 to 9 May £000
(251,995)	Cash receipts of short- and long-term borrowing	(149,430)
255,387	Repayments of short- and long-term borrowing	157,036
2,383	Cash payments for the reduction of the outstanding liabilities relating to PFI contracts	2,964
10,465	Other payments for financing activities	10,760
16,240	Net cash flows from financing activities	21,331

Note 23 – MEMBERS ALLOWANCES for PCC and GROUP

The PCC and Group paid the following amounts to members of the Joint Independent Audit and Ethics Committee during the year.

	2020/21 to 9 May £000	2019/20 £000
Allowances	11	11
Expenses	0	0
Total	11	11



Note 24 – OFFICER REMUNERATION for PCC and GROUP

The remuneration paid to senior employees and senior police officers in the table below includes remuneration for the financial year 2020/21 for the extended period of 13 months and 9 days, with the comparator table for 2019/20 being a 12 month period.

PCC 2020/21 to 9 May		Salary, Fees and Allowances	Pension Contribution	Total
		£	£	£
Police and Crime Commissioner	01.04.20- 09.05.21	110,753	16,624	127,377
Deputy Police and Crime Commissioner	01.04.20- 09.05.21	56,046	8,970	65,016
Interim Chief Executive	01.04.20- 03.12.20	83,401	10,790	94,191
*Treasurer and Chief Finance Officer PCC	01.04.20- 31.12.20	78,202	10,891	89,093
Chief of Staff	01.01.21- 09.05.21	36,516	5,105	41,621
CC 2020/21 to 9 May				
Chief Constable (J Robins)	01.04.20- 09.05.21	226,598	67,275	293,873
Deputy Chief Constable (R Foster)	01.04.20- 09.05.21	178,054	51,912	229,966
Assistant Chief Constable (Protective Services - Crime)	01.04.20- 25.05.20	27,890	5,026	32,916
T/Assistant Chief Constable (Protective Services - Crime)	04.05.20- 09.05.21	112,313	28,773	141,086
Assistant Chief Constable (People Directorate)	01.04.20- 09.05.21	143,437	40,557	183,994
Assistant Chief Constable (Ops Support)	01.04.20- 22.01.21	102,724	29,529	132,253
Assistant Chief Constable (Ops Support)	11.01.21- 09.05.21	40,112	11,473	51,585
Assistant Chief Constable (District Policing)	01.04.20- 09.05.21	137,340	40,557	177,897
T/Assistant Chief Constable (NPAS)	21.09.20- 09.05.21	65,918	17,279	83,197
Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC	01.04.20- 03.01.21	93,362	13,375	106,737
*Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC	01.01.21- 09.05.21	40,142	5,648	45,790
TOTAL GROUP		1,532,808	363,784	1,896,592

*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.



PCC 2019/20		Salary, Fees and Allowances £	Pension Contribution £	Total £
Police and Crime Commissioner	01.04.19-31.03.20	100,000	12,400	112,400
Deputy Police and Crime Commissioner	01.04.19-31.03.20	42,892	5,319	48,211
*Chief Executive and Solicitor	01.04.19-31.03.20	30,814	765	31,579
Interim Chief Executive	01.04.19-31.03.20	104,523	12,961	117,484
Treasurer and Chief Finance Officer PCC	01.04.19-31.03.20	94,771	11,752	106,523

CC 2019/20		Salary, Fees and Allowances £	Pension Contribution £	Total £
Chief Constable (D Collins)	01.04.19-30.04.19	29,772	0	29,772
Chief Constable (J Robins)	01.05.19-31.03.20	174,138	49,993	224,131
Temporary Chief Constable (J Robins)	01.04.19-30.04.19	12,364	3,752	16,116
Deputy Chief Constable	01.05.19-31.03.20	143,546	38,227	181,773
Temporary Deputy Chief Constable	01.04.19-30.04.19	9,811	2,931	12,742
Temporary Assistant Chief Constable (Protective Services - Crime)	01.04.19-30.04.19	112,799	32,162	144,961
Assistant Chief Constable (People Directorate)	01.04.19-31.03.20	118,253	35,690	153,943
Assistant Chief Constable (Protective Services Ops)	01.04.19-31.03.20	114,651	33,806	148,457
Assistant Chief Constable (District Policing)	01.04.19-31.03.20	115,131	35,690	150,821
Assistant Chief Officer (Finance & Business Services) and Chief Finance Officer CC	01.04.19-31.03.20	115,563	14,276	129,839
TOTAL GROUP		1,319,028	289,724	1,608,752

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. The impact of the extended year end of 13 months and 9 days for 2020/21 has resulted in more employees being captured in this table than the comparator year 2019/20.

GROUP Remuneration Band	Number of Employees	
	20/21 to 9 May	2019/20
£50,000 - £54,999	88	34
£55,000 - £59,999	49	28
£60,000 - £64,999	21	26
£65,000 - £69,999	32	40
£70,000 - £74,999	15	15
£75,000 - £79,999	37	4
£80,000 - £84,999	16	1
£85,000 - £89,999	9	6
£90,000 - £94,999	4	10

GROUP Remuneration Band	Number of Employees	
	20/21 to 9 May	2019/20
£95,000 - £99,999	5	2
£100,000 - £104,999	7	4
£105,000 - £109,999	6	5
£115,000 - £119,999	2	0
£120,000 - £124,999	2	1
£125,000 - £129,999	1	0
£130,000 - £134,999	1	0
£145,000 - £149,999	1	0
£155,000 - £159,999	0	1



PCC Remuneration Band	Number of Employees	
	9 May 2020/21	2019/20
£50,000 - £54,999	4	1
£55,000 - £59,999	1	0
£60,000 - £64,999	1	2
£70,000 - £74,999	1	1

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

Exit Packages GROUP	Compulsory Redundancies	Other Departures	Total
20/21 to 9 May	£	£	£
£0-£20,000	19,099	18,588	37,687
£20,001-£40,000	23,465	0	23,465
£100,001-£150,000	101,835	0	101,835
	144,399	18,588	162,987

Exit Packages GROUP	Compulsory Redundancies	Other Departures	Total
20/21 to 9 May	No	No	No
£0-£20,000	2	1	3
£20,001-£40,000	1	0	1
£100,001-£150,000	1	0	1
	4	1	5

Exit Packages OPCC	Compulsory Redundancies	Other Departures	Total
20/21 to 9 May	£	£	£
£0-£20,000	14,257	0	14,257
	14,257	0	14,257

Exit Packages OPCC	Compulsory Redundancies	Other Departures	Total
20/21 to 9 May	No	No	No
£0-£20,000	1	0	1
	1	0	1

The Group terminated the contracts of a number of employees in 2020/21, incurring liabilities of £0.126m (£0.40m in 2019/20). There were no severance payments identified as being due in the early part of 2021/22 (£0.03m in 2020/21).

The exit costs include the costs to the Group of paying the pension strain on those employees who accepted early retirement. Pension strain is a payment made to the pension fund to reflect the additional cost to the fund of the employees retiring early. It is not a payment to the individual.

Note 25 – EXTERNAL AUDIT COSTS for PCC and GROUP

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

	9 May 2020/21 £000	2019/20 £000
Fees payable to Grant Thornton with regard to external audit services for the Police and Crime Commissioner	61	39
Fees payable to Grant Thornton with regard to external audit services for the Chief Constable	32	21
Total Group	93	59

Note 26 – GRANT INCOME for PCC and GROUP

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due when there is reasonable assurance that the conditions attached to the payments is complied with and the grants or contributions are received.

Grants and contributions for which conditions have not been satisfied may result in the funding being returned to the transferor.



The PCC and Group credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2020/21.

	2020/21 to 9 May £000	2019/20 £000
Credited to Taxation and Non Specific Grant Income		
Precept	141,376	121,823
Principal Grant	207,788	172,809
National Non Domestic Rates	154,947	130,051
Council Tax Benefit Grant	16,023	14,467
Precept Freeze Grant	2,465	2,226
Pensions Top Up Grant	80,154	79,346
Capital Grants	1,522	2,267
Capital Grants NPAS	10,630	9,130
Total	614,905	532,119
Credited to Services		
Counter Terrorist Unit Grant	34,893	32,107
Coronavirus	5,625	0
Disclosure Bureau Services	1,830	1,256
PFI Grant	13,613	12,329
Home Office Special Grant	4,929	5,990
Pension Grant	5,532	5,107
Regional Crime Grant	6,452	4,702
Violence Reduction Grant	3,521	3,369
Victim Support Grant	3,261	2,665
Recruitment Uplift Grant	7,466	1,277
Other Small Grants	1,451	774
Total	88,573	69,576

Note 27 – RELATED PARTIES for PCC and GROUP

The PCC and Group is required to disclose material transactions and balances with related parties, bodies or individuals that have the potential to control or influence the PCC and Group or be controlled or influenced by the PCC and Group. Disclosure of these transactions allows readers to assess the extent to which the PCC and Group might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the PCC and Group.

In this context related parties include The Chief Constable for West Yorkshire Police; Central Government; Key Management Personnel including Senior Managers and Close Family Members of Key Management Personnel; Other Public Bodies.

Chief Constable for West Yorkshire Police

The Police and Crime Commissioner has direct control over the Group's finances and is responsible for issuing the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the Police and Crime Commissioner to deliver the aims and objectives set out in the Police and Crime Plan.

Central Government

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

Key Management

Key Management personnel are required to complete a declaration of any transactions which they have pecuniary interest in. No interests were declared in 2020/21.



Note 28 – CAPITAL EXPENDITURE AND CAPITAL FINANCING for PCC and GROUP

The total amount of capital expenditure incurred in the year is shown in the table below, with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the PCC and Group, the expenditure results in an increase in the Capital Financing Requirements (CFR), a measure of the capital expenditure incurred historically by the PCC and Group that has yet to be financed. The CFR is analysed in the second part of this note.

	2020/21 to 9 May £000	2019/20 £000
Opening Capital Financing Requirement	183,615	184,923
Capital investment		
Property, Plant and Equipment	27,354	20,449
Intangible Assets	1,492	2,277
Sources of finance		
Capital Receipts	(4,881)	0
Government grants and other contributions	(1,593)	(2,320)
Government grants and other contributions NPAS	(10,630)	(9,130)
Sums set aside from revenue:		
Financing from Reserves	(1,620)	(3,303)
Direct revenue contributions	(3,234)	(6,020)
Minimum revenue provision	(4,106)	(3,261)
Closing Capital Financing Requirement (CFR)	186,397	183,615
Explanation of movements in year		
Increase in underlying need to borrowing (supported)	6,887	1,953
Provision for Debt Repayment (MRP)	(4,106)	(3,261)
Assets acquired under PFI contract	0	0
Increase in underlying need to borrowing (unsupported)	0	0
Increase/(decrease) in Capital Financing Requirement (CFR)	2,781	(1,308)

Note 29 – LEASES for PCC and GROUP

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. This would include Private Finance Initiative (PFI) contracts.

The Group as Lessee

Finance leases

Assets held under finance leases are recognised on the Balance Sheet at the commencement of the lease at fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs are added to the carrying amount of the asset. Premiums paid are applied to write down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between a charge for the acquisition of the interest in the asset (applied to write down the lease liability) and a finance charge debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.



Assets recognised under finance leases are accounted for using policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life where ownership of the asset does not transfer to the PCC at the end of the lease period.

The PCC is not required to raise council tax to cover depreciation, or revaluation and impairment losses arising on leased assets. Instead a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory guidance. Depreciation and revaluation and impairment losses are therefore replaced by the revenue contribution in the Police Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating leases

Rentals payable under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense to the service benefitting from their use. Charges are made on a straight-line basis over the term of the relevant lease, even where this does not match the pattern of payments.

From 2021/22 the majority of leases will be classified as an operating lease and changes will be reflected in the Leases note in the Financial Statements.

The Code of Practice requires the PCC and Group to disclose its obligations under operating and finance leases, and a statement on the assets it holds and leases out to third parties. A finance lease is one which transfers substantially all the risks and rewards of ownership of the asset to the lessee. If the terms of a lease means that the risks and rewards of ownership remain with the lessor, then the lease is accounted for as an operating lease.

PCC and Group as Lessee

Finance Leases

The PCC and Group has acquired a number of properties under finance leases. The asset acquired under each lease is carried as Property, Plant and Equipment (PPE) in the Balance Sheet at the following net amounts.

	2020/21 to 9 May £000	2019/20 £000
Land and Buildings (PPE)	9,722	9,458
PFI Infrastructure (PPE)	81,385	84,970
Total	91,107	94,428

The PCC and Group is committed to making minimum lease payments under the PFI lease comprising settlement of the long-term liability for the interest in the asset acquired by the PCC and Group and finance costs that will be payable in future years while the liability remains outstanding.

In relation to the non PFI lease, a premium was paid at the inception of the lease and therefore no outstanding commitment to make future payments in respect of those leases.

The minimum lease payments in respect of the PFI lease are made up of the following amounts:

	2020/21 to 9 May £000	2019/20 £000
Finance lease liabilities (net present value of minimum lease payments)		
Current	1,910	2,663
Non-current	84,746	87,563
Finance costs payable in future years	70,718	77,258
Minimum lease payments	157,374	167,484



The minimum lease payments will be paid over the following periods:

	Minimum Lease Payments		Finance Lease Payments	
	2020/21 to 9 May £000	2019/20 £000	2020/21 to 9 May £000	2019/20 £000
Not later than 1 year	8,128	9,138	2,516	2,663
Later than one year and not later than five years	35,258	35,395	12,148	11,463
Later than five years	113,988	122,951	72,598	76,100
Minimum lease payments	157,374	167,484	87,262	90,227

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into. In 2020/21 £1.5m (2019/20 £0.2m) contingent rents were payable by the PCC and Group.

Further information on PFI can be found in Note 30.

Operating Leases

The future minimum lease payments due under non-cancellable leases in future years are:

	2020/21 to 9 May £000	2019/20 £000
No later than one year	397	397
Later than one year and not later than five years	1,278	1,258
Later than five years	2,996	3,248
Total	4,671	4,903

Note 30 – PRIVATE FINANCE INITIATIVES (PFI) for PCC and GROUP

PFI and similar contracts are agreements to receive the services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. PCC is deemed to control the services that are provided under PFI schemes, and ownership of the property, plant and equipment will pass to the PCC at the end of the contract for no additional charge. The PCC carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The former Police Authority approved a contract with a PFI provider (Interserve) in May 2012, the assets coming into use during 2013/14 and 2014/15. The PCC receives a profiled capital grant in the form of Home Office PFI credits, the profile of which does not match the PFI scheme liabilities. The difference is invested in a sinking fund to smooth the payments over the life of the scheme.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment), was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the PCC.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair Value of the services received during the year: This is debited to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance Cost: an interest charge of 7.2% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Contingent Rent: increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payment towards liability: applied to write down the Balance Sheet liability towards the PFI operator (the profile of write downs is calculated using the same principles as for a finance lease).



- Lifecycle replacement costs: The proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

PFI and similar contracts

The PFI is a source of funding used for long term major projects, involving a private sector entity for constructing or upgrading property used in the provision of a public service, and operating and maintaining that property for a specified period of time.

In May 2012 the former Police Authority entered into a Private Finance Initiative (PFI) scheme to provide three new operational buildings within West Yorkshire. Payment to the contractor, the unitary payment, began in November 2013 with the opening of the first building and commencement of the service. The second building became operational in February 2014, and the final building became operational in April 2014. The contractor will operate and service the buildings for 25 years after which ownership will revert to the Police and Crime Commissioner at nil cost. The unitary payment will be met from revenue and a PFI grant awarded by the Home Office.

Property Plant and Equipment

The buildings are recognised on the Group and PCC Balance Sheets. Movements in their value over the year are detailed in the analysis of movements in Property Plant and Equipment in Note 11.

Payments

The Group makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 9 May 2021 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Service Charge £000	Lifecycle Costs £000	Interest Costs £000	Finance Liability £000	Total Unitary Payment £000
Future payments:					
Payable in 21/22	2,017	156	5,612	2,516	10,301
Between 2 to 5 years	9,064	1,814	23,110	12,148	46,136
Between 6 to 10 years	11,323	2,212	23,234	20,899	57,668
Between 11 to 15 years	11,323	3,162	14,765	28,420	57,670
Between 16 to 18 years	6,939	960	3,391	23,279	34,569
Total	40,666	8,304	70,112	87,262	206,344

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the service they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

	2020/21 to 9 May £000	2019/20 £000
Balance outstanding at start of year	90,227	92,610
Capital expenditure incurred in the year	0	0
Payments during the year	(2,964)	(2,383)
Balance Outstanding at year-end	87,262	90,227
Current liabilities	2,516	2,663
Long Term Liabilities	84,746	87,563
Total Liability	87,262	90,227



Financial transactions in the year have been as follows:

	2020/21 to 9 May £000	2019/20 £000
PFI grant receipts (in advance)	(13,356)	(12,329)
PFI grant applied	14,018	11,706
Balance contributed to PFI reserve	662	(623)
Unitary charge	14,217	12,682
Penalties imposed/(Compensation)	(199)	(976)
Total Payment	14,018	11,706

The unitary charge is split into service elements and a construction element. The service element is charged to revenue as it is incurred and the construction element is accounted for as if it were a finance lease.

The unitary payment has been split up as follows:

	20/21 to 9 May £000	2019/20 £000
Fair value of services	2,301	2,259
Lifecycle replacement	157	247
Contingent rent	1,450	172
Finance lease interest charges	7,146	6,645
Lease redemption	2,964	2,383
Unitary Payment	14,018	11,706

Note 31 – DEFINED BENEFIT PENSION SCHEME for PCC and GROUP

The Group 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 (LGPS) for Group Staff employees is a funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

There are three Pension Schemes for Police Officers :-

- 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 pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Following funding changes introduced on 1 April 2006 the Group now pays an employer's pension contribution into the Pension Fund Account in respect of both 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, by assessing 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;

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

Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked.

Past service cost – the increase in liabilities arising from current year decisions, the effect relates to years of service earned in earlier years, 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 (asset) – the change during the period in the net defined liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

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 PCC or 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 CIES at the earlier of when the PCC can no longer withdraw the offer of those benefits or when the PCC recognises costs for a restructuring.

Transactions Relating to Post-employment Benefits - 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 Group 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 CIES and the Police Fund Balance via the Movement in Reserves Statement during the year:



LGPS = Local Government Pension Scheme.
 POLICE PS = Police Pension Scheme

	PCC	GROUP	GROUP	PCC	GROUP	GROUP
	LGPS	LGPS	POLICE PS	LGPS	LGPS	POLICE PS
	£000	£000	£000	£000	£000	£000
	2020/21 to 9 May	2020/21 to 9 May	2020/21 to 9 May	2019/20	2019/20	2019/20
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT						
Cost of Services						
<i>Service cost comprising:</i>						
Current service costs	681	48,267	144,245	556	42,092	121,475
Past service costs	3	191	0	10	740	31,155
(Gain)/loss from settlements	0	0	0	0	0	0
<i>Finance and Investment Income and Expenditure:</i>						
Net interest expense	129	9,117	128,357	94	7,122	135,884
Pension Costs Recognised in the Provision of Services	812	57,575	272,602	659	49,954	288,514
Other Post-employment Benefits charged to the CIES						
<i>Remeasurement of the net defined benefit liability comprising:</i>						
<i>Return on plan assets Actuarial gain/(loss)</i>	(2,332)	(165,374)	0	872	66,052	0
<i>Experience (gain)/loss on assets</i>	0	0	0	0	0	0
<i>Experience (gain)/loss on liabilities</i>	(108)	(7,652)	(61,378)	144	10,935	0
<i>Actuarial (gain)/loss on changes in demographic assumptions</i>	0	0	0	(469)	(35,544)	(92,423)
<i>Actuarial (gain)/loss on changes in financial assumptions</i>	4,125	292,584	968,503	4	288	108,006
Pension Costs Recognised in Other Comprehensive Income and Expenditure	1,686	119,558	907,125	551	41,731	15,583
Total Pension Costs Recognised in the CIES	2,498	177,133	1,179,727	1,210	91,685	304,097
MOVEMENT IN RESERVES STATEMENT						
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(812)	(57,575)	(272,602)	(659)	(49,954)	(288,514)
Actual amount charged against the Police Fund Balance for pensions in the year:						
Employers contributions payable to scheme	313	22,200	66,234	211	15,975	56,426
Additional Employers contributions To Police Pension Fund Account	0	0	80,154	0	0	79,203
Retirement benefits payable to pensioners	0	0	6,471	0	0	5,088

Remeasurements comprising:

Return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset), 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 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 – cash paid as employers contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Post-Employment Benefits

As part of the terms and conditions of employment of its officers and other employees, the Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.



Reconciliation of the Movements in the Net Defined Benefit Obligation

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

	PCC	GROUP	GROUP	PCC	GROUP	GROUP
	LGPS	LGPS	POLICE PS	LGPS	LGPS	POLICE PS
	£000	£000	£000	£000	£000	£000
	2020/21 to 9 May	2020/21 to 9 May	2020/21 to 9 May	2019/20	2019/20	2019/20
Fair value of plan assets	13,349	843,517	0	10,666	653,218	0
Present value of the defined benefit obligation	(22,409)	(1,366,962)	(6,691,844)	(17,541)	(1,021,730)	(5,665,144)
Pension asset/(liability) recognised on the Balance Sheet	(9,060)	(523,445)	(6,691,844)	(6,875)	(368,512)	(5,665,144)

Reconciliation of the Movements in the Fair Value of Scheme Assets

	PCC	GROUP	PCC	GROUP
	LGPS	LGPS	LGPS	LGPS
	£000	£000	£000	£000
	2020/21 to 9 May	2020/21 to 9 May	2019/20	2019/20
Opening fair value of scheme assets	10,666	653,218	11,132	688,483
Interest income	236	16,762	229	17,385
<i>Remeasurements gain / (loss)</i>				
The return on plan assets, excluding the amount included in the net interest expense	2,332	165,374	(872)	(66,052)
Contributions from employer	313	22,200	211	15,975
Contributions from employees into the scheme	138	9,756	107	8,079
Benefits paid	(335)	(23,793)	(141)	(10,652)
Closing fair value of scheme assets	13,349	843,517	10,666	653,218

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

	PCC	GROUP	GROUP	PCC	GROUP	GROUP
	LGPS	LGPS	POLICE PS	LGPS	LGPS	POLICE PS
	£000	£000	£000	£000	£000	£000
	2020/21 to 9 May	2020/21 to 9 May	2020/21 to 9 May	2019/20	2019/20	2019/20
Opening present value of scheme liabilities	(17,541)	(1,021,730)	(5,665,144)	(17,007)	(981,285)	(5,501,764)
Current service cost	(681)	(48,267)	(144,245)	(556)	(42,092)	(121,475)
Interest cost	(365)	(25,879)	(128,357)	(323)	(24,507)	(135,884)
Contribution from scheme participants	(138)	(9,756)	(27,333)	(107)	(8,079)	(23,586)
<i>Remeasurement (gain) and loss:</i>						
Actuarial gain/(loss) arising from changes in demographic assumptions	0	0	0	469	35,544	92,423
Actuarial gain/(loss) arising from changes in financial assumptions	(4,125)	(292,584)	(968,503)	(4)	(288)	(108,006)
Actuarial gain/(loss) on liabilities - experience	108	7,652	61,378	(144)	(10,935)	0
Past service costs	(3)	(191)	0	(10)	(740)	(31,155)
Benefits paid	335	23,793	180,360	141	10,652	164,303
Closing present value of scheme liabilities	(22,409)	(1,366,962)	(6,691,844)	(17,541)	(1,021,730)	(5,665,144)

Net Present Value of Scheme Assets and Liabilities Recognised in the Balance Sheet

	PCC	GROUP	GROUP	PCC	GROUP	GROUP
	LGPS	LGPS	POLICE PS	LGPS	LGPS	POLICE PS
	£000	£000	£000	£000	£000	£000
	20/21 to 9 May	20/21 to 9 May	20/21 to 9 May	2019/20	2019/20	2019/20
Closing fair value of scheme assets	13,349	843,517	0	10,666	653,218	0
Closing present value of scheme liabilities	(22,409)	(1,366,962)	(6,691,844)	(17,541)	(1,021,730)	(5,665,144)
NPV of scheme assets and liabilities	(9,060)	(523,445)	(6,691,844)	(6,875)	(368,512)	(5,665,144)

Local Government Pension Scheme assets comprised:

	PCC				GROUP			
	2020/21 to 9 May		2019/20		2020/21 to 9 May		2019/20	
	£000	%	£000	%	£000	%	£000	%
Equities	10,666	79.9%	8,266	77.5%	673,970	79.9%	506,244	77.5%
Property	507	3.8%	480	4.5%	32,054	3.8%	29,395	4.5%
Government Bonds	1,081	8.1%	1,024	9.6%	68,325	8.1%	62,709	9.6%
Corporate Bonds	601	4.5%	544	5.1%	37,958	4.5%	33,314	5.1%
Cash	294	2.2%	203	1.9%	18,557	2.2%	12,411	1.9%
Other	200	1.5%	149	1.4%	12,653	1.5%	9,145	1.4%
Total Assets	13,349	100.0%	10,666	100.0%	843,517	100.0%	653,218	100.0%

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 LGPS 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 was carried out as at 31 March 2019, and in respect of the police schemes as at 31 March 2018.

The principal assumptions used by the actuaries have been:

	PCC and GROUP			
	LGPS		POLICE PS	
	20/21 to 9 May	2019/20	20/21 to 9 May	2019/20
<i>Mortality assumptions:</i>				
<i>Longevity at 65 (staff) 60 (officers) for current pensioners:</i>				
Men	21.9	21.8	27.1	27.0
Women	24.7	24.6	29.2	29.1
<i>Longevity at 65 (staff) 60 (officers) for future pensioners:</i>				
Men	22.6	22.5	29.3	29.2
Women	25.8	25.7	31.4	31.3
Rate of Inflation CPI	2.60%	1.90%	2.70%	2.10%
Rate of increase in salaries	3.85%	3.15%	4.20%	3.60%
Rate of increase in pensions	2.60%	1.90%	2.80%	2.20%
Rate for discount rate	2.00%	2.30%	2.10%	2.30%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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

	PCC		GROUP			
	LGPS £000		LGPS £000		POLICE PS £000	
	20/21 to 9 May		20/21 to 9 May		20/21 to 9 May	
	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
<i>Value of Funded Liabilities:</i>						
With above assumptions	(22,371)	(22,371)	(1,364,621)	(1,364,621)	(6,691,844)	(6,691,844)
	+0.1%	-0.1%	+0.1%	-0.1%	+0.1%	-0.1%
Rate for discounting scheme liabilities (+/- 0.1%)	(21,834)	(22,907)	(1,331,870)	(1,397,372)	(6,561,857)	(6,821,831)
Rate for increase in salaries (+/- 0.1%)	(22,460)	(22,281)	(1,370,079)	(1,359,163)	(6,717,295)	(6,666,393)
Rate for increase in pensions (+/- 0.1%)	(22,818)	(21,923)	(1,391,913)	(1,337,329)		
Rate for increase in inflation (+/- 0.1%)					(6,823,940)	(6,559,748)
	+1 year	+1 year	+1 year	-1 year	+1 year	-1 year
Adjustment to mortality age (+/- 1 year)	(21,565)	(23,198)	(1,315,495)	(1,415,112)	(6,903,477)	(6,480,211)

Impact on the Group's Cash flows

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

The Group's expected contribution to the schemes in 2021/22 is:

Police Pension Scheme £141.099m.

Local Government Pension Scheme £18.157m (The PCC's share of the LGPS is approx. 1.4%).

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

LGPS - 24 years

PPS 1987 - 18 years

PPS 2006 - 34 years

PPS 2015 - 34 years

Police Pension Regulations

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

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022).

This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes was discriminatory (rather it was the transitional provision), the legacy schemes will be removed from April 2022 to be replaced by new pension schemes originally introduced in 2015.

Impact on Pension Liability

Allowing for all members to accrue benefits from their legacy schemes during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries have estimated the potential increase in scheme liabilities for Chief Constable to be £284m of pensions scheme liabilities. This increase was reflected in the IAS 19 disclosure as a past service cost in the 2018-19 accounts. 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

Claimants have lodged claims for compensation. Test cases for these claims are due to be heard by the Employment Tribunal in December 2021. Claims for financial losses are currently stayed as consideration is given to the HM Treasury consultation response. As at 9 of May 2021, it is not possible to estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

Note 32 – CONTINGENT LIABILITIES for PCC and GROUP

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 Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but it is not probable that an outflow of resources is required or the amount of the obligation cannot be measured reliably.

Termination Benefits

A major programme of organisational change has been put in place to meet the challenge of reduced resources resulting from the Government's Spending Review. This focuses on protecting as far as possible frontline services, whilst making significant savings in back and middle office and support functions. As a result there will be a reduction in staff numbers, to be managed predominantly through natural wastage and police staff voluntary redundancies. The Group has included an estimate of the costs of severance in its medium term financial forecast, to enable it to meet the liabilities as they fall due. At this time it is not possible to predict a value or timing of any obligation falling due.

Municipal Mutual Insurance (MMI)

The Group has taken professional advice on the amount to provide for the clawback from MMI, but there is potential for the eventual liability to exceed the amount provided for in the accounts. Note 17 provides further information.



Note 33 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS for PCC and GROUP

The PCC and Group's activities expose it to a variety of financial risks.

- **Credit risk** the possibility that other parties might fail to pay amounts due to the PCC and Group;
- **Liquidity risk** the possibility that the PCC and Group might not have funds available to meet its commitments to make payments;
- **Re-financing risk** the possibility that the PCC and Group might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- **Market Risk** the possibility that financial loss might arise for the PCC and Group as a result of changes in such measures as interest rate movements.

Overall procedures for managing risk

The PCC and Group's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the PCC and Group to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Guidance issued through the Act. Overall, these procedures require the PCC and Group to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving annually, prudential and treasury indicators limiting:
 - The PCC and Group's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures to the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy, setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These are required to be reported and approved annually. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the PCC and Group's financial instrument exposure. Actual performance is also reported to the PCC and the Joint Independent Audit Committee Members.

The implementation of these policies is delegated to the PCC's Treasurer, supported by a central Treasury Team employed by Wakefield Council. The PCC and Group maintains written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed annually.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC and Group's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria set by the PCC. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. The key areas of Investment Strategy are that the minimum criteria for investment are based on the creditworthiness service provided by the sector.

The PCC and Group's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.



Customers

The PCC and Group allows 30 days payment terms for its customers, of which £3,677m of the £37,666m balance is past its due date. The total balance of the customers amount can be analysed by age as follows:

	Actual 9 May 2021 £000	Actual 31 March 2020 £000 *Restated
Less than 3 months	36,970	25,471
Three to six months	195	195
Six months to one year	223	223
More than one year	278	278
Total	37,666	26,167

There were no debts written off during 2020/21 (2019/20 £0.005m).

* A prior period adjustment has been made within the 2019/20 figures to accurately reflect the short-term receivables as at the balance sheet date. The restatement also affects Note 12, but does not affect any primary statement.

Liquidity Risk

The PCC and Group manages its liquidity position through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The PCC and Group has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The PCC and Group is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets, excluding sums due from customers, is as follows:

	Actual 9 May 2021 £000	Actual 31 March 2020 £000
Less than one year	53,105	64,335
Between one and two years	0	0
Total	53,105	64,335

Refinancing and Maturity risk

The PCC and Group maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the PCC and Group relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period:

	Actual 9 May 2021 £000	Actual 9 May 2021	Actual 31 March 2020 £000	Actual 31 March 2020
Less than one year	17,002	19%	23,606	24%
Between one and two years	645	1%	589	1%
Between two and five years	2,340	3%	2,132	2%
Between five and ten years	1,964	2%	2,817	3%
More than ten years	69,458	76%	69,458	70%
Total	91,409	100%	98,602	100%



Market Risk

Interest rate risk - The PCC and Group is exposed to interest rate movements on its borrowings and investments.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Police Fund Balance.

Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

Note 34 – YORKSHIRE AND THE HUMBER LEAD FORCE COLLABORATION

The Group engages in collaborative working in partnership with the Yorkshire and Humber Commissioners / 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 the Regional Collaboration Board.

Regional collaboration is funded from contributions made by the four regional Police Group's 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 to be 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). When all four regional Commissioners and Forces are contributing the NRE percentages are as follows:

West Yorkshire	42.38%	South Yorkshire	25.01%
North Yorkshire	14.75%	Humberside	17.86%

If less than four Commissioners / Forces are contributing the NRE percentages are adjusted on a pro-rata basis.

In accordance with proper accounting practice, the Group has accounted for the regional collaboration arrangement by accounting for all the income and expenditure for the activity and has responsibility for all assets used and liabilities generated.

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.

2019/20 £000		2020/21 to 9 May £000
	EXPENDITURE	
28,191	Staff Costs	33,351
1,279	Property Related Expenses	1,532
14,045	Supplies and Services	16,923
1,251	Transport Related Expenses	1,025
44,766		52,831
	INCOME	
5,553	Other Income	8,990
39,213	Contributions	43,841
44,766		52,831
0	(DEFICIT)/SURPLUS IN YEAR	0



Note 35 – 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.

In accordance with proper accounting practice, the Group has accounted for the NPAS arrangement by accounting for all the income and expenditure for the activity and has responsibility for all assets used and liabilities generated.

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.

2019/20 £000		20/21 to 9 May £000
	EXPENDITURE	
21,478	Staff Costs	22,491
2,611	Property Related Expenses	1,753
712	Supplies and Services	3,742
17,064	Transport Related Expenses	18,732
0	Transfer to Reserves	6,643
41,865		53,361
	INCOME	
(41,453)	Contributions	(48,193)
(412)	Other Income	(5,168)
(41,865)		(53,361)
0	(DEFICIT)/SURPLUS IN YEAR	0



WEST YORKSHIRE POLICE

PENSION FUND

STATEMENT

OF

ACCOUNTS 2020/21 to 9 May



POLICE OFFICER PENSION FUND PENSION FUND ACCOUNT STATEMENTS

FUND ACCOUNT

2019/20 £'000		2020/21 to 9 May £'000
	CONTRIBUTIONS RECEIVABLE	
(54,970)	Employer's Contributions	(63,691)
(1,367)	Early Retirements (Ill Health)	(2,541)
(23,561)	Officers' Contributions	(27,334)
	TRANSFERS IN	
(1,453)	Individual Transfers In from Other Schemes	(517)
(81,351)	TOTAL INCOME RECEIVABLE	(94,083)
	BENEFITS PAYABLE	
129,786	Pensions	148,415
29,858	Commutations and Lump Sum Retirement Benefits	25,102
118	Lump Sum Death Benefits	354
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS	
262	Refunds of Contributions	163
672	Individual Transfers Out to Other Schemes	203
160,697	TOTAL EXPENDITURE PAYABLE	174,237
79,346	NET AMOUNT PAYABLE FOR THE YEAR	80,154
(79,346)	ADDITIONAL CONTRIBUTION FROM EMPLOYER	(80,154)
0		0

2019/20 £'000		2020/21 to 9 May £'000
	NET ASSETS STATEMENT	
(1,031)	Unpaid Pension Benefits	(69)
1,031	Amount Owing from the Police Fund	69



NOTES TO THE POLICE OFFICER PENSION FUND

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 or not 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 Group 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 Group and employees and any difference between benefits payable and contributions receivable is met by 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, see disclosure Note 31 of the Core Statements about the IAS19 liability.



ANNUAL GOVERNANCE STATEMENT FOR THE POLICE AND CRIME COMMISSIONER OF WEST YORKSHIRE AND THE GROUP

This Annual Governance Statement reflects both the governance framework put in place for the Police and Crime Commissioner (PCC) and Group for the year ended 9 May 2021, including plans for the financial year 2021/22.

1. SCOPE OF RESPONSIBILITIES

The PCC for West Yorkshire was responsible for ensuring that business was conducted in accordance with the law and proper standards, and that public money was safeguarded, properly accounted for and used economically, efficiently and effectively. The PCC also had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions were exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC was also responsible for putting in place proper arrangements for the governance of the Group's affairs and facilitating the exercise of its functions. This includes ensuring that a sound system of internal control is maintained through the year and that arrangements were in place for the management of risk. In exercising this responsibility, the PCC placed reliance on the Chief Constable to support the governance and risk management processes.

This statement explains how the PCC complied with the principles of the code of corporate governance and also meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

In light of the dynamic changes within policing and community safety governance the code of corporate governance continues to be reviewed to ensure it reflects and supports the wider arrangements. The code is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. A copy will be made available on the website at www.westyorkshire-pcc.gov.uk or one can be obtained from the Head of Policing and Crime, Ploughland House, 62 George Street, Wakefield, WF1 1DL.

During 2020-21 the PCC worked closely with West Yorkshire Combined Authority to prepare for the election, on 6 May 2021, of a Mayor with responsibility for policing and crime. The transfer of responsibility, which took place on 10 May 2021, saw staff in the PCC's office move to the employment of the Combined Authority.

In drafting this Annual Governance Statement reliance has been placed on the governance processes within West Yorkshire Police (WYP), as reflected in the WYP Annual Governance Statement which is published alongside the accounts of the Chief Constable.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the PCC Group is directed and controlled and the activities through which it accounts to and engages with the community. The framework enabled the PCC to monitor the achievement of Group strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services, including achieving value for money. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and acceptable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks materialising and the impact should they materialise, and to manage them effectively, efficiently and economically.

3. THE GOVERNANCE FRAMEWORK

The key elements that comprise the governance arrangements that have been put in place for the PCC and WYP include:

Identifying and communicating the Police and Crime Commissioner's vision of his purpose and intended outcomes for citizens and service users as set out in his refreshed Police and Crime Plan.

The PCC made his commitments for policing clear in his election pledges and has set out further commitments in his Police and Crime Plan 2016-2021 (refreshed 2021) which set out a strategic vision for policing, community safety and joint working with the wider criminal justice system across West Yorkshire over a five year period. In doing so he had regard to the Strategic Policing Requirement and the West Yorkshire Police Strategic Assessment and the Plan was developed in close consultation with the public of West Yorkshire as well as a wide range of key stakeholders and partners.

The PCC formed a Partnership Executive Group (PEG)¹ with a membership at strategic level from policing, community safety, the wider criminal justice system, victims and third sector organisations. The PEG plays a key role in developing this strategic vision and the Police and Crime Panel (PCP) were also consulted on the Plan.

The Police and Crime Plan reflects a shared vision with partners, and has the overall aim of ensuring that communities in West Yorkshire are safer and feel safer. Local priorities have been set in consultation with individuals, organisations and community safety partnerships which sit within the Plan.

The Plan has been communicated widely via media (including social media such as Facebook, Twitter, YouTube), existing contacts and events and groups attended by the PCC or PCC representatives.

Reviewing the PCC's vision and strategy and its implications for governance arrangements

The Partnership Executive Group (PEG) was consulted around the delivery of the Police and Crime Plan and the group provided the steer for this. The Mayor has a duty to prepare a Police and Crime Plan which will be developed after consultation with a wide range of partners, West Yorkshire Police, community groups and projects, public engagement and consultation events conducted by the Mayor and the Mayor's Policing and Crime Team, ensuring the vision and strategy reflects the needs of our communities.

The partnership structure is now well established with regular meetings held, terms of reference agreed and decision making taking place to support the delivery of the PCC's Police and Crime Plan and the development of the Mayor's Police and Crime Plan.

The PEG receives quarterly updates from the West Yorkshire Community Safety Forum, Third Sector Advisory Group and the Criminal Justice and Mental Health Forum and has strong links to the Local Criminal Justice Board and its Sub Boards.

The PCC held regular strategic planning days with the Chief Officer Team (COT) to look at how WYP could best deliver on the priorities in the Plan.

Monitoring performance against operational, financial and other strategic plans

The PCC established a performance management framework which includes monthly and quarterly reporting on indicators, commitments and wider relevant information. WYP will continue to present a performance report to a quarterly performance meeting, allowing the Mayor to challenge performance and ask key questions based not only on the Force report but on issues identified through the wider scanning by her office. The monthly Force Accountability Meetings chaired by the Chief Constable where performance issues are discussed with leaders across the Force were attended by the PCC and will continue to be attended by the Mayor and her representatives.

The PCC also held the Chief Constable to account at Community Outcomes Meetings (COM). These are held formally quarterly and are reported publicly via the website.

The PCC also monitored policing performance through his Joint Executive Group which meets on a six weekly basis and included senior leaders from his office and West Yorkshire Police.

¹The PEG is made up of representatives from the following: Local Authority Leader representatives; Community Safety Partnerships; Crown Prosecution Service; Local Authorities; Local Criminal Justice Board; NHS England; Police and Crime Commissioner; Police and Crime Panel; Prison Service; Public Health; Victim Support; Third Sector organisations in West Yorkshire; West Yorkshire Fire & Rescue Service; West Yorkshire Police; West Yorkshire Probation and Youth Offending Teams.



The accountability meetings established by the PCC will continue to operate to enable the Mayor to hold the Chief Constable to account. During 2021 a governance review will be undertaken of the police and crime accountability framework to ensure that the structures in place enable the Mayor to discharge her responsibilities.

National and Regional Performance

The PCC actively engaged in collaborative working in partnership with policing bodies within the North East Region to deliver a number of specific critical services on a regional basis most of which are delivered with regard to the Strategic Policing Requirement. The activities are undertaken under the joint control of the regional PCCs. Regional collaboration is funded from contributions made by the PCCs.

The PCC was the Chair of the North East Collaboration Board (NECB), the members of which jointly set strategic direction, scrutinise regional performance and delivery and monitor benefits realisation. The NECB was also responsible for monitoring the performance of the regional response to serious and organised crime. The regional collaboration arrangements were reviewed in late 2020 with agreement to continue to pursue a 7-Force collaboration model which the Mayor is expected to continue to work closely with.

The PCC was represented on the West Yorkshire Local Resilience Forum which is jointly chaired by the local authority chief executives and the police. It has statutory responsibility for tracking, assessing and addressing strategic risks to, and resilience of, the communities of West Yorkshire and is responsible for civil contingencies arrangements. The PCC also maintained close contact with the Counter Terrorism Policing North East Unit (CTPNE) and was a member of the Joint Counter-Terrorism Oversight Group along with the Police and Crime Commissioners of the other areas hosting a counter terrorism policing unit. The Mayor and her representatives will continue to attend and be represented on these key collaborations.

The PCC was the lead local policing body for the National Police Air Service (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, is achieved at lower cost than the former service which was managed at a local level, is an integrated part of the wider policing strategy and harnesses innovation in the aviation sector for the benefits of policing. The Chief Constable of West Yorkshire Police is the lead local chief constable for NPAS, is the holder of the Police Aviation Operator's Certificate issued by the Civil Aviation Authority and has operational responsibility for delivery of the service across England and Wales. The Mayor will continue to be the lead policing body for NPAS until June 2022 following a decision to issue notice under the S22 Agreement for West Yorkshire to cease to be the lead force area for the service.

The PCC established a Local Strategic Board which meets quarterly. Performance of NPAS is scrutinised at these meetings along with progress to date, the development of the service and the consideration of other relevant information such as expenditure, financial planning, governance and risk. The PCC chaired the National Strategic Board which also meets quarterly and provides governance, oversight and strategic direction on behalf of all policing bodies using the service. The Mayor will continue to operate the Local and National Strategic Boards until June 2022.

Measuring the quality of services for users, to ensure that they are delivered in accordance with the Police and Crime Commissioner's objectives and represent best use of resources

The PCC managed a comprehensive survey programme that produces reliable and independent information at a neighbourhood level to assess public perception of policing and to understand local priorities and concerns.

The Your Views Survey collects feedback directly from West Yorkshire residents on community safety priorities in their neighbourhoods, and on their experience of the work of the police and our community safety partners. Since its launch in April 2017, over 42,000 responses have been received from residents. The results are shared with the police and local authority partners, and reported back to the Police and Crime Panel through our Delivery Quarterly report. The survey's results are also made available to the public on the OPCC website.

During 2020-21, as a result of COVID-19, the survey was trialled in an on-line format and it is expected that this will continue during 2021-22, supplemented with postal surveys where required to ensure that all sections of the community are able to take part in the survey.



As part of the work to set the Council Tax Precept level for the county, the PCC has regularly consulted with the wider public through postal and online surveys. 1,909 people responded to the recent, on-line consultation for the 2021/22 Council Tax budget, which was promoted via the PCC's social media accounts and via partners and media outlets, with 80% supporting the PCC's proposal.

The PCC also undertook consultation around feelings of safety and local safety concerns through a wide range of events across West Yorkshire. Over the last year the PCC had to adapt his approach due to the pandemic, meaning that the vast majority of this work has taken place online. Despite this, the PCC still met virtually with over 100 community groups and partner organisations to better understand local policing and community safety needs to inform the work of his office and partners in making sure our communities are safer and feel safer.

Staff in the Office of the Police and Crime Commissioner (OPCC), with the PCC, also engaged regularly in the communities of West Yorkshire, although the major community events in 2020/21 were cancelled due to the pandemic, the PCC ran a number of online consultations and events such as a series of seniors events, a faith event, his annual Third Sector Conference, and a series of Community Conversations.

The OPCC is very active on social media, communicating via Twitter and Facebook and through an electronic newsletter to keep communities informed of the decisions that may affect them. People are encouraged to put forward their views via the website, Facebook and on Twitter.

A casework team handles the majority of daily contact with the office, which amounts to around 100 new cases a month. Specialist software assists with effective case management and reporting in order to identify common issues that members of the public are raising.

The PCC continued to offer surgeries for constituents which were conducted on-line or via telephone due to COVID-19 restrictions. This facility offered an additional avenue for people to raise issues with the PCC directly. A Mayoral Office has been established to support the Mayor, including dedicated casework staff.

Risk Management Processes

The OPCC maintained its own risk register which focused on key risks associated with delivery of the Police and Crime Plan, and the working of the Office. The PCC also maintained strategic oversight of risk management arrangements in force through attendance at the Risk Management Group chaired by the Deputy Chief Constable and via reports to the Joint Independent Audit and Ethics Committee (JIAEC). Strategic risk was also considered at the PCC's Good Governance Group which is attended by senior risk owners and the chair of the Joint Independent Audit and Ethics Committee.

Wherever possible the PCC's and WYP's risk management strategy and processes have been aligned. Although the risk registers remain separate a consistent approach to the scoring and prioritising of risks has been agreed. The strategic risk register for the PCC is now reported quarterly to the OPCC Executive Leadership Team.

The risk management arrangements for the Mayor's policing and crime functions are presently being reviewed. In the interim the current arrangements will continue with the Senior Leadership Team for the Policing and Crime Team receiving regular risk management reports.

The Head of Internal Audit attends and provides input to the Force Risk Management Group, in addition to liaising regularly the Risk and Insurance Manager. This ensures audit plans are cognisant of current and emerging risks.

Defining and documenting the roles and responsibilities of the Police and Crime Commissioner and WYP and its senior officers, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising WYP activity

The PCC's Scheme of Delegation, Financial Regulations and Contract Regulations have been developed in accordance with the Home Office Financial Management Code of Practice to enable effective accountability and govern the relationship between the PCC and WYP. There is a decision making framework which ensures

that all decisions by the PCC are published and available for public scrutiny. The Chief Constable also has a Scheme of Delegation for police officers and staff which is consistent with the framework set by the PCC.

The Mayor has agreed a Scheme of Delegation, Financial Regulations and Contract Standing Orders for her policing and crime functions. Significant decisions will continue to be published on the Policing and Crime page of the Combined Authority website.

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members, officers and staff

There is an officer code of conduct which was reviewed as part of the preparations for transition to the OPCC in 2012, since that time all staff have been trained on ethics. The legislation required the PCC to have two statutory officers – a chief executive and a chief finance officer. The Monitoring Officer for the PCC was the Interim Chief Executive who also chaired the Good Governance Group while the Treasurer (Chief Finance Officer) regularly met with the Estates and Digital Policing Departments in order to maintain an oversight of assets. The PCC and Chief Constable had adopted a joint business interests and voluntary working policy. The PCC's Scheme of Delegation followed the governance principles used by non-departmental public bodies in requiring any individual exercising delegated authority to seek prior authority before taking decisions that he might regard as novel, contentious or repercussive. The PCC or his senior staff reviewed these decisions and the permission processes.

Following the transfer to a Mayoral Combined Authority the officer code of conduct for staff in the Policing and Crime Team was reviewed and the statutory officers were confirmed as the Managing Director of the Combined Authority (Chief of Staff), the Director, Corporate and Commercial Services (S73 Officer) and the Head of Legal and Governance Services (Monitoring Officer). Staff in the Policing and Crime Team will follow the Combined Authority's business interests and gifts and hospitality policies with declarations being reviewed by the Head of Legal and Governance Services.

Reviewing and updating standing orders and supporting documentation, which clearly define how decisions are taken and processes and controls required to manage risk.

The PCC's Scheme of Delegation and Financial regulations, incorporating Contract Standing Orders were periodically reviewed. A new Scheme of Delegation, Financial Regulations and Contract Standing Orders for the Mayor's policing and crime functions have been introduced.

Undertaking the core functions of an Audit Committee

The JIAEC undertakes the core functions of an Audit Committee, and in line with CIPFA guidance considers issues in relation to internal control, risk management and treasury management. The Committee receives regular reports from both internal and external audit.

It provides independent assurance to both the PCC/Mayor and the Chief Constable on the adequacy of the corporate governance and risk management arrangements and the associated control environment.

During 2020/21 the JIAEC has been made up of three members rather than the full quota of four. A new member will be recruited during 2021. Members have access to training and events during the year with unconscious bias training and a CIPFA Update for Police Audit Committee Members being attended this year.

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

The PCC had a duty to ensure that the Group acted in accordance with the law and associated regulations. The Monitoring Officer and Chief Finance Officer have statutory responsibilities in this regard, and Internal Audit provided an assurance function and an annual independent objective opinion on the control environment, comprising risk management, internal control and governance, which is reported to the JIAEC.

All decision notices taken to the PCC included an analysis of any legal implications. Decisions made by the PCC were published on the website.



Similar arrangements are in place for the Mayor's police and crime functions.

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 retribution.

The PCC made a commitment to putting things right and has a range of policies in order to deal with public complaints. Further resources are being devoted to case work and complaint handling with the creation of specific email addresses and briefing and decision templates to record the action taken by the PCC. Public surgeries were arranged so that individuals raise issues directly with the PCC.

Complaint handling in WYP was monitored in regular meetings between the Interim Chief Executive and the Head of Professional Standards Department. The PCC and Interim Chief Executive had regular meetings with the Regional Director of the Independent Office for Police Conduct (IOPC). Specific case work or complaint matters were considered in the Joint Executive Group meetings between the PCC and the Chief Constable as were trends and statistical data down to district level. The PCC was represented on the Independent Advisory Group for the Professional Standards Department.

Complaints reviews, the duty on the PCC to be the review body for certain police complaints which was introduced in the Policing and Crime Act in February 2020, were reviewed by Internal Audit during the reporting period.

As noted, matters which are contentious, repercussive or novel were required to be notified to the PCC as part of his Scheme of Consent and any material matters were raised in quarterly meetings of the PCC's Good Governance Group chaired by the Interim Chief Executive.

Similar arrangements will continue for the Mayor's policing and crime functions; whistleblowing reports made about the Chief Constable will continue to be dealt with by the Mayor, as per the Force policy, although staff in the Policing and Crime Team will be covered by the Combined Authority's Whistleblowing Policy.

The Head of the Policing and Crime Team has delegated authority to continue to manage the oversight of complaint handling in West Yorkshire Police and for dealing with complaints and conduct matters relating to the Chief Constable.

Determining the conditions of employment and remuneration of officers and staff

There are national terms and conditions for police officers, and an approved job evaluation scheme was in place for police staff based upon role profiles for each post. Regular strategic and local consultation is undertaken with staff associations and trade unions.

Staff in the OPCC transferred to the Combined Authority, under TUPE regulations, on the election of the Mayor and retain the same role profiles and conditions of service.

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

There is a performance development review process in place which sets objectives, tracks development and identifies training needs.

A programme of activity took place in advance of the transition to the revised governance arrangements in 2012, based on the functions required by the OPCC in supporting the PCC to fulfil his role and responsibilities and supported by identification of personal qualities required of officers at different levels. Staff in the OPCC worked with colleagues in the Police and the Combined Authority during 2020/21 on a number of transition workstreams in readiness for the election of Mayor in May 2021. Following transfer to employment of the Combined Authority staff in the Policing and Crime Team have benefited from a comprehensive induction training package.



Members of the JIAEC undertake development on a regular basis appropriate to their role, with an annual assessment of the effectiveness of the Committee. The Committee Chair is invited to attend the Police and Crime Panel to report on any issues on an annual basis.

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

The PCC managed a comprehensive survey programme that produced reliable and independent information at a neighbourhood level to assess public satisfaction with policing and to understand local priorities and concerns. This will continue after the election of Mayor.

The PCC extended his web and social media based consultation and has a well-established Youth Advisory Group in line with his election pledges and the Police and Crime Plan. The PCC continued to be public facing and engage with all sections of the community, partners and stakeholders to make sure that he was accountable day to day to the people he served and continued to consult regularly and meaningfully with the people of West Yorkshire. The consultation and engagement programme is continuing after the election of Mayor.

Incorporating good governance arrangements in respect of partnerships and other group working, and reflecting these in the Police and Crime Commissioner's overall governance arrangements

A key strength of the PCC's planning was the engagement of a wide range of partners, stakeholders and members of the public in setting his strategic direction. During the year the PCC held a number of partnership events to assist both statutory and voluntary sector organisations in further adapting to the new ways of working.

The PCC continued the good practice by involving a wide range of partners and members of the public in the review of his Police and Crime Plan. Following re-election of the PCC in May 2016 extensive consultation was undertaken to inform the Police and Crime Plan 2016-2021. The Plan has recently had a refresh to account for emerging issues.

The Police and Crime Panel both supported the work of the PCC and provided scrutiny on the delivery of the Police and Crime Plan on behalf of the people of West Yorkshire.

The Panel has a number of key statutory functions:

- to review and provide a report on the Annual Report and the Police and Crime Plan;
- to hold confirmation hearings for the posts of Deputy Police and Crime Commissioner, Chief Executive and Chief Finance Officer (Treasurer)
- to agree the appointment of Chief Constable (with the power to veto)
- to agree the precept (with the power to veto)

During 2020/21 the PCC attended each of the Police and Crime Panel meetings and also met with the Chair.

The Mayor will prepare a Police and Crime Plan for the period 2021-2025 but, until that is complete, the existing Police and Crime Plan will be used to hold the Chief Constable to account. The Police and Crime Panel will continue to operate and will provide support to the Mayor and scrutiny.

Role of the Chief Financial Officer (CFO) in Local Government

CIPFA has 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 aligned 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 Treasurer undertook 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 has produced a new Financial Management code that will be applicable for 2020/21 and will apply to police services. We are currently reviewing our arrangements against those of the revised code.

Review of Effectiveness

The PCC has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal audit and the system of internal control. These reviews are informed by the work of internal audit and also managers within the OPCC who have the responsibility for the development and maintenance of the governance environment. In addition comments made by the external auditors and other review agencies and inspectorates have informed this review.

During 2020/21 the assurance framework put together by the Head of Internal Audit and reported to the PCC and the JIAEC was further utilised to develop an audit planning process based on an 'Audit Risk Universe'. This helps to ensure that audit coverage provides sufficient assurance in relation to internal control, governance and risk management processes.

The roles and processes applied in maintaining and reviewing the effectiveness of the governance framework are outlined below:

The PCC has overall responsibility for the discharge of all the powers and duties placed upon him and has a statutory duty 'to maintain an efficient and effective police force'. The JIAEC considers the adequacy of the governance framework, referring matters to the PCC and/or Chief Constable as appropriate.

The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within WYP at least annually. This review is informed by the work of the Assistant Chief Officer (Finance and Business Services), the Head of Risk and Insurance and managers within the WYP who have responsibility for the development and maintenance of the governance environment. In preparing the Annual Governance Statement for 2020/21 the PCC has placed reliance on this review and the Annual Governance Statement of the WYP.

Complaints against the PCC are the responsibility of the Police and Crime Panel for West Yorkshire or, in the case of serious allegations (i.e. of a criminal nature) are under the jurisdiction of the IOPC. Monitoring officer responsibilities were undertaken by the Interim Chief Executive in accordance with the Police Reform and Social Responsibility Act 2011.

Internal Audit provided an independent opinion on the adequacy and effectiveness of the system of internal control and concluded that reasonable assurance can be given regarding the overall internal control environment in the last opinion provided.

Internal Audit has been provided with assurances that weaknesses in the system and/or its operation are being addressed.

The Head of Internal Audit attends and provides input to the Force Risk Management Group, in addition to liaising regularly the Risk and Insurance Manager. This ensures audit plans are cognisant of current and emerging risks.

In the Annual Audit Letter for 2019/20, the external auditor reported that he had issued an unqualified opinion on the Statement of Accounts and an unqualified conclusion on the Authority's arrangements for securing



economy, efficiency and effectiveness in use of resources. He also reported that he had not identified any significant weaknesses in the Authority's internal control arrangements.

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 PCC and/or WYP
- An issue which has resulted in formal action being taken by the Chief Finance Officer and/or the Monitoring Officer.

There are no significant governance issues that meet the above criteria, however it is reasonable to raise once again the extent of organisational change required to achieve the forecast real terms budget reductions, together with the Government's policy for further reform of policing. Both these contributory factors mean that the PCC and WYP will continue to face an environment of risk.

This will be closely monitored by the Mayor and the Chief Constable, who will continuously review the adequacy and effectiveness of the evolving governance arrangements and ensure that any improvements identified are implemented.

Covid-19 had a significant impact on the OPCC and WYP during 2020/21 however does not in itself meet the definitions above. It is felt appropriate, however, to outline measures put in place to deal with the pandemic.

The World Health Organisation declared the coronavirus outbreak a 'Public Health Emergency of International Concern' on 31 January 2020. On 11 March, COVID-19 was characterised as a pandemic, internationally. On 3 March 2020, the Prime Minister introduced the government's coronavirus action plan of measures for the UK, following a declaration of 'threat to public health' under regulation 3 of the Health Protection (Coronavirus) Regulations 2020. On Monday 23 March 2020, the government announced restrictions aimed at reducing the spread of coronavirus. These restrictions asked people not to leave their homes except in certain circumstances.

From 23 March 2020 all OPCC staff began to work from home with agile-enabled IT kit, meetings were held either on-line or via telephone conference. Staff were able to access all necessary systems and files remotely. Contingency arrangements were established in the event that the PCC's statutory officers may be absent.

The meetings by which the PCC held the Chief Constable to account were held on-line and additional COVID-19 reporting and meetings took place regularly. JIAEC received specific COVID-19 reports at each meeting. The PCC or his representative attended meetings of the Local Resilience Forum.

Arrangements were put in place for regular contact with the providers of commissioned services and with all domestic abuse service providers and the OPCC received additional Government funding during the year for COVID-19 related work which was issued in grants to local service providers.

Signed

T Brabin

Tracy Brabin
 Mayor for West Yorkshire
 29 April 2022

B Still

Ben Still
 Managing Director, West Yorkshire
 Combined Authority
 29 April 2022



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.

Appropriations

Amounts transferred to or from revenue or capital reserves.

Budget

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

Capital Expenditure

Expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Receipts

Proceeds from the sale of an asset, which may be used to finance new capital expenditure or to repay outstanding loan debts as laid down within rules set by Central Government.

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.

Commutated 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 PCC'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.

Corporate and Democratic Core

The represent the cost of delivering public accountability and representation in policy making and meeting our legal responsibilities.

**Creditors**

Amounts owed by the PCC Group 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 PCC Group 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.

Depreciation.

The measure of the cost or revalued amount of the benefits of the non-current asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction on the useful life of a non-current asset whether arising from use, passage of time or obsolescence through either changes in technology or the demand for the service produced by the asset.

Financial Year

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

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 PCC Group will remain in operation existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

Group

The term Group refers to the Police and Crime Commissioner for West Yorkshire (PCC) and the Chief Constable for West Yorkshire (CC).

Impairment

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

Leasing

A method of financing capital expenditure where a rental charge is paid for a specified period of time. There are two main types of leasing arrangements:-

- (a) finance leases which transfer all of the risks and rewards of ownership of a non-current asset to the lessee and such assets are included in the non-current assets in the balance sheet.
- (b) operating leases where the ownership of the asset remains with the leasing company and the annual rental is charged direct to the service revenue accounts.

**Liquid resources**

Current asset investments that are readily disposable by the PCC without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount or traded in an active market.

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.

Minimum Revenue Provision (MRP)

The minimum amount that the PCC is statutorily required to set aside from revenue each year as a provision to meet credit liabilities. For the PCC this relates to a principal sum based on a prudent assessment of the useful life of the asset, which is used for the redemption of external debt.

Medium Term Financial Strategy (MTFS)

A statement setting out a forecast of possible spending and government support for a forward three year period and used as a basis for planning.

Net Book Value

The amount at which non-current assets are included in the Balance Sheet and being their historical cost or current value, less the cumulative amounts provided for depreciation.

Non-Current Assets

Tangible and intangible assets that yield benefits to the PCC for a period of more than one year.

Non Distributed Costs

This is where overheads are not charged or apportioned to activities within the service expenditure analysis in the Income and Expenditure Account.

Police and Crime Commissioner (PCC)

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

Precept

The method by which the PCC 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).