



**OPCC**

Office of the Police &  
Crime Commissioner  
for Gloucestershire

# Police and Crime Commissioner for Gloucestershire

**Statement of accounts  
2023/24**

**Audited**

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# **STATEMENT OF ACCOUNTS 2023/24**

## **NARRATIVE REPORT BY THE POLICE AND CRIME COMMISSIONERS CHIEF FINANCE OFFICER**

The purpose of this report is to provide a clear guide to the most significant matters reported in the accounts and to comment on the Constabulary's financial performance and economy, efficiency and effectiveness during the year.

The Police Reform and Social Responsibility Act 2011 established the Chief Constable for Gloucestershire and the Police and Crime Commissioner (PCC) for Gloucestershire as separate legal entities (corporations sole). The primary function of the Chief Constable is the exercising of operational policing duties under the Police Act 1996. The PCC's function is to hold the Chief Constable to account for the exercise of these duties, thereby securing the maintenance of an efficient and effective police force in Gloucestershire. The Chief Constable is accountable to the PCC.

Both the PCC and the Chief Constable are required to publish statements of accounts. For accounting purposes the PCC and the Chief Constable together are known as the Group. A separate set of statutory accounts has been published for the PCC and the Group to recognise all of the financial transactions incurred during 2023/24 for policing Gloucestershire. The accounts which follow show the Police and Crime Commissioners financial results for 2023/24. Together with those of the Group.

The Chief Constable holds office as a servant of the crown and is not an employee. He has a statutory responsibility for the control over officers and employs the majority of the staff. The PCC is elected by the public every four years (reduced to three years following the COVID-19 pandemic) and holds the Chief Constable to account for the exercise of his functions and those of persons under his direction and control. Chris Nelson, the Conservative candidate was re-elected as Police and Crime Commissioner (PCC) for Gloucestershire on 2<sup>nd</sup> May 2024 for a period of four years. It is Mr Nelson's second term in office following his election in 2021 (his first term was reduced to three years following the COVID-19 pandemic).

The PCC has retained employment of staff in the Office of the PCC (OPCC) ownership of all assets, and all contracts are let in the name of the PCC. The PCC is responsible for establishing all reserves and controls cash flow.

### **Organisational Overview and External Environment**

Gloucestershire is a largely rural county encompassing the Cathedral city of Gloucester, the historic Spa town of Cheltenham, the Royal Forest of Dean and a number of picturesque Cotswolds villages. Gloucestershire's urban centres are diverse with a thriving night-time economy.

The County hosts a number of significant events throughout the year which attract national attention. These include the National Hunt Festival (Gold Cup) at Cheltenham Racecourse, the Royal International Air Tattoo at Fairford, the Tall Ships Festival at Gloucester Docks and the annual Cheese Rolling competition at Cooper's Hill.

There are a number of royal households in Gloucestershire including Highgrove, the residence of King Charles and Queen Camilla and Gatcombe Park, the home of Princess Anne, two small airports and two universities; the University of Gloucestershire and the Royal Agricultural University. GCHQ is one of the UK's leading intelligence agencies and as such a large employer in the County.

# STATEMENT OF ACCOUNTS 2023/24



The Police and Crime Prevention Plan for 2021/2025 was launched following the election of the PCC in May 2021 and is reviewed annually. Every PCC must set out the policing priorities for their area, which form the basis for the Police and Crime Prevention Plan. The PCC set six priorities:

- Creating safer communities
- Tackling violence against women and girls
- Strengthening your Constabulary
- Targeting the causes of crime
- Supporting victims and reducing reoffending
- Empowering local communities

## Governance

The Accounts and Audit Regulations 2015 require that the Annual Governance Statement accompanies the Statement of Accounts. The Chief Constable and the PCC have prepared a joint statement and have elected to publish the statement as a separate document. The Annual Governance Statement gives an assessment of the effectiveness of internal control procedures, and should report any significant governance issues that have been identified. There are no significant governance issues.

Our approach to good governance:

- Governance of all ongoing operational matters is a Constabulary responsibility
- The Office of the Police and Crime Commissioner (OPCC) is represented effectively at all appropriate groups and boards
- Without prejudice to the operational independence of the Chief Constable and the specific duties of the Police and Crime Commissioner, governance is undertaken only once (where possible) on behalf of both legal entities
- Decision-making will take place at the most efficient and effective level in a style that is supportive and inclusive
- There is appropriate opportunity by relevant stakeholders to influence direction and key decisions

## STATEMENT OF ACCOUNTS 2023/24

- Clear communication and visibility of decision making is available to staff and the public.

We work with our partners, local communities and those who come into contact with us as victims, witnesses, partners, volunteers and staff, so that we are clear on what it is we need to do to deliver our priorities and make improvements to our policing services.

### Risks and Opportunities

Effective risk management is an essential element of our planning and accurate and timely identification, assessment and management of risks are key to our decision making. We ensure that there are appropriate structures and processes in place to identify and evaluate risks and that appropriate controls and mitigation techniques are developed to address them.

In relation to financial risks and opportunities the approach is to maintain a register which is regularly reviewed by the Finance Panel, with reporting by exception to the Governance Board. Risks and opportunities may then either be mitigated or reduced through management action such as applying a control. If they cannot be reduced or mitigated in this way they will then be escalated to in year reporting in the financial performance reports or through to the Medium Term Financial Plan.

### Financial Performance

The resources put into Policing are split into three separate areas: revenue, capital and pensions.

Revenue budgets pay for the staffing and day to day running costs of the organisation and also allow for a prudent levels of reserves, set aside for known future needs. This is funded from a combination of Central Government funding and Council Tax. The central government bodies (Home Office and the Ministry of Housing Communities and Local Government) determine their contributions as part of the national funding settlements made in December each year and the PCC makes the decisions about how much Council Tax to set in February as part of the budget setting process. Central government funds its contributions from the taxes paid to HMRC and Council Tax is collected by the six district councils in Gloucestershire.

In February 2023 the PCC approved a revenue expenditure budget for 2023/24 of £146.653m funded by £74.833m grant from central government, £70.955m from Council Tax and £3.865m from reserves. The police element of the Band D Council Tax was set at £295.08, an increase of £15.00, 5.4% on that set for 2022/23.

This revenue budget was split:

- Constabulary budget - £146.674m
- OPCC budget - £1.809m
- PCC's Commissioning fund - £1.170m.

If expenditure is less than budgeted at year-end the difference is put into reserves, if expenditure exceeds available resources then reserves are used to make-up the difference.

Capital budgets are funded by the sale of excess assets, reserves built up from previous year's revenue budgets, specific grant funding from central government, borrowing and with revenue budget funding for assets with a short-life, such as IT equipment.

In February 2023 the PCC approved a capital expenditure budget for April 2023 to March 2024 of £10.627m funded by £0.65m capital grant and revenue contributions, £7.197m of new borrowing and £2.780m of reserves.

The capital budget was split:

- £2.9 m on new IT systems and equipment including body worn video and radios
- £1.6m on replacing vehicles going out of service
- £1.5m on environmental works including vehicle charging infrastructure
- £0.6m on operational equipment including body armour
- £0.2m on essential estates work

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A further £3.8m was set aside for a number of projects in the development pipeline but without formal approval or a final business case. This is the current total of those projects in future years. They included significant projects such as the Records Management System (RMS) and amounts to address the replacement, upgrade or refresh of other legacy ICT.

### Pension Costs

The Pensions costs for existing staff and officers which will need to be paid in the future are met from contributions from the revenue budget. Police pensions are paid by the local Policing Pensions Fund and then any costs in excess of current contributions are recovered from central government as a grant.

Police staff are eligible to be members of the Local Government Pension scheme. The employee and employer make contributions into the scheme which are invested into a pension fund administered by Gloucestershire County Council.

### Financial Monitoring

Financial performance against the revenue and capital budgets are monitored throughout the year and reported monthly to the Finance Panel the minutes of which are presented to the Governance Board attended by both the PCC and the Chief Constable.

#### High level outturn – revenue

The revenue budget for 2023/24 was approved based on the one off use of reserves totalling £3.865m. The Outturn for the year to 31 March 2024 shows a draft underspend of £0.363m, 0.3% of the Net Revenue Budget, after reserves transfers.

The Outturn position is after £1.277m of MRP (Minimum Revenue Provision), and £1.268m of RCCO (Revenue Capital Contribution) towards capital purchases of £6.080m in year.

The opening General Fund Balance at 31 March 2023 was £28.737m, including general reserves of £5.596m.

The closing position as at 31 March 2024 is £25.237m, with a general fund reserve of £5.835m 4% of the net expenditure budget.

#### Capital Expenditure

The original budget of £10.627m for 2023/24 rose to £10.949m due to carry forwards from 2022/23 of £0.322m.

Capital Spend in 2023/24 was £6.080m, of which replacement vehicles (£2.557m) and Niche, the new operational records management system (£1.316m) were the two most significant investments.

Spend in 2023/24 was slightly behind budget mainly due to the planned deferral of ICT infrastructure investment totalling £2.8m which also includes the part delivery of Niche which will take place in 2024/25.

This expenditure was financed by:

	<b>£000</b>
Revenue Contribution	1,269
Reserves	637
Borrowing	4,174
<b>Total</b>	<b>6,080</b>

The reserves of the Group are held by the PCC and are available for the Chief Constable to utilise in the performance of his duties, with approval by the PCC. Details of these reserves and their purposes are included in these financial statements. The PCC has a Reserves Strategy which is published on the OPCC website.

# STATEMENT OF ACCOUNTS 2023/24

## Strategy and Resource Allocation

Gloucestershire received just a £1.3m (1.96%) increase in government grant for 2023/24 set against a £9.2m (6.6%) increase in net cost. Government grant funding now represents just 52% of the total funding for Gloucestershire, compared to 66% in 2010.

For 2024/25 the PCC intends to use the maximum precept flexibility of £13. He has also indicated his intention to use the maximum flexibility across the Spending Review period.

In July 2019 the Prime Minister promised 20,000 extra police officers, recruited over the subsequent three years. In addition to the original allocation to Gloucestershire of 153 officers, bids were invited from forces to recruit extra officers; Gloucestershire secured a further 21 Officers on a permanent basis and have made 2 bids for a further 15 (6 plus 9) officers on initially a temporary basis, subject to funding allocations from the Home Office.

In return for the significant increase in investment in policing, the Home Office expects the police to continue to build on the progress made on improving efficiency and productivity. The Government expects to see £80 million of efficiency savings from across the law enforcement sector.

Nearly 80% of budgeted expenditure is for the cost of officers and staff. The additional funding coming into Policing is beginning to see increases but we are still not yet back to 2010 levels.

The Budget for 2024/24 provides the resources to deliver the Police and Crime Prevention Plan, and over the medium term, focussing this on Strengthening the Constabulary. This budget will provide much needed investment in staffing, ICT systems and equipment which will enable officers to carry out their core role of policing.

In their most recent published assessment in 2021, following a change of direction in their assessment in some key areas, HMICFRS rated Gloucestershire Constabulary as inadequate for efficiency, and value for money.

This assessment was based on two findings the first one being that: "Budgets and plans were not balanced over the medium term"

The second of the two findings was that: "There was not a strong enough link between the budget, the medium term planning and demand analysis.

The follow up review during 2023/24 acknowledged that both of these areas for improvement had been addressed and were **no longer causes for concern**. The Constabulary recognises that although there have been significant improvements in this area, a continued focus on delivering efficiencies and savings is required to meet the fiscal challenge across the medium term.

In order to develop the MTFP it is necessary to make a number of assumptions regarding funding and costs for 2025/26, 2026/27 and 2027/28. The assumptions below are very likely to change and will be kept under review.

The assumptions for the MTFP are:

- That the pay rise for officers and staff in September 2024 would be 2.5% and in subsequent years, as per the assumptions within the Comprehensive Spending Review
- Inflation assumptions are based upon the rates for the Consumer Price Index (CPI) projected by the Office for Budget Responsibility (OBR)
- Grant funding will increase by the Constabulary's national share of funding of the amounts announced for the spending review period
- There will be no formula funding review during the planning period
- It is assumed that the tax base will increase by 1.0% per year for the next three years. For 2024/25 the tax base has increased by 1.16%.

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- The MTFP assumes that there is a small Collection Fund surplus and that deficits can be met from the funding provided in 2023/24 for the MTFP period
- The PCC will put the council tax up each year by the maximum flexibility
- The investment in the plan is frontloaded and any further investment in officers is not assumed. Therefore any further investment in officers in that period would need to come from efficiency savings.

### Performance

In the 12 months to March 2024, Gloucestershire Constabulary recorded 52,334 crimes. In the year prior, there were 57,584 crimes which is a 9.1 per cent reduction. The Constabulary receives approximately 12,112 “101 calls” per month and 8,381 “999 calls” per month (based on a twelve month average). Our officers arrive at the scene of an emergency incident on average within 11 minutes, and at “prompt” incidents within two hours 21 minutes. Our Force operational priorities are set based upon understanding the threat, harm and risk posed by criminality within the county. They are:

- Child Abuse and Exploitation
- Domestic Abuse
- Violence and Intimidation Against Women and Girls
- Serious and Organised Crime
- Road Traffic Collisions

Each priority has an operational lead and has developed a plan to prevent crime, protect victims and pursue offenders.

Operational performance is monitored through the newly-structured Chief Constables Performance Board which followed the cessation of the Operational Policing Board and the creation of ACC-led Accountability meetings. The board is chaired by the Chief Constable and is enabled by Performance, Quality and Business Intelligence.

The Police and Crime Commissioner publishes an annual report on their performance for the year. This report is available on the Gloucestershire OPCC website

The performance in the year includes, but is not limited to the following achievements;

- Recruitment of the Anti-Social Behaviour (ASB) Case Review Officer and promotion of the review, this was c.£60K through Home Office Safer Streets 4 funding (SSF). Recruitment of the ASB case review assistant from Safer Streets 5 was c£35K
- Completed an initial perception of crime survey and commissioned annual reviews, in 23/24 this totalled £28K
- Development of a Serious Violence Prevention Coordinator post, this post is funded through the Home Office Serious Violence Duty funding
- SSF funding towards holistic ASB training for local partner agencies, totalling £12K
- Additional staff in the OPCC, focused on domestic abuse (DA) and sexual violence (SV). This includes the DASV Consultation Officer and DASV Programme Assistant. Both posts are jointly funded with the County Council, DASV Consultation Officer (40% OPCC contribution) equals £14,204 per annum and the DASV Programme Assistant (50% OPCC contribution) equals £21,500 per annum
- Development of a lived experience forum for victims and survivors to help us shape future policies and practices aimed at tackling DA and SV
- Support the Constabulary with the development of the national best practise response to rape and sexual offences: Operation Soteria
- Increased funding to our local stalking advocacy service to £76k per annum for high risk non domestic abuse stalking cases
- Through SSF4, Strengthening the Constabulary through investment in
  - technology to detect ‘spiking’ drugs in the night-time economy c£60K for kit

## STATEMENT OF ACCOUNTS 2023/24

- drone capabilities c£64K
- forensics equipment c£50K
- Supported the Constabulary in the development of an internal Violence Against Women and Girls action plan
- Provided funding for a specialist legal advisor for Domestic Violence Protection Orders and Stalking Protection Orders. This is £48,608 for 23/24 and 24/25 funded through the Home Office Domestic Abuse Perpetrator fund
- Embedded the Serious Violence Duty into partnership strategic plans
- Supported local Community Safety Partnerships (CSP) to 'target harden' (measures to improve safety) public spaces. In 2023/24 we allocated £25K per CSP
- Gaining strategic buy-in for development of targeted approach to tackling serious youth violence among strategic leaders in Gloucestershire, through statutory functions for the Serious Violence duty
- Recruitment of an OPCC Victims and Vulnerability Lead post
- Extension of the lease for the 'nightingale' court at Cirencester
- Development of a Victims Code of Practice (VCOP) scrutiny panel to scrutinise all agencies about how they are adhering to the code Victims' Code

### Basis of Preparation and Presentation

The Statement of Accounts are prepared on a going concern basis, assuming that the Police and Crime Commissioner will continue in operation for the foreseeable future.

It is the purpose of the statement of accounts to demonstrate that the Police and Crime Commissioner has accounted for public money properly and in accordance with all relevant financial standards. The accounts provide useful information to a wide range of users about the financial position, financial performance and cash flows of the Police and Crime Commissioner because they are in the same format as those prepared by others and therefore directly comparable. The accounts are, therefore, necessarily detailed and technical with explanatory notes.

The Police and Crime Commissioner is required by statute to make funding decisions on a different basis from the way in which these decisions are reported within the Statement of Accounts. The Expenditure and Funding Analysis statement shows how the managed costs differ from the reported costs in these statements. This is because a number of adjustments are made in the statement of accounts to incorporate accounting adjustments in the areas of pensions, employee benefits and depreciation which are not funded by statute.

For accounting purposes the concept of "substance over form" requires that the economic substance of transactions and events must be recorded in the financial statements rather than just their legal form, in order to present a true and fair view of the affairs of the entity. These accounts are produced in line with this concept.

The format and content of the Accounts are laid down by the Code of Practice on Local Authority Accounting in the UK 2023/24 (the 'Code') based on International Financial Reporting Standards, adopted by CIPFA, the professional body of public sector accountants. The accounting policies adopted by the Police and Crime Commissioner comply with recommended accounting practices and are explained on pages 25 to 33.

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 Home Office Financial Management Code of Practice for the Police Service of England and Wales
- Scheme of Delegation between the PCC and the Chief Constable
- Corporate Governance Framework for the Group.

## STATEMENT OF ACCOUNTS 2023/24

These financial statements include the following:

- Statement of Responsibilities. This sets out the responsibilities of the Police and Crime Commissioner and the Chief Finance Officer in respect of the Statement of Accounts
- Comprehensive Income and Expenditure Statement. This recognises the financial resources belonging to the PCC consumed for the year to 31st March 2024.
- Movement in Reserves Statement. This statement summarises the movements to and from the reserves for the year 2023/24.
- Balance Sheet as at 31st March 2024. The Balance Sheet shows the value of the assets and liabilities recognised by the Police and Crime Commissioner.
- Cash Flow Statement. This shows the changes in cash and cash equivalents of the Police and Crime Commissioner during the accounting period.
- Police Pension Fund Accounts. These comprise the Fund account, the Net assets Statement and the related notes, shown at the end of the Statement of Accounts.

### Pension Schemes

The Group participates in two pension schemes: the Police Pension Scheme and the Local Government Pension Scheme (LGPS). Both schemes are categorised as 'defined benefit' schemes.

The Police Pension Scheme is an unfunded defined benefit scheme. There are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pension's payments as they fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension funds for the year are less than the amounts payable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by a central government top-up grant. The Group received a top up grant for 2023/24 of £21.906m for 100% of the deficit.

The Group is obliged to include the police pension accounts in their statement of accounts, and the Fund Account and Notes are shown on pages 78 to 81.

In accordance with the requirements of International Accounting Standard No 19 – Employee Benefits (IAS19), as amended, the Police and Crime Commissioner Statement of Accounts includes net pension liabilities and a pension's asset in its Balance Sheet, and entries in the Comprehensive Income and Expenditure Statement to reflect movements in the assets and liabilities relating to the pension schemes.

I hope that the explanatory notes to these Accounts have been helpful. A summary set of accounts for the Group has been produced and are published on the Police and Crime Commissioner website.

**Peter Robinson FCPFA MBA**

Chief Finance Officer for the Police and Crime Commissioner (Section 151 Officer)

DATE: 24 January 2025

## **STATEMENT OF ACCOUNTS 2023/24**

### **RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

#### **The PCC's Responsibilities**

The PCC is required to:

- Make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer.
- Manage his affairs to secure economic, efficient and effective use of resources and to safeguard his assets.
- Approve the Statement of Accounts.

#### **The Chief Finance Officer's Responsibilities**

The Chief Finance Officer is responsible for the preparation of the PCC's 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 PCC 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 local authority Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### **CERTIFICATION OF THE ACCOUNTS BY THE CHIEF FINANCE OFFICER**

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Police and Crime Commissioner for Gloucestershire as at 31 March 2024 and his income and expenditure for the year then ended.

**Peter Robinson FCPFA MBA**

Section 151 and Police and Crime Commissioner's Chief Finance Officer

Date: 24 January 2025

#### **CERTIFICATION OF THE ACCOUNTS BY THE POLICE AND CRIME COMMISSIONER FOR GLOUCESTERSHIRE**

I approve the Statement of Accounts.

**C Nelson**

Police and Crime Commissioner

Date: 24 January 2025

# **STATEMENT OF ACCOUNTS 2023/24**

## **INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR GLOUCESTERSHIRE**

### **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 Gloucestershire (the 'Police and Crime Commissioner') and its subsidiary, the Chief Constable, (the 'Group') for the year ended 31 March 2024, which comprise the Group and Police and Crime Commissioner Comprehensive Income and Expenditure Statement, the Group and Police and Crime Commissioner Movement in Reserves Statement, the Group and Police and Crime Commissioner Balance Sheet, the Group and Police and Crime Commissioner Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and include the police pension fund financial statements comprising the Fund Account and Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Group and of the Police and Crime Commissioner as at 31 March 2024 and of the Group's and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; 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 2024 ("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 Group and the Police and Crime Commissioner in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

The Chief Finance Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant government body of the intention to dissolve the Police and Crime Commissioner without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that

## **STATEMENT OF ACCOUNTS 2023/24**

could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements.

In auditing the financial statements and having regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### **Other information**

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 November 2024 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 '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.

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### **Opinion on other matters 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, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

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

### **Responsibilities of the Police and Crime Commissioner and the Chief Finance Officer**

As explained more fully in the Statement of Responsibilities, 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 2023-24, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner without the transfer of its services to another public sector entity.

### **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

## STATEMENT OF ACCOUNTS 2023/24

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management, internal audit and the Police and Crime Commissioner in relation to their own identification and assessment of the risk of irregularities within the entity, and 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 have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the Police and Crime Commissioner's documentation of their policies and procedures relating to:
  - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group and the Police and Crime Commissioner operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Amendment) Regulations 2024), the Local Government Act 2003, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012), the Police Reform and Social Responsibility Act 2011, the Public Service Pensions Act 2013, the Police Pension Fund Regulations 2006 and the Police Pensions Regulations 2015).

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Police and Crime Commissioner's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

## STATEMENT OF ACCOUNTS 2023/24

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Committee meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of land and buildings and defined benefit pensions liability valuations; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or noncompliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including material misstatements in the financial statements or non-compliance with regulation, will be detected by us, even though the audit is properly planned and performed in accordance with the ISAs (UK). The risk increases the further removed compliance with a law or regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Report on other legal and regulatory matters

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

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

In December 2023, the previous external auditors identified a significant weakness in the Group's arrangements for securing economy, efficiency and effectiveness in their Auditor's Annual Report for 2022/23. This was in relation to deficiencies in effectively delivering domestic abuse services to the public.

We have identified in our review of arrangements for the year ended 31 March 2024, that plans have been made to address the weakness, but these had still to be fully implemented.

## **STATEMENT OF ACCOUNTS 2023/24**

We recommended that the Group should progress with the implementation of the proposed actions in relation to the management of domestic abuse to ensure that it is delivering an effective service to the public.

### **Responsibilities of the Police and Crime Commissioner**

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

We 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 November 2024 and related statutory guidance. We considered whether the Police and Crime Commissioner has proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services.

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

### **Report on other legal and regulatory requirements – Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for Group and of the Police and Crime Commissioner for Gloucestershire for the year ended 31 March 2024 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have:

- confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

### **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. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those

## **STATEMENT OF ACCOUNTS 2023/24**

matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner, as a body, for our audit work, for this report, or for the opinions we have formed.

Nathan Coughlin, Key Audit Partner  
for and on behalf of Bishop Fleming LLP  
Chartered Accountants and Statutory Auditors

Bishop Fleming LLP, Plymouth

24 January 2025

# STATEMENT OF ACCOUNTS 2023/24

## Group Comprehensive Income and Expenditure Statement for the year ended 31st March 2024

2022/23			2023/24			
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			<b>Gross expenditure, gross income and net expenditure of continuing operations</b>			
176,128	(25,837)	150,291	Policing Services (Note 8)	160,324	(34,996)	125,328
176,128	(25,837)	150,291	<b>Net Cost Of Service</b>	160,324	(34,996)	125,328
			<b>Other Operating Expenditure</b>			
0	(79)	(79)	Gain/loss on disposal of non current assets	0	0	0
0	(79)	(79)	<b>Total Other operating expenditure</b>	0	0	0
			<b>Financing and Investment Income and Expenditure</b>			
2,047	0	2,047	Interest payable and similar charges (Note 14)	2,174	0	2,174
44,201	0	44,201	Net Interest on the net defined benefit liability (note 11)	50,022	0	50,022
0	(286)	(286)	Investment Interest income	0	(811)	(811)
46,248	(286)	45,962	<b>Total Financing and Investment Income and Expenditure</b>	52,196	(811)	51,385
			<b>Taxation and Non-Specific Grant Income</b>			
0	(1,329)	(1,329)	Recognised capital grants and contributions	0	0	0
0	(41,815)	(41,815)	Police revenue grant	0	(41,962)	(41,962)
0	(1,198)	(1,198)	Pensions legacy grant	0	(1,198)	(1,198)
20,281	(20,281)	0	Police Pension Fund Top-Up Grant	21,906	(21,906)	0
0	(23,410)	(23,410)	Allocation of ex-DCLG formula funding	0	(23,491)	(23,491)
0	(6,082)	(6,082)	Council tax support grant	0	(6,082)	(6,082)
0	(66,635)	(66,635)	Precepts (Note 16)	0	(71,164)	(71,164)
20,281	(160,750)	(140,469)	<b>Total Taxation and Non-Specific Grant Income</b>	21,906	(165,803)	(143,897)
244,657	(186,952)	55,705	<b>Surplus/Deficit on Provision of Services</b>	234,426	(201,610)	32,816
1,576	0	1,576	Surplus/deficit on the revaluation of non-current assets (note 24)	0	(5,515)	(5,515)
0	(617,452)	(617,452)	Remeasurement of the net defined benefit liability (note 11)	0	(18,321)	(18,321)
1,576	(617,452)	(615,876)	<b>Other Comprehensive Income and Expenditure</b>	0	(23,836)	(23,836)
<b>244,233</b>	<b>(804,404)</b>	<b>(560,171)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>234,426</b>	<b>(225,446)</b>	<b>8,980</b>

The statement above shows the accounting cost in the year to 31st March 2024 of providing services for the Group, in accordance with generally accepted accounting practices, in addition to the amount of funding by way of grant income.

# STATEMENT OF ACCOUNTS 2023/24

## PCC Comprehensive Income and Expenditure Statement for the year ended 31st March 2024

2022/23				2023/24			
	PCC		Memorandum		PCC		Memorandum
Gross Expenditure	Gross Income	Net Expenditure	CC Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	CC Net Expenditure
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Gross expenditure, gross income and net expenditure of continuing operations</b>							
15,821	(25,837)	(10,016)	160,307	Policing Services (Note 8)	9,842	(34,996)	150,482
15,821	(25,837)	(10,016)	160,307	<b>Net Cost of Service before funding</b>	9,842	(34,996)	150,482
160,307	0	160,307	(160,307)	Intra-group funding	150,482	0	(150,482)
176,128	(25,837)	150,291	0	<b>Net Cost of Service</b>	160,324	(34,996)	125,328
<b>Other Operating Expenditure</b>							
0	(79)	(79)	0	Gain/loss on disposal of non current assets	0	0	0
0	(79)	(79)	0	<b>Total Other operating expenditure</b>	0	0	0
<b>Financing and Investment Income and Expenditure</b>							
2,047	0	2,047	0	Interest payable and similar charges (Note 14)	2,174	0	2,174
0	0	0	44,201	Net Interest on the net defined benefit liability (note 11)	0	0	50,022
44,201	0	44,201	(44,201)	Intra-group funding pensions interest	50,022	0	(50,022)
0	(286)	(286)	0	Investment Interest income	0	(811)	0
46,248	(286)	45,962	0	<b>Total Financing and Investment Income and Expenditure</b>	52,196	(811)	51,385
<b>Taxation and Non-Specific Grant Income</b>							
0	(1,329)	(1,329)	0	Recognised capital grants and contributions	0	0	0
0	(41,815)	(41,815)	0	Police revenue grant	0	(41,962)	0
0	(1,198)	(1,198)	0	Pensions legacy grant	0	(1,198)	0
20,281	(20,281)	0	0	Police Pension Fund Top-Up Grant	21,906	(21,906)	0
0	(23,410)	(23,410)	0	Allocation of ex-DCLG formula funding	0	(23,491)	0
0	(6,082)	(6,082)	0	Council tax support grant	0	(6,082)	0
0	(66,635)	(66,635)	0	Precepts (Note 16)	0	(71,164)	0
0	(617,452)	(617,452)	617,452	Intra-Group funding actuarial gains/losses	0	(18,321)	18,321
20,281	(778,202)	(757,921)	617,452	<b>Total Taxation and Non-Specific Grant Income</b>	21,906	(184,124)	18,321
<b>242,657</b>	<b>(804,404)</b>	<b>(561,747)</b>	<b>617,452</b>	<b>Surplus/Deficit on Provision of Services</b>	<b>234,426</b>	<b>(219,931)</b>	<b>14,495</b>
1,576	0	1,576	0	Surplus/deficit on the revaluation of non-current assets (note 24)	0	(5,515)	0
0	0	0	(617,452)	Remeasurement of the net defined benefit liability (note 11)	0	0	(18,321)
<b>244,233</b>	<b>(804,404)</b>	<b>(560,171)</b>	<b>0</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>234,426</b>	<b>(225,446)</b>	<b>0</b>

The statement above shows the accounting cost in the year to 31st March 2024 of providing services in accordance with generally accepted accounting practices for the PCC, in addition to the amount of funding by way of grant income. Resources of the PCC consumed at the request of the Chief Constable (CC) are shown for comparative purposes. The consolidated accounting cost and funding for the PCC Group to 31st March 2024 is shown on the previous page.

## STATEMENT OF ACCOUNTS 2023/24

### Movement in Reserves Statement for the PCC Group for the year ended 31st March 2024

	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Contributions Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves (Note 9) £000	Unusable Reserves (Note 10) £000	Total Reserves £000
<b>Balance at 31st March 2022</b>	24,776	4,460	405	0	399	<b>30,040</b>	<b>(1,597,575)</b>	<b>(1,567,535)</b>
<b><u>Movement in reserves during 2022/23</u></b>								
Total Comprehensive Expenditure and Income	(55,705)	0	0	0	0	<b>(55,705)</b>	<b>615,876</b>	<b>560,171</b>
Adjustments between accounting basis & funding basis under regulations	59,667	0	0	0	0	<b>59,667</b>	<b>(59,667)</b>	<b>0</b>
Increase or (decrease) in 2022/23	3,963	0	0	0	0	<b>3,963</b>	<b>556,209</b>	<b>560,172</b>
<b>Balance at 31st March 2023 carried forward</b>	28,739	4,460	405	0	399	<b>34,003</b>	<b>(1,041,366)</b>	<b>(1,007,363)</b>

## STATEMENT OF ACCOUNTS 2023/24

	General Fund Balance	Capital Receipts Reserve	Revenue Contribution to capital unapplied	Capital Contributions Unapplied	Capital Grants Unapplied	Total Usable Reserves (Note 9)	Unusable Reserves (Note 10)	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 31st March 2023</b>	28,739	4,460	405	0	399	34,003	(1,041,366)	(1,007,363)
<b><u>Movement in reserves during 2023/24</u></b>								
Total Comprehensive Expenditure and Income	(32,816)	0	0	0	0	(32,816)	23,836	(8,980)
Adjustments between accounting basis & funding basis under regulations	29,316	0	0	0	0	29,316	(29,316)	(0)
Increase or (decrease) in 2023/24	(3,500)	0	0	0	0	(3,500)	(5,480)	(8,980)
<b>Balance at 31st March 2024 carried forward</b>	25,239	4,460	405	0	399	30,503	(1,046,846)	(1,016,343)

The General fund balance at 31<sup>st</sup> March 2024 includes £19.4m (2022/23: £23.1m) of earmarked reserves. Details of these earmarked reserves can be found in note 9.

**STATEMENT OF ACCOUNTS 2023/24**

**Movement in Reserves Statement for the PCC for the year ended 31st March 2024**

	<b>General Fund Balance</b>	<b>Capital Receipts Reserve</b>	<b>Revenue Contribution to capital unapplied</b>	<b>Capital Contributions Unapplied</b>	<b>Capital Grants Unapplied</b>	<b>Total Usable Reserves (Note 9)</b>	<b>Unusable Reserves (Note 10)</b>	<b>Total Reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 31st March 2022</b>	<u>24,776</u>	<u>4,460</u>	<u>405</u>	<u>0</u>	<u>399</u>	<u>30,040</u>	<u>(1,597,575)</u>	<u>(1,567,535)</u>
<b><u>Movement in reserves during 2022/23</u></b>								
Total Comprehensive Expenditure and Income	561,747	0	0	0	0	561,747	(1,576)	560,171
Adjustments between accounting basis & funding basis under regulations	(557,785)	0	0	0	0	(557,785)	557,785	0
Increase or (decrease) in 2022/23	<u>3,963</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,963</u>	<u>556,209</u>	<u>560,171</u>
<b>Balance at 31st March 2023 carried forward</b>	<u>28,739</u>	<u>4,460</u>	<u>405</u>	<u>0</u>	<u>399</u>	<u>34,003</u>	<u>(1,041,366)</u>	<u>(1,007,363)</u>

## STATEMENT OF ACCOUNTS 2023/24

	General Fund Balance	Capital Receipts Reserve	Revenue Contribution to capital unapplied	Capital Contributions Unapplied	Capital Grants Unapplied	Total Usable Reserves (Note 9)	Unusable Reserves (Note 10)	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 31st March 2023</b>	28,739	4,460	405	0	399	<b>34,003</b>	<b>(1,041,366)</b>	<b>(1,007,363)</b>
<b><u>Movement in reserves during 2023/24</u></b>								
Total Comprehensive Expenditure and Income	(14,495)	0	0	0	0	<b>(14,495)</b>	<b>5,515</b>	<b>(8,980)</b>
Adjustments between accounting basis & funding basis under regulations	10,995	0	0	0	0	<b>10,995</b>	<b>(10,995)</b>	<b>0</b>
Increase or (decrease) in 2023/24	(3,500)	0	0	0	0	<b>(3,500)</b>	<b>(5,480)</b>	<b>(8,980)</b>
<b>Balance at 31st March 2024 carried forward</b>	25,239	4,460	405	0	399	<b>30,503</b>	<b>(1,046,846)</b>	<b>(1,016,343)</b>

# STATEMENT OF ACCOUNTS 2023/24

## PCC and Group Balance Sheet as at 31st March 2024

31st March 2023			31st March 2024		
CC £'000	PCC £'000	Group £'000	CC £'000	PCC £'000	Group £'000
			<b>Property, Plant &amp; Equipment (Note 24)</b>		
0	58,490	58,490	0	59,524	59,524
0	2,678	2,678	0	3,597	3,597
0	5,178	5,178	0	5,049	5,049
0	450	450	0	231	231
0	1,205	1,205	0	1,661	1,661
0	1,732	1,732	0	2,779	2,779
16,551	0	16,551	0	0	0
1,083,300	16,551	0	1,071,900	0	0
<b>1,099,851</b>	<b>86,284</b>	<b>86,284</b>	<b>1,071,900</b>	<b>72,841</b>	<b>72,841</b>
			<b>Total Long Term Assets</b>		
			<b>Current Assets</b>		
0	414	414	0	574	574
3,495	17,214	20,709	5,207	17,344	22,551
2,275	3,495	0	3,774	5,207	0
0	17,987	17,987	0	13,746	13,746
0	0	0	0	0	0
<b>5,770</b>	<b>39,109</b>	<b>39,109</b>	<b>8,981</b>	<b>36,871</b>	<b>36,871</b>
			<b>Total Current Assets</b>		
			<b>Current Liabilities</b>		
2,275	15,659	17,934	3,774	14,872	18,646
0	6,731	6,731	0	8,354	8,354
3,495	2,275	0	5,207	3,774	0
0	0	0	0	353	353
<b>5,770</b>	<b>24,665</b>	<b>24,665</b>	<b>8,981</b>	<b>27,353</b>	<b>27,353</b>
			<b>Total Current Liabilities</b>		
			<b>Long Term Liabilities</b>		
0	15,365	15,365	0	14,669	14,669
0	9,426	9,426	0	12,134	12,134
16,551	1,083,300	0	0	1,071,900	0
1,083,300	0	1,083,300	1,071,900	0	1,071,900
<b>1,099,851</b>	<b>1,108,091</b>	<b>1,108,091</b>	<b>1,071,900</b>	<b>1,098,703</b>	<b>1,098,703</b>
			<b>Total Long Term Liabilities</b>		
<b>0</b>	<b>(1,007,364)</b>	<b>(1,007,364)</b>	<b>0</b>	<b>(1,016,343)</b>	<b>(1,016,343)</b>
			<b>Net Liabilities</b>		
			<b>Usable reserves (Note 9)</b>		
0	5,596	5,596	0	5,835	5,835
0	23,143	23,143	0	19,404	19,404
0	4,460	4,460	0	4,460	4,460
0	405	405	0	405	405
0	399	399	0	399	399
0	34,003	34,003	0	30,503	30,503
			<b>Total Usable reserves</b>		
			<b>Unusable Reserves (Note 10)</b>		
0	7,737	7,737	0	13,110	13,110
0	(1,066,749)	(1,066,749)	0	(1,071,900)	(1,071,900)
0	18,723	18,723	0	14,200	14,200
0	507	507	0	762	762
0	(1,584)	(1,584)	0	(3,018)	(3,018)
0	(1,041,366)	(1,041,366)	0	(1,046,846)	(1,046,846)
			<b>Total Unusable Reserves</b>		
<b>0</b>	<b>(1,007,364)</b>	<b>(1,007,364)</b>	<b>0</b>	<b>(1,016,343)</b>	<b>(1,016,343)</b>
			<b>Total Reserves</b>		

The Balance Sheet incorporates balances on the funds and accounts of the Chief Constable, PCC and Group as at 31st March 2024. Note that the intra-group pension adjustment has been removed on consolidation at the Group level.

Peter Robinson, FCPFA MBA, Section 151 and Police and Crime Commissioner's Chief Finance Officer  
Date: 24 January 2025

# STATEMENT OF ACCOUNTS 2023/24

## PCC and Group Cash Flow Statement for the year ended 31st March 2024

2022/23			2023/24	
£'000	£'000		£'000	£'000
<b><u>Operating Activities (Note 37)</u></b>				
<b>Cash inflows</b>				
(66,403)		Council Tax receipts	(70,908)	
(23,410)		Allocation of ex-DCLG formula funding	(23,491)	
(41,815)		Police grant	(41,962)	
(6,082)		Council Tax support grant	(6,082)	
(14,809)		Other grants	(15,282)	
(2,921)		Cash received for goods and services	(5,903)	
(286)		Interest received	(802)	
<u>(9,418)</u>		Other operating cash receipts	<u>(12,467)</u>	
	(165,144)			(176,897)
<b>Cash outflows</b>				
87,503		Cash paid to and on behalf of employees	94,212	
31,054		Cash paid to suppliers of goods & services	40,290	
2,053		Interest paid	2,118	
<u>37,022</u>		Other operating cash payments	<u>42,148</u>	
	<u>157,632</u>			<u>178,768</u>
	<b>(7,512)</b>	<b><u>Net cash flows from operating activities</u></b>		<b>1,871</b>
<b><u>Investing Activities</u></b>				
7,540		Purchase of property, plant & equipment, investment property and intangible assets (Note 38)	6,007	
(79)		Sale of property, plant & equipment	0	
<u>(1,329)</u>		Other receipts from investing activities	<u>0</u>	
	<b>6,131</b>	<b><u>Net cash flow from Investing Activities</u></b>		<b>6,007</b>
<b><u>Financing Activities (Note 39)</u></b>				
-5,000		New loans raised	(10,998)	
626		Capital element of PFI payment	636	
<u>1,648</u>		Repayments of amounts borrowed	<u>6,724</u>	
	<b>(2,726)</b>	<b><u>Net cash flow from Financing Activities</u></b>		<b>(3,638)</b>
	<b>(4,106)</b>	<b><u>Net (increase)/decrease in cash and cash equivalents (Note 40)</u></b>		<b>4,241</b>
	<b>(13,881)</b>	<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>(17,987)</b>
	<b>(17,987)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>(13,746)</b>

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group and the PCC during the reporting period. As there is no distinction between the Group and the PCC movements there is no separate statement for the PCC.

# STATEMENT OF ACCOUNTS 2023/24

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## NOTES TO THE ACCOUNTS

### 1. Statement of accounting policies 2023/24

#### a. General principles

The Statement of Accounts summarises the Group and PCC's transactions for the 2023/24 financial year and the position at the year-end of 31st March 2024. These financial statements have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets.

Following the passing of the Police Reform and Social Responsibility Act 2011 the Gloucestershire Police Authority was replaced on 22nd November 2012 with two 'corporation sole' bodies, the Police and Crime Commissioner (PCC) for Gloucestershire and the Chief Constable for Gloucestershire. Both bodies are required to prepare separate Statement of Accounts.

The Financial Statements included here represent the accounts for the PCC and also those for the PCC Group. The Financial Statements cover the twelve months to 31st March 2024. The term 'Group' is used to indicate individual transactions and policies of the PCC and Chief Constable for the year ended 31st March 2024. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the Police Reform and Social Responsibility Act 2011.

Whilst all expenditure is paid for by the PCC, including the wages of police staff and officers, the actual recognition in the respective PCC and Chief Constable Accounts is based on economic benefit.

#### b. Estimation Techniques

Accounting policies and estimation techniques have been selected and exercised, having regard to the accounting principles and contents set out in IAS 8 and IPSAS 3 (*Accounting Policies, Changes in Accounting Estimates and Errors*), specifically:

- The qualitative characteristics of financial information
- Relevance
- Reliability
- Comparability
- Understandability
- Materiality
- Pervasive accounting concepts
- Accruals
- Going concern
- Primacy of legislative requirements

#### c. Accruals of expenditure & Income

The Balance Sheet and the Comprehensive Income and Expenditure Statement are maintained on an accruals basis in accordance with the Code of Practice. This means that the accounts are prepared on the basis of income due and expenditure payable in the year to 31st March 2024, whether or not the cash has actually been received or paid in the year. Debtors have been included where an invoice has been raised but not paid. All manual accruals with a value of £500 or more will be processed in the accounts. For manual accruals with a value of less than £500 inclusion in the accounts will be at the discretion of the relevant finance officer.

Interest payable and receivable is accrued within the accounts up to and including 31st March 2024.

#### d. Council Tax

Council tax income included within the comprehensive income and expenditure statement includes our share of the surplus or deficits from other local authority collection funds.

## STATEMENT OF ACCOUNTS 2023/24

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### e. Government Grants

#### Revenue Grant

Government grants are shown as income within the comprehensive income and expenditure statement and are used to fund the expenditure on policing activities.

#### Capital Grant

Income received in respect of capital grants is shown within the comprehensive income and expenditure statement. When the income is matched to the capital expenditure it is transferred to the Capital Adjustment Account. Any unused capital grant is allocated to the Capital Grant Unapplied Account within reserves.

#### Specific Grants

Specific grant income is recognised immediately within the comprehensive income and expenditure statement on an accruals basis. If there are conditions outstanding to be achieved on the specific grants at the end of the financial year they are recognised as a receipt in advance.

### f. Material Items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the PCC's financial performance.

### g. VAT

It is the PCC's policy to reclaim VAT based on the tax date of a creditor invoice and when it is entered into the creditor system for payment rather than the point the invoice is actually paid.

### h. Provisions and Contingent Liabilities

Provisions are made when an event has taken place that gives the PCC a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the PCC becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

A contingent liability arises where an event has taken place that gives the PCC a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the PCC. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### i. Reserves

The PCC sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in 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 process for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC.

## STATEMENT OF ACCOUNTS 2023/24

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### **j. Property, plant and equipment**

Non-current assets are assets that have physical substance and are held for use in the provision of services, or for administrative purposes on a continuing basis.

#### Recognition

Expenditure on the acquisition, creation or enhancement of non-current assets is capitalised on an accruals basis, provided that it yields benefits to the PCC and that it provides services for more than one financial year. Assets are capitalised when they are operationally ready for service. Prior to this they are categorised as Assets under Construction (Work in Progress). The PCC has selected a de minimis threshold of £20,000 (individually or as groups of assets) below which assets are not capitalised, apart from vehicle purchases, which are all capitalised.

The PCC for Gloucestershire has no material heritage assets that require separate classification.

#### Measurement

Non-current assets are valued as recommended by CIPFA and in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors. Assets are classified into the groupings required by the Code. Assets are valued as follows:

##### 1. Land and property

The capital outlay is shown on the basis of a full valuation of the PCC's freehold and leasehold property at 31st March 2024, undertaken by Wilkes, Head & Eve LLP, Chartered Surveyors. A "de minimis" limit of £20,000 was used for these purposes.

Operational property and plant are measured for their service potential at current value i.e. existing use value. Where no market is in existence or where assets are specialised a Depreciated Replacement Cost measurement is used. All surplus assets are measured at fair value. Under IFRS 13 Fair Value is a market based assessment which uses the assumptions that market participants would use when pricing the asset under current market conditions. Where applicable the valuations reflect evidence of recent market transactions involving similar properties in each locality. Depreciated Replacement Cost is recognised as an acceptable method of estimating Market Value where more reliable methods cannot be applied.

The Balance Sheet includes the impact from the assessment of impairments to buildings.

##### 2. Vehicles and equipment

Vehicles, plant and equipment are included at historical cost, less accumulated depreciation.

When an asset is re-valued, any increase in value is credited to the Revaluation Reserve unless the asset has previously been re-valued downwards, in which case it is credited to the Comprehensive Income & Expenditure account up to the value of the previous loss. Land and buildings are subject to a full revaluation exercise at least every five years with interim annual desktop valuations to assess the impact of general market movements. The last full valuation took place at 31st March 2024. The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

#### Impairment

In between valuations an annual impairment review is undertaken of properties with less than 40 years life to identify any significant drop in value. Where impairment is identified as part of the annual review or as a result of a valuation exercise, this is accounted for by:

- An impairment loss on a re-valued asset shall be recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the revaluation reserve for the same asset and thereafter in Surplus or Deficit on the provision of Services.
- An impairment loss on a non-revalued asset shall be recognised in Surplus or Deficit on the Provision of Services.

## STATEMENT OF ACCOUNTS 2023/24

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### Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The Asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale. When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line also as part of the net gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Capital receipts from the disposal of assets are accounted for on an accrual basis where the receipt is certain.

Amounts in excess of £10,000 are categorised as capital receipts. Capital receipts are required to be credited to the Capital Receipts reserve, and can then only be used for new capital investment or set aside to reduce the PCC's underlying need to borrow (the capital financing requirement).

The written off value of 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 assets with a determinable finite life (except for investment properties and assets held for sale), by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use. Depreciation is calculated on the following bases:

Land	No depreciation
Operational buildings	Straight-line allocation over the life of the property as estimated by the valuer.
Vehicles	Reducing balance method over the expected useful life of the asset. A life of between 3 and 10 years is allocated to vehicles and depreciation is calculated as 30% per annum following advice from the Fleet Manager.
Equipment	Straight-line allocation over the expected useful life of the asset as advised by a suitably qualified officer. A life of 5 years is allocated to all equipment, unless through consultation with the relevant officer an alternative asset life is deemed more suitable.

In addition to the reducing balance depreciation allocation of vehicles they are depreciated fully in their year of disposal where there is no capital receipt. Where a significant Property, Plant and Equipment asset (> £1m) 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.

### **k. Intangible Assets**

Expenditure on the right to use a computer programme is treated as expenditure for capital purposes. Amortisation is calculated in the same way as equipment depreciation for tangible assets. At the end of the life of these assets they are treated as though they were disposed of with no capital receipt.

## STATEMENT OF ACCOUNTS 2023/24

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### I. Charges to Revenue for Non-Current Assets

Depreciation for the year is charged to the Comprehensive Income and Expenditure Account. The PCC is not required to raise funds to cover depreciation.

Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ('the 2003 Regulations') requires local authorities to 'charge to a revenue account a minimum revenue provision (MRP) for that year'. The minimum revenue provision is an annual amount set aside from the General Fund to meet the cost of capital expenditure that has not been financed from available resources, namely: grants, revenue contributions, earmarked reserves or capital receipts.

MRP is sometimes referred to as the mechanism for setting aside monies to repay external borrowing. In fact, the requirement for MRP set aside applies even if the capital expenditure is being financed from the Constabulary's own cash resources and no new external borrowing or other credit arrangement has been entered into.

For expenditure incurred before 1st April 2021 the PCC has adopted the Capital Financing Requirement (CFR) method for calculating MRP on supported borrowing where 4% of the balance of CFR is used to calculate MRP.

For borrowing since 1st April 2021 the asset life method has been used where MRP has been calculated on a straight line basis over the useful economic life of the asset.

Depreciation is therefore replaced by a revenue provision in the Movement in Reserves Statement by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

### m. Grants and contributions

Grants and contributions, including donated assets, shall not be recognised until there is reasonable assurance that the PCC will comply with the conditions attached to them and that the grants or contributions will be received. Grants and contributions relating to capital and revenue expenditure shall be accounted for on an accruals basis, and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the PCC has not satisfied.

- Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, and the expenditure to be financed from that grant or contribution has been incurred at the balance sheet date, the grant or contribution shall be transferred from the General Fund to the Capital Adjustment Account reported through the Movement in Reserves Statement.
- Where no expenditure has been incurred at the balance sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account through the Movement in Reserves Statement.
- Where conditions remain outstanding at the balance sheet date the grant or contribution will be recognised as part of the Capital Grants Receipt in Advance.

### n. Financial Instruments

#### 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 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 the PCC's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus any 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

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

## STATEMENT OF ACCOUNTS 2023/24

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- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

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

### **o. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term interest bearing investments that are readily convertible on demand to known amounts of cash and which are subject to an insignificant risk of changes in value. Investments maturing within three months of the balance sheet date are deemed to fall under the definition of cash equivalents.

The PCC's Financial Assets are classified as assets that have fixed or determinable payments but are not quoted in an active market. They are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the loans that the PCC has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest, and interest credited to the Income and Expenditure Account is the amount receivable for the year in the loan agreement.

The PCC recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the PCC.

### **p. Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. The current practice is to fully finance capital assets in the year of purchase, other than for Police Headquarters, Waterwells and the Firearms training centre, Blackrock which are PFI based contracts. Other than these PFI contracts all leases are classified as operating leases.

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Liabilities under "operating" leases are not required under the Code to be shown in the Balance Sheet since significant residual value to the lessor under such arrangements implies no effective transfer of ownership of assets. Where the PCC grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. No property interests held under operating leases are classified as investment property.

From 1 April 2024 the Code will require the adoption of IFRS16, with an adjustment to the balance sheet for 2024/25. The impact of this adjustment will be to increase the assets and liabilities, including any dilapidation provisions, for those leases currently accounted for as operating leases. Operating lease payments, from 1 April 2024, will be charged as depreciation and interest expense. The impact of this change in accounting policy from 1 April 2024 is expected to be immaterial.

### **q. Inventory**

The main inventories held by the Constabulary are uniforms, cleaning tokens, postage in franking machines, IT equipment, fleet spares and items in the stationery store. With the exception of uniforms, inventory is valued at original purchase price. In respect of uniforms, new inventory is valued at original purchase price and returned inventory that can be re-issued is valued at 50% of the original purchase price.

### **r. Overheads**

The PCC has a policy of not recharging support service overhead costs to front line service providing

## STATEMENT OF ACCOUNTS 2023/24

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departments, they are reported separately. However for the purposes of the preparation of the Comprehensive Income and Expenditure Account the full cost of support service overheads are included in Police Services under the net cost of services.

### s. Employee Benefits

#### Pensions

As part of the terms and conditions for its officers and for other employees, the Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make payments that need to be disclosed at the time that employees earn their future entitlement. The Group participates in two separate pension schemes:

- o The Local Government Pension Scheme (LGPS) for police staff employees, administered locally by Gloucestershire County Council. This is a funded defined benefit salary scheme, meaning that the employer and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- o The Police Pension Scheme for police officers, comprising three separate elements:
  - a. Police Pension Scheme (PPS)
  - b. New Police Pension Scheme (NPPS)
  - c. 2015 CARE scheme

These schemes (old, new and 2015) are not viewed as materially different as each scheme provides benefits of a similar nature or character - a defined benefit index linked pension, payable from a retirement date. Each scheme also provides survivor benefits, a death in service benefit, injury pension and payment of an ill-health pension. The differences between the schemes are how the benefits are accrued - the accrual rate with which a member earns benefits and the salary used to calculate the pension (pension is linked to final salary or career average salary). These differences do not make the schemes materially different in nature or character. Each scheme is also subject to the same risks.

This is an unfunded defined benefit final salary scheme, administered by the Group, meaning that there are no investment assets built up to meet the pension liabilities. Cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year are less than the amounts payable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group, which must then repay the amount to central government.

The costs of retirement benefits are included in the Net Cost of Service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the council tax precept is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement.

External actuaries are appointed to provide the necessary information, and their assumptions and calculations are detailed in the pensions note (Note 11). 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 dependent on assumptions about mortality rates, salary levels etc. Both the Police Pension Schemes and the Local Government Pension Scheme have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Estimates for the pension schemes have been based on the latest full valuation of the schemes as at 31st March 2022 for the LGPS and 31st March 2020 for the Police Pension Schemes. The long term expected rate of return on assets is derived by the actuary using their own proprietary stochastic asset model.

Actuarial gains and losses are recognised when changes in the net pension liability arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, and are debited to the Pensions Reserve.

## STATEMENT OF ACCOUNTS 2023/24

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### Short term compensated absences

Compensated absences are periods during which an employee does not provide services to the employer, but benefits continue to be paid. Compensated absences may be accumulating e.g. annual leave and flexi-time, or non-accumulating e.g. sick leave and maternity leave. Accumulating absences are those that are carried forward and can be used in future periods if the current period entitlement is not used in full. Short-term (due to be settled within 12 months after the year end of the period in which the employee renders the service) accumulating compensated absences shall be:

- recognised when employees render services that increases their entitlement to future compensated absences.
- measured as the additional amount that the PCC expects to pay as a result of unused entitlement that has accumulated at the Balance Sheet date including associated employers national insurance and pension contributions.

### Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are recognised in the Comprehensive Income and Expenditure Statement when the Constabulary is demonstrably committed to the termination of the employment of an individual or group of employees or making an offer to encourage voluntary redundancy.

### **t. Private Finance Initiative (PFI)**

The PCC has a long-term contractual agreement under PFI whereby the Contractor was responsible for the design, build, and financing of the project and operates and maintains the new headquarters building at Waterwells, Gloucester. The Constabulary took up occupancy of the new headquarters in December 2005 and the contract runs for thirty years until 2035.

The PCC has also entered into a long term agreement in collaboration with the PCC for Avon & Somerset and the PCC for Wiltshire, under PFI for the provision of a tri-force Firearms training facility situated at Portishead, North Somerset called BlackRock.

The Code requires that these contracts are accounted for in a manner that is consistent with the adaptation of IFRIC 12 – Service concession arrangements. This applies where:

- a. the PCC controls or regulates what services the operator must provide with the property, to whom it must provide them and at what price; and where
- b. the PCC controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the property at the end of the term of the arrangement.

The Police Headquarters and Firearms training facility PFI contracts meet these criteria and as such are recognised as assets on the balance sheet along with a related liability. The PFI contracts are treated as finance leases in these accounts. The PCC has reviewed all other contracts with a value of more than £100,000 per annum and has concluded that none fall within the scope of IFRIC 12.

The PFI transactions in the accounts are detailed in Note 23.

### **u. Joint arrangements**

Joint arrangements are classified as either joint operations or joint ventures. Joint ventures are managed through a separate vehicle. There are no separate vehicles in place for the Group's joint arrangements and they are all classified as joint operations. Details of each of these joint operations are given below. For more details see Note 22.

### **v. Events after the Balance Sheet date**

The PCC will account for events after the reporting period in accordance with IAS 10 (Events after

## STATEMENT OF ACCOUNTS 2023/24

the Reporting Period), except where interpretations or adaptations to fit the public sector are detailed in the Code.

Two types of events after the Reporting Period can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events), and
- those that are indicative of conditions that arose after the reporting period (non-adjusting events).

The PCC will adjust the amounts recognised in his financial statements to reflect adjusting events after the reporting period, but will not adjust his statements for non-adjusting events. However for material non-adjusting events the PCC will disclose the nature of the event and provide an estimate of its financial effect.

### **2. The creation of the Police and Crime Commissioner for Gloucestershire (PCC) and Chief Constable for Gloucestershire**

Following the Police Reform and Social Responsibility Act 2011, the Gloucestershire Police Authority (GPA) was replaced on 22nd November 2012 with two 'corporation sole' bodies, the Police and Crime Commissioner for Gloucestershire (PCC) and the Chief Constable for Gloucestershire.

The 2023/24 Comprehensive Income and Expenditure Statements for the PCC and the Group differ due to the treatment of IAS19 pension liabilities in the Chief Constable accounts. The net cost of service sub-total within the PCC Comprehensive Income and Expenditure Statement includes payment for PCC resources consumed at the request of the Chief Constable. The decision to account for this expenditure within the PCC net cost of service is in accordance with the SeRCOP definition of total cost of services. In contrast in the Chief Constable Comprehensive Income and Expenditure, the net cost of policing is £nil for 2023/24 as the resources consumed at the request of the Chief Constable are completely offset by the intra-group adjustment.

The PCC second stage transfer, effective from 1<sup>st</sup> April 2014, resulted in the transfer of all Police officers and the majority of Police staff to the Chief Constable, with those staff employed in the Office of the PCC remaining with the PCC. All assets, liabilities and reserves remain with the PCC.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Group about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Group Balance Sheet at 31st March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- a. Pension scheme liabilities: Estimation of the 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 expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Group with expert advice about the assumptions to be applied. The impact of the McCloud judgement and GMP are included as estimates in the pension schemes. The value of these pension scheme liabilities at 31st March 2024 was £1.072 billion (2022/23: £1.066 billion). A sensitivity analysis on the assumptions made is detailed in note 11.
- b. Pensions Asset Ceiling (LGPS): We have carried out a calculation in perpetuity under IFRIC 14 for the current year based on a discount rate of 4.85%, a salary increase rate of 3.25%, and projected service costs per annum of £6.349m. Any one or all of these factors could change over the next year before the next triennial revaluation. The value of the LGPS pension scheme asset as at 31 March 2024 before any asset ceiling adjustments was £37.822m, after the asset ceiling adjustment the asset value was reduced to £nil (31 March 2023: £16.551m). See further details in note 11.

## STATEMENT OF ACCOUNTS 2023/24

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- c. Property valuation. A full revaluation of property is undertaken at least every five years. The last full revaluation was undertaken as at 31st March 2024. A 10% change in the value of operational land would result in a £1.3m increase/decrease in the value of property, plant and equipment. A 10% change in the value of buildings and plant would result in a £4.6m increase/decrease in the value of property, plant and equipment.

### 4. Accounting Standards that have been issued but have not yet been adopted

The following standards have been issued but have not yet been adopted:

- IFRS 16 Leases
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

### 5. Critical Judgements in applying accounting policies

In applying the accounting policies set out earlier in this document, the Group has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- A judgement has been made of the expenditure allocated between the PCC and the Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The Chief Constable is judged to incur all expenditure in the Net Cost of Service (£160.3m (2022/23: £176.2m)) apart from that generated directly by the Office of the Police and Crime Commissioner (£6.0m (2022/23: £5.2m)). All income is judged to be received by the PCC. The basis adopted for this allocation was determined by the Group in accordance with the standard set of activities for each corporate body identified in CIPFA's SeRCOP.

## STATEMENT OF ACCOUNTS 2023/24

### 6. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the PCC in comparison with those resources consumed or earned by the PCC in accordance with generally accepted accounting practices. Income and expenditure is presented more fully in the Comprehensive Income and Expenditure Statement.

#### Expenditure and Funding analysis

	2022/23			2023/24			
	Net expenditure chargeable to the General Fund £000s	Adjustments between the Funding and Accounting basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s	Net expenditure chargeable to the General Fund £000s	Adjustments between the Funding and Accounting basis £000s	Net expenditure in the Comprehensive Income and Expenditure Statement £000s	
Police Services	130,565	19,726	150,291	Police Services	141,957	(16,629)	125,328
<b>Net Cost of Services</b>	<b>130,565</b>	<b>19,726</b>	<b>150,291</b>	<b>Net Cost of Services</b>	<b>141,957</b>	<b>-16,629</b>	<b>125,328</b>
Other income & Expenditure	(134,527)	39,941	(94,586)	Other income & Expenditure	(138,457)	45,945	(92,512)
<b>Surplus or deficit</b>	<b>(3,963)</b>	<b>59,667</b>	<b>55,705</b>	<b>Surplus or deficit</b>	<b>3,500</b>	<b>29,316</b>	<b>32,816</b>
<b>Opening General Fund balance</b>	<b>24,776</b>			<b>Opening General Fund balance</b>	<b>28,739</b>		
Plus/less surplus/deficit on general fund balance in year	3,963			Plus/less surplus/deficit on general fund balance in year	(3,500)		
<b>Closing General Fund balance at 31st March</b>	<b>28,739</b>			<b>Closing General Fund balance at 31st March</b>	<b>25,239</b>		

## STATEMENT OF ACCOUNTS 2023/24

A more detailed analysis of these adjustments follows:

### Note to the Expenditure and Funding Analysis

#### Adjustments between Funding and Accounting basis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital purposes (Note a) £'000	Net change for the pensions adjustments (Note b) £'000	Other differences (Note c) £'000	Total adjustments £'000
Police services	8,487	(26,550)	1,434	(16,630)
<b>Net Cost of Services</b>	<b>8,487</b>	<b>(26,550)</b>	<b>1,434</b>	<b>(16,630)</b>
<b>Other income and expenditure from the Expenditure and Funding Analysis</b>	(3,821)	50,022	(256)	45,945
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services</b>	<b>4,666</b>	<b>23,472</b>	<b>1,178</b>	<b>29,316</b>

#### Adjustments between Funding and Accounting basis 2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital purposes (Note a) £'000	Net change for the pensions adjustments (Note b) £'000	Other differences (Note c) £'000	Total adjustments £'000
Police services	15,765	4,300	(339)	19,726
<b>Net Cost of Services</b>	<b>15,765</b>	<b>4,300</b>	<b>(339)</b>	<b>19,726</b>
<b>Other income and expenditure from the Expenditure and Funding Analysis</b>	(4,028)	44,201	(232)	39,941
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit on the Provision of Services</b>	<b>11,737</b>	<b>48,501</b>	<b>(571)</b>	<b>59,667</b>

#### Note a – Adjustments for Capital purposes

This column adds in depreciation and revaluation gains and losses in the net cost of service line and adjusts for capital disposals, the statutory charges for capital financing and capital grants in the other income and expenditure line.

## STATEMENT OF ACCOUNTS 2023/24

### Note b – Net changes for the pensions adjustments

This column represents the removal of employer pension contributions as allowed by statute and the replacement with current service and past service costs on the net cost of services line. The net interest on the defined benefit liability charged to the Comprehensive Income and Expenditure Statement is included in the other income and expenditure line.

### Note c – Other differences

This column represents an adjustment for compensated absences in the net cost of services line and for the difference between what is chargeable under statutory regulations for council tax that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code.

## 7. Expenditure and Income analysed by nature

The Group's expenditure and income is analysed as follows:

### Expenditure and Income analysed by nature

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<u>Expenditure</u>		
Employee benefits expenses	125,300	108,013
Other service expenses	35,064	43,826
Depreciation, amortisation, impairment	5,110	4,635
Interest payments	2,047	2,174
Net Interest on the net defined benefit liability	44,201	50,022
Police Pension fund	20,281	21,906
Loss on revaluation & disposal of assets	10,576	3,851
<b>Total Expenditure</b>	<b>242,579</b>	<b>234,427</b>
<u>Income</u>		
Fees, charges and other service income	(14,098)	(18,304)
Investment Interest income	(286)	(811)
Gain on revaluation & disposal of assets	0	0
Precepts	(66,635)	(71,164)
Government grants & contributions	(94,115)	(94,639)
Other specific grants	(11,739)	(16,693)
<b>Total Income</b>	<b>(186,873)</b>	<b>(201,611)</b>
<b><u>Deficit on the provision of services</u></b>	<b><u>55,705</u></b>	<b><u>32,816</u></b>

## STATEMENT OF ACCOUNTS 2023/24

### 8. Subjective analysis of spending

2022/23				2023/24		
CC £000	PCC £000	GROUP £000		CC £000	PCC £000	GROUP £000
63,209	0	63,209	Police pay and allowances	68,586	0	68,586
39,843	1,774	41,618	Staff pay and allowances	44,150	2,308	46,458
1,596	0	1,596	Other employee expenses	3,506	0	3,506
14,577	0	14,577	Police pensions	16,013	0	16,013
4,300	0	4,300	IAS19 Pension costs	-26,550	0	-26,550
7,288	2	7,290	Premises	9,681	2	9,683
2,451	16	2,467	Transport	2,844	19	2,864
20,602	68	20,670	Supplies and services	25,866	64	25,930
1,332	3,305	4,637	Agency and contracted services	1,751	3,597	5,348
5,110	0	5,110	Depreciation	4,635	0	4,635
0	10,655	10,655	Revaluation losses	0	3,851	3,851
<b>160,308</b>	<b>15,821</b>	<b>176,129</b>	<b>Gross Operating Expenditure</b>	<b>150,482</b>	<b>9,842</b>	<b>160,324</b>
			<b>Income</b>			
0	-11,739	-11,739	Specific grants ( <i>Note 12</i> )	0	-16,693	-16,693
0	-14,098	-14,098	Income from fees and charges ( <i>Note 13</i> )	0	-18,304	-18,304
0	0	0	Revaluation gains	0	0	0
-160,308	160,308	0	Intra group adjustment	-150,482	150,482	0
<b>0</b>	<b>150,292</b>	<b>150,292</b>	<b>Net Cost of Service</b>	<b>0</b>	<b>125,328</b>	<b>125,328</b>
			2,047			2,174
			1,576			-5,515
			-79			0
			-286			-811
			44,201			50,022
		<b>197,751</b>	<b>Net operating expenditure</b>			<b>171,198</b>
			4,584			-4,298
			947			1,268
			-14,543			-1,054
			20,281			21,906
			-48,501			-23,472
		<b>160,519</b>	<b>Net expenditure to be met from Grants &amp; Taxation</b>			<b>165,548</b>
			-1,329			0
			-41,815			-41,962
			-1,198			-1,198
			-20,281			-21,906
			-23,410			-23,491
			-6,082			-6,082
			-66,403			-70,908
		<b>0</b>	<b>TOTAL</b>			<b>0</b>

The subjective analysis in the table above has been split between the PCC and Chief Constable to separately identify the financial resources of the PCC consumed at the request of the Chief Constable for the years ended 31st March 2023 and 2024 from those costs exclusively incurred by the PCC.

## STATEMENT OF ACCOUNTS 2023/24

### 9. Analysis of Usable Reserves

	General Fund	Capital Receipts	Revenue Contribution to capital unapplied	Capital Contributions Unapplied	Capital Grants Unapplied	Total Usable Reserves
<b><u>2023/24</u></b>	Balance	Reserve	to capital unapplied	Unapplied	Unapplied	Reserves
	£000	£000	£000	£000	£000	£000
Balance at 31st March 2023	28,739	4,460	405	0	399	34,003
<b><u>Movement in reserves during 2023/24</u></b>						
Total Comprehensive Expenditure and Income	(32,816)	0	0	0	0	(32,816)
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>						
Depreciation/amortisation	4,635	0	0	0	0	4,635
Impairment/revaluation losses/ (gains) (charged to I&E)	3,851	0	0	0	0	3,851
Capital grant and contributions	0	0	0	0	0	0
Sale of non current assets	0	0	0	0	0	0
Net retirement benefits per IAS19 (FRS17)	23,472	0	0	0	0	23,472
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	(256)	0	0	0	0	(256)
Statutory Provision for the repayment of debt - (Minimum revenue provision)	(1,917)	0	0	0	0	(1,917)
Revenue contribution to finance capital	(1,904)	0	0	0	0	(1,904)
Use of capital receipts reserve to finance capital expenditure	0	0	0	0	0	0
Compensated absences	1,434	0	0	0	0	1,434
<b>Total adjustments between accounting basis &amp; funding basis under regulations</b>	<b>29,316</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,316</b>
<b>Increase/Decrease (movement) in Year</b>	<b>(3,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,500)</b>
<b>Balance at 31st March 2024 carried forward</b>	<b>25,239</b>	<b>4,460</b>	<b>405</b>	<b>0</b>	<b>399</b>	<b>30,503</b>

## STATEMENT OF ACCOUNTS 2023/24

	General Fund Balance £000	Capital Receipts Reserve £000	Revenue Contribution to capital unapplied £000	Capital Contributions Unapplied £000	Capital Grants Unapplied £000	Total Usable Reserves £000
<b>2022/23</b>						
Balance at 31st March 2022	24,776	4,460	405	0	399	30,040
<b>Movement in reserves during 2022/23</b>						
Total Comprehensive Expenditure and Income	(55,705)	0	0	0	0	(55,705)
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>						
Depreciation/amortisation	5,109	0	0	0	0	5,109
Impairment/revaluation losses (charged to I&E)	10,655	0	0	0	0	10,655
Capital grant and contributions	(1,329)	0	0	0	0	(1,329)
Sale of non current assets	(79)	0	0	0	0	(79)
Net retirement benefits per IAS19 (FRS17)	48,501	0	0	0	0	48,501
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	(232)	0	0	0	0	(232)
Statutory Provision for the repayment of debt - (Minimum revenue provision)	(1,390)	0	0	0	0	(1,390)
Revenue contribution to finance capital	(1,229)	0	0	0	0	(1,229)
Use of capital receipts reserve to finance capital expenditure	0	0	0	0	0	0
Compensated absences	(339)	0	0	0	0	(339)
<b>Total adjustments between accounting basis &amp; funding basis under regulations</b>	<b>59,667</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59,667</b>
<b>Increase/Decrease (movement) in Year</b>	<b>3,963</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,963</b>
<b>Balance at 31st March 2023 carried forward</b>	<b>28,739</b>	<b>4,460</b>	<b>405</b>	<b>0</b>	<b>399</b>	<b>34,003</b>

The general fund balance is further analysed below:

	Balance at 31st March 2022 £'000	Net movement 22/23 £'000	Balance at 31st March 2023 £'000	Net movement 23/24 £'000	Balance at 31st March 2024 £'000
General	5,296	300	5,596	239	5,835
Vehicle	259	(148)	111	116	227
Estates	203	(133)	70	122	192
Specific Earmark	5,147	1,982	7,129	(2,699)	4,431
ICT	2,870	(30)	2,840	869	3,708
Insurance	975	160	1,135	0	1,135
ESN	3,667	(71)	3,596	(329)	3,267
Covid	1,515	(46)	1,469	(397)	1,072
Smoothing	2,515	686	3,201	(925)	2,276
Inflation	2,328	1,264	3,591	(750)	2,841
Pay & Pensions	0	0	0	254	254
<b>TOTAL</b>	<b>24,776</b>	<b>3,963</b>	<b>28,739</b>	<b>(3,500)</b>	<b>25,239</b>

## STATEMENT OF ACCOUNTS 2023/24

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Details of each of the reserves are listed follow:

- a) **General fund reserve.**  
The balance on the General Reserve as at 31st March 2024 is £5.835m.
- b) **Vehicle reserve**  
Due to the different replacement plans for vehicles planned expenditure on vehicles varies significantly year on year. This reserve evens out these variations. A fixed annual contribution is made from the revenue account into the reserve and actual expenditure is funded from the reserve.
- c) **Estates Reserve**  
This reserve was set up to fund capital estate costs.
- d) **Specific Earmarked Reserve**  
The specific earmarked reserve represents amounts not spent in the revenue budget, which are transferred to the following year to meet planned expenditure.
- e) **ICT Reserve**  
This reserve was set up to cover expenditure arising from the ICT strategy.
- f) **Insurance Reserve**  
This reserve was established to mitigate against increased insurance premiums in future years.
- g) **Emergency Services Network (ESN) Reserve**  
This reserve was created to fund the costs of the new Emergency Services Network (ESN).
- h) **Covid Reserve**  
This reserve was created from funding provided by Government to meet the unavoidable costs, including those arising from deficits in the Collection Fund of local Billing Authorities.
- i) **Smoothing Reserve**  
This reserve was created to assist the incoming PCC in delivering his manifesto commitments.
- j) **Inflation Reserve**  
This reserve was created to assist with the management and mitigation of the risk of extra-ordinary inflationary pressures facing the Constabulary.

## STATEMENT OF ACCOUNTS 2023/24

### 10. Analysis of Unusable Reserves

	Revaluation Reserve	Pensions Reserve	Capital Adjustment Account	Collection Fund Adjustment Account	Short term Compensated Absences	Total Unusable Reserves
<u>2023/24</u>	£000	£000	£000	£000	£000	£000
Balance at 31st March 2023	7,737	(1,066,749)	18,723	506	(1,584)	<b>(1,041,366)</b>
<b><u>Movement in reserves during 2023/24</u></b>						
Total Comprehensive Expenditure and Income	5,515	18,321	0	0	0	<b>23,836</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>						
Depreciation/amortisation	(142)	0	(4,493)	0	0	<b>(4,635)</b>
Impairment/revaluation losses (charged to I&E)	0	0	(3,851)	0	0	<b>(3,851)</b>
Capital grant and contributions	0	0	0	0	0	<b>0</b>
Sale of non current assets	0	0	0	0	0	<b>0</b>
Net retirement benefits per IAS19 (FRS17)	0	(23,472)	0	0	0	<b>(23,472)</b>
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	0	0	0	256	0	<b>256</b>
Statutory Provision for the repayment of debt - (Minimum revenue provision)	0	0	1,917	0	0	<b>1,917</b>
Revenue contribution to finance capital	0	0	1,904	0	0	<b>1,904</b>
Use of capital receipts reserve to finance capital expenditure	0	0	0	0	0	<b>0</b>
Compensated absences	0	0	0	0	(1,434)	<b>(1,434)</b>
<b>Total adjustments between accounting basis &amp; funding basis under regulations</b>	<b>(142)</b>	<b>(23,472)</b>	<b>(4,523)</b>	<b>256</b>	<b>(1,434)</b>	<b>(29,315)</b>
<b>Increase/Decrease (movement) in Year</b>	<b>5,373</b>	<b>(5,151)</b>	<b>(4,523)</b>	<b>256</b>	<b>(1,434)</b>	<b>(5,479)</b>
<b>Balance at 31st March 2024 carried forward</b>	<b>13,110</b>	<b>(1,071,900)</b>	<b>14,200</b>	<b>762</b>	<b>(3,018)</b>	<b>(1,046,846)</b>

## STATEMENT OF ACCOUNTS 2023/24

<u>2022/23</u>	Revaluation Reserve	Pensions Reserve	Capital Adjustment Account	Collection Fund Adjustment Account	Short term Compensated Absences	Total Unusable Reserves
	£000	£000	£000	£000	£000	£000
<b>Balance at 31st March 2022</b>	9,650	(1,635,700)	30,124	274	(1,923)	<b>(1,597,575)</b>
<b><u>Movement in reserves during 2022/23</u></b>						
<b>Total Comprehensive Expenditure and Income</b>	(1,576)	617,452	0	0	0	<b>615,876</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations</b>						
Depreciation/amortisation	(336)	0	(4,773)	0	0	<b>(5,109)</b>
Impairment/revaluation losses (charged to I&E)	0	0	(10,655)	0	0	<b>(10,655)</b>
Capital grant and contributions	0	0	1,329	0	0	<b>1,329</b>
Sale of non current assets	0	0	79	0	0	<b>79</b>
Net retirement benefits per IAS19 (FRS17)	0	(48,501)	0	0	0	<b>(48,501)</b>
Amount by which council tax income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with regulation	0	0	0	232	0	<b>232</b>
Statutory Provision for the repayment of debt - (Minimum revenue provision)	0	0	1,390	0	0	<b>1,390</b>
Revenue contribution to finance capital	0	0	1,229	0	0	<b>1,229</b>
Use of capital receipts reserve to finance capital expenditure	0	0	0	0	0	<b>0</b>
Compensated absences	0	0	0	0	339	<b>339</b>
<b>Total adjustments between accounting basis &amp; funding basis under regulations</b>	<b>(336)</b>	<b>(48,501)</b>	<b>(11,401)</b>	<b>232</b>	<b>339</b>	<b>(59,667)</b>
<b>Increase/Decrease (movement) in Year</b>	<b>(1,912)</b>	<b>568,951</b>	<b>(11,401)</b>	<b>232</b>	<b>339</b>	<b>556,209</b>
<b>Balance at 31st March 2023 carried forward</b>	<b>7,737</b>	<b>(1,066,749)</b>	<b>18,723</b>	<b>506</b>	<b>(1,584)</b>	<b>(1,041,366)</b>

### 11. Pension costs

As part of the terms and conditions of employment of its officers and staff, 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.

The Group participates in two separate pension schemes:

- o The Local Government Pension Scheme (LGPS) for police staff, administered locally by Gloucestershire County Council. This is a funded defined benefit salary 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. The defined benefit is based on a combination of final and average salary dependent on when the participant joined the scheme. The scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Gloucestershire County Council. Policy is determined in accordance with the Pension Fund Regulations.

The investment managers of the fund are appointed by the committee and consist of:

- BlackRock Advisors (UK) Limited
- CBRE Global Investment Partners Limited
- Grantham, Mayo, Van Otterloo & Co LLC
- Hermes Real Estate Investment Management Limited
- Standard Life Investments Limited

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- Western Asset Management Company Limited
  - Yorkshire Fund Managers Equity Partners LLP
- o The Police Pension Scheme, comprising three elements: Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) and the CARE scheme for police officers. These are unfunded defined benefit final salary schemes, administered by the Group, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year are less than the amounts receivable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group, which must then repay the amount to central government. The scheme is operated under the regulatory framework for the Police Pension Schemes and the governance of the scheme is the responsibility of the Chief Constable, who is the Scheme Manager for the Force. From April 2015 the Scheme Manager is assisted by a Pensions Board. There are no investment assets, so investment managers have not been appointed.

The principal risks to the Group of the pension schemes are:

- The longevity assumptions,
- Statutory changes to the schemes,
- Structural changes to the schemes (i.e. Large scale withdrawals from the scheme),
- Changes to inflation,
- Bond yields and the performance of the equity investments held by the LGPS.

These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

### McCloud / Sargeant

#### **Background**

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

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

On 19 July 2021 the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022. HMT directions to accompany the act were published on 14th December 2022. The Act closed the legacy schemes from 31 March 2022 and brought the retrospective remedy into force from 1 October 2023.

#### **Remedy**

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

The main elements of the Act are:

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

#### Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For Gloucestershire Constabulary, this effects 1,179 members. Scheme actuaries originally estimated the increase in scheme liabilities for Gloucestershire Constabulary to be £63.2m of pension scheme liabilities.

## STATEMENT OF ACCOUNTS 2023/24

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The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2024/25, although this timetable is subject to change.

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

### **Compensation Claims**

In addition to the remedy, claimants have lodged claims for compensation for injury to feelings.

Claims are separated into two litigation cases; Aarons and Ors claims bought by Leigh Day representing individual officers in a group claim. Roderick and Slade, claims bought by Penningtons on behalf of the Police Federation. These claims were brought after the finding of discrimination by the Court of Appeal in McCloud and Sargeant.

#### Aarons & Ors

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent. Therefore no liability in respect of compensation claims is recognised in these accounts.

#### Penningtons

As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

#### Transactions relating to post-employment benefits

The costs of retirement benefits are included in the Net Cost of Service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the council tax precept is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Group and Chief Constable Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement during the year:

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	2022/23 £000	2023/24 £000
<b><u>Local Government Pension Scheme (LGPS)</u></b>		
<b>Comprehensive Income and Expenditure Statement</b>		
Net cost of services		
Current service cost	14,313	7,208
Past service costs (including curtailments)	137	0
Amount charged against the General Fund Balance for pensions in the year: Employers' contributions payable to the scheme	(6,350)	(6,858)
Financing and investment income and expenditure		
Net interest on the net defined benefit liability	7,195	8,522
Expected return on assets in the scheme	(5,394)	(9,300)
Remeasurement of the net defined benefit liability		
Actuarial gains and losses arising on changes in demographic assumptions	(4,190)	(1,067)
Actuarial gains and losses arising on changes in financial assumptions	(110,134)	(12,659)
Other experience	17,152	5,635
IFRIC 14 Asset Ceiling	0	37,822
Return on plan assets (excluding the amount included in the net interest expense)	9,220	(12,752)
<b>Net charge to the Comprehensive Income &amp; Expenditure Statement</b>	<b>(78,051)</b>	<b>16,551</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made for retirement benefits in accordance with IAS19	78,051	(16,551)
	<b>2022/23 £000</b>	<b>2023/24 £000</b>
<b><u>Police Pension Schemes (PPS, NPPS &amp; CARE)</u></b>		
<b>Comprehensive Income and Expenditure Statement</b>		
Net cost of services		
Current service cost	32,300	12,600
Past service costs (including curtailments)	600	200
Amount charged against the General Fund Balance for pensions in the year: Retirement benefits payable to pensioners	(36,700)	(39,700)
Financing and investment income and expenditure		
Net interest on the net defined benefit liability	42,400	50,800
Remeasurement of the net defined benefit liability		
Actuarial gains and losses arising on changes in demographic assumptions	(17,800)	(5,600)
Actuarial gains and losses arising on changes in financial assumptions	(562,800)	(58,200)
Other experience	51,100	28,500
<b>Net charge to the Comprehensive Income &amp; Expenditure Statement</b>	<b>(490,900)</b>	<b>(11,400)</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made for retirement benefits in accordance with IAS19	490,900	11,400

## STATEMENT OF ACCOUNTS 2023/24

An intra-group adjustment transfers these costs from the Chief Constable accounts to those of the PCC.

### Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	LGPS		Police Pension Schemes	
	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000
As at 1st April	(255,389)	(177,160)	(1,574,200)	(1,083,300)
Current service cost	(14,313)	(7,208)	(32,300)	(12,600)
Net interest on the net defined benefit liability	(7,195)	(8,522)	(42,400)	(50,800)
Contributions by scheme participants	(2,018)	(2,237)	(6,300)	(6,800)
Transfers (in)out	0	0	(100)	(100)
<u>Remeasurement of the net defined benefit liability</u>				
- Actuarial gains/losses arising from changes in demographic assumptions	4,190	1,067	17,800	5,600
- Actuarial gains/losses arising from changes in financial assumptions	110,134	12,659	562,800	58,200
- Other experience	(15,983)	(5,635)	(51,100)	(28,500)
- IFRIC 14 Asset Ceiling	0	(37,822)	0	0
Benefits paid	3,551	4,894	43,100	46,600
Past service cost (including curtailments)	(137)	0	(600)	(200)
As at 31st March	(177,160)	(219,964)	(1,083,300)	(1,071,900)

Reconciliation of fair value of the scheme assets:

	LGPS	
	2022/23 £000	2023/24 £000
As at 1st April	193,889	193,711
Expected rate of return	5,394	9,300
Remeasurement of the net defined benefit liability		
- Return on assets	(9,220)	12,752
- Other experience	(1,169)	0
Employers contributions	6,350	6,858
Contributions by scheme participants	2,018	2,237
Benefits paid	(3,551)	(4,894)
As at 31st March	193,711	219,964

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

## STATEMENT OF ACCOUNTS 2023/24

### Scheme History

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Present value of liabilities						
- LGPS	(209,210)	(183,118)	(258,946)	(255,389)	(177,160)	(182,142)
- IFRIC14 Asset Ceiling	0	0	0	0	0	(37,822)
	(209,210)	(183,118)	(258,946)	(255,389)	(177,160)	(219,964)
- Police Pension Schemes	(1,438,600)	(1,337,400)	(1,657,400)	(1,574,200)	(1,083,300)	(1,071,900)
- Total	(1,647,810)	(1,520,518)	(1,916,346)	(1,829,589)	(1,260,460)	(1,291,864)
Fair value of assets in LGPS	141,613	135,651	176,993	193,889	193,711	219,964
Surplus/(deficit) in the scheme						
- LGPS	(67,597)	(47,467)	(81,953)	(61,500)	16,551	0
- Police Pension Schemes	(1,438,600)	(1,337,400)	(1,657,400)	(1,574,200)	(1,083,300)	(1,071,900)
- Total	(1,506,197)	(1,384,867)	(1,739,353)	(1,635,700)	(1,066,749)	(1,071,900)

The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.10% increase in the discount rate used by the Constabulary's actuary to calculate pension fund assets and liabilities. This increased the overall LGPS pension results, before any asset ceiling adjustment, from a net surplus of £16.551m in 2022/23 to a net surplus of £37.822m in 2023/24. The surplus position on funded liabilities is £39.124m and a deficit of £1.302m on unfunded liabilities in 2023/24.

Under IFRIC 14 a defined benefit liability is calculated as the net total of the present value of the defined benefit obligation minus the fair value at the end of the reporting date of the plan assets. If the fair value of the plan assets exceeds the calculated obligations (an "asset"), IAS 19 contains a restriction over the amount of the asset that can be recognised. In effect it requires a calculation of the 'Asset Ceiling' this being based on the future current and past service costs less expected contributions. The Constabulary has commissioned the actuary to carry out this calculation for us and the result for 2023/24 is a restriction on the Surplus recognised, thus the net surplus on the LGPS scheme of £37.822m before the asset ceiling adjustment was reduced to £nil (£16.551m was recognised in 2022/23 on the group Balance Sheet as a long term asset, as the asset ceiling in that year was not reached).

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19. The liabilities show the underlying commitments that the Group has in the long run to pay retirement benefits. The present value of the Defined Benefit Obligation and projected pension expense have decreased as at 31<sup>st</sup> March 2024 due to:

- a rise in real bond yields, resulting in a gain appearing in the "Change in financial assumptions" line within the disclosures; and
- the mortality assumptions have been updated with reference to the Government Actuary's Department's recently published Actuarial Valuation as at 31 March 2020 of the Police Pension Schemes (England). This has resulted in a small gain coming through in the "Change in demographic assumptions" line within the disclosures.

The total liability of £1,072m has a substantial impact on the net worth of the Group as recorded in the Balance Sheet, resulting in a negative overall balance of £1,016m. However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

The total contributions expected to be made to the LGPS by the Group in the year to 31st March 2025 is £6.593m and the projected current service cost is £6.349m. The projected current service costs for the Police Pension Schemes for 2024/25 are £11.400m. The current service cost represents the increase in the benefits earned by the employees in the current period based on their pay and length of service.

Lump sum commutation payments are based on the position at 29<sup>th</sup> February 2024 i.e. eleven months of actual data.

### 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 dependent on assumptions about mortality rates, salary levels etc. Both the Police Pension Schemes and the Local Government Pension Scheme have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Estimates for the Local Government Pension Scheme have been based on the latest full valuation of the scheme as at 31st March 2022. Estimates for the Police Pension schemes are based on the latest full valuation of the scheme as at 31st March 2020. The principal assumptions used by the Actuary have been:

## STATEMENT OF ACCOUNTS 2023/24

	LGPS		Police Pension Schemes	
	2022/23	2023/24	2022/23	2023/24
Long term expected rate of return on assets in the scheme:				
Equity investments	4.75%	4.85%	-	-
Bonds	4.75%	4.85%	-	-
Property	4.75%	4.85%	-	-
Cash	4.75%	4.85%	-	-
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
Male	21.6	21.4	21.7	21.5
Female	24.2	24.1	24.2	24.4
Longevity at 65 for future pensioners:				
Male	22.1	21.9	23.1	22.9
Female	25.8	25.6	25.6	25.7
Rate of inflation	2.95%	2.75%	3.20%	3.10%
Rate of increase in salaries	3.45%	3.25%	3.20%	3.10%
Rate of increase in pensions	2.95%	2.75%	2.95%	2.75%
Expected return on assets	4.75%	4.85%	-	-
Rate for discounting scheme liabilities	4.75%	4.85%	4.75%	4.85%
Take-up of option to convert annual pension into retirement lump sum	50% all schemes	50% all schemes	90% all schemes	90% all schemes

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below, prepared by the actuary (Hymans Robertson LLP), have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The 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 the previous period.

### LGPS

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in financial assumptions at year ended 31st March 2024	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	3,983
1 year increase in member life expectancy	4%	7,286
0.1% increase in the Salary Increase Rate	0%	437
0.1% increase in the Pension Increase Rate (CPI)	2%	3,617
<b>Change in financial assumptions at year ended 31st March 2023</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£000)</b>
0.1% decrease in Real Discount Rate	2%	3,807
1 year increase in member life expectancy	4%	7,086
0.1% increase in the Salary Increase Rate	0%	468
0.1% increase in the Pension Increase Rate (CPI)	2%	3,395

## STATEMENT OF ACCOUNTS 2023/24

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### Police Pension Schemes

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in financial assumptions at year ended 31st March 2024</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	10%	105,230
1 year increase in member life expectancy	3%	32,160
0.5% increase in the Salary Increase Rate	<1%	6,570
0.5% increase in the Pension Increase Rate (CPI)	8%	84,380

  

<b>Change in financial assumptions at year ended 31st March 2023</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	10%	105,263
1 year increase in member life expectancy	3%	32,497
0.5% increase in the Salary Increase Rate	<1%	6,758
0.5% increase in the Pension Increase Rate (CPI)	8%	85,250

## STATEMENT OF ACCOUNTS 2023/24

### Local Government Pension Scheme Assets

The Police Pension Schemes have no assets to cover their liabilities.

The Local Government Pension Scheme's assets consist of the following categories:

Asset Category	Fair value of scheme assets at 31st March 2023			Fair value of scheme assets at 31st March 2024		
	Quoted prices in active markets (£000)	Quoted prices not in active markets (£000)	Total (£000)	Quoted prices in active markets (£000)	Quoted prices not in active markets (£000)	Total (£000)
<b>Cash &amp; cash equivalents</b>	<b>1,853.8</b>	<b>-</b>	<b>1,853.8</b>	<b>5,423.4</b>	<b>-</b>	<b>5,423.4</b>
<b>Property</b>						
UK	6,792.2	6,148.9	12,941.1	7,948.7	5,600.7	13,549.4
Overseas	-	3,384.7	3,384.7	-	4,301.8	4,301.8
<b>Total Property</b>	<b>6,792.2</b>	<b>9,533.6</b>	<b>16,325.8</b>	<b>7,948.7</b>	<b>9,902.5</b>	<b>17,851.2</b>
<b>Private equity</b>	<b>-</b>	<b>3,686.4</b>	<b>3,686.4</b>	<b>-</b>	<b>5,262.5</b>	<b>5,262.5</b>
<b>Investment funds and Unit trusts</b>						
Equities	-	123,955.6	123,955.6	-	132,689.5	132,689.5
Bonds	12,385.2	20,884.9	33,270.1	16,110.2	23,658.8	39,769.0
Other	-	14,619.3	14,619.3	-	18,753.2	18,753.2
<b>Total Investment funds and Unit trusts</b>	<b>12,385.2</b>	<b>159,459.8</b>	<b>171,845.0</b>	<b>16,110.2</b>	<b>175,101.5</b>	<b>191,211.7</b>
<b>Derivatives</b>						
Foreign exchange	-	-	-	215.2	-	215.2
Other	-	-	-	-	-	-
<b>Total Derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215.2</b>	<b>-</b>	<b>215.2</b>
<b>TOTAL ASSETS</b>	<b>21,031.2</b>	<b>172,679.8</b>	<b>193,711.0</b>	<b>29,697.5</b>	<b>190,266.5</b>	<b>219,964.0</b>

None of the property assets included in the scheme are occupied by the Police and Crime Commissioner for Gloucestershire. The LGPS year-end asset values are at bid value as required under IAS19.

### Impact on the Group's cash Flows

The objectives of the schemes are to keep employers' contributions at as constant a rate as possible. With regards the LGPS the County Council has agreed a strategy with the scheme's actuary to use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency. Funding levels are monitored on an annual basis. The latest triennial valuation for the LGPS was completed on 31st March 2022 and for the Police Pension schemes on 31st March 2020.

## STATEMENT OF ACCOUNTS 2023/24

The LGPS scheme was amended from 1<sup>st</sup> April 2014 to become a career average scheme for benefits built up from that date. The Police pension scheme reforms came into place from 1<sup>st</sup> April 2015.

The weighted average durations of the defined benefit obligation for scheme members are detailed below:

	Weighted average duration as at 31st March 2023 (years)	Weighted average duration as at 31st March 2024 (years)
LGPS	21	21
Police pension schemes	18.4	18.5

### 12. Specific Grants

	2022/23 £000	2023/24 £000
Security Grant – Home Office	3,862	4,906
Private Finance Initiative (PFI) – Home Office	2,710	2,770
Uplift Grant	1,251	2,940
Pay Award Support Grant	535	2,520
Other grants	3,382	3,556
	<b>11,739</b>	<b>16,693</b>

### 13. Revenue from contracts with service recipients

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients.

	2022/23 £000	2023/24 £000
Special Services	790	2,161
GCHQ	902	771
Seconded officers	1,626	925
Part funded officers/ staff	0	375
Mutual Aid	269	210
Specialist Operations	589	599
Hypothecation – POCA	80	270
Court orders	16	28
Road safety	3,636	4,279
National roads policing	1,657	3,839
SW ROCU	1,464	1,866
Vehicle Recovery	428	573
Sales Income	134	66
Firearms Certificates	145	92
Rents	82	76
Crime Records Bureau	353	434
Abstraction Reports	70	64
Tri Service Recharge	353	453
Training courses	207	158
Prosecution costs	201	176
Miscellaneous	1,096	890
<b>TOTAL</b>	<b>14,098</b>	<b>18,304</b>

## STATEMENT OF ACCOUNTS 2023/24

Amounts included in the balance sheet for contracts with service recipients.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Receivables included in debtors (note 29)	3,495	2,861
<b>TOTAL</b>	<b>3,495</b>	<b>2,861</b>

Income received in advance of the fulfilment of our obligation totalled £0.497m at 31<sup>st</sup> March 2024 (£1.688m at 31<sup>st</sup> March 2023). These amounts are not included in the figures above.

The Group received £nil of goods and services from sponsors and donors during the year (2022/23: £8.4k).

### 14. Interest payable and similar charges

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
PFI interest	1,642	1,597
Interest on loans	405	577
<b>TOTAL</b>	<b>2,047</b>	<b>2,174</b>

### 15. Income & Expenditure Account – Transfers to/from capital adjustment account & revaluation reserve

The Group is required by statute to set aside a minimum revenue provision (MRP) for the redemption of external debt. For 2023/24 the amount is £1.917m.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Provision for depreciation	5,110	4,635
Provision for (gain)/ loss on revaluation and disposal of assets	12,153	-1,664
Capital grant	-1,329	0
Less: Minimum Revenue Provision (MRP)	-1,390	-1,917
	<hr/>	<hr/>
Transfer to/from Capital Adjustment Account & Revaluation Reserve	14,544	1,054

### 16. Precepts

The difference between the budget and the funding provided by the Government is met from local taxpayers via the Council Tax. The amount required from the local taxpayers is “precepted” by the PCC on the District Councils in Gloucestershire who include this in their Council Tax levies. For 2023/24 the PCC’s budget gave rise to a Council Tax (police element) at Band D of £295.08 per dwelling (compared with £280.08 per dwelling in 2022/23).

The Council Tax income included in the Comprehensive Income and Expenditure Account for the year is the accrued income for the year. Note 8 represents the amount paid from the Collection Fund and does not include any accruals.

## STATEMENT OF ACCOUNTS 2023/24

### 17. Income & Expenditure Account – PCC administrative costs and members’ allowances

	<b>2022/23</b>	<b>2023/24</b>
	£	£
Costs directly attributable to administration of PCC (including members allowances)	<u>1,322,876</u>	<u>1,560,598</u>
Allowances & expenses paid to members	<u>10,265</u>	<u>10,567</u>
Number of members	<u>3</u>	<u>4</u>

The members are appointed by the PCC and Chief Constable to form an Audit Committee to advise the PCC and Chief Constable. The Audit Committee do not have any decision making powers. The allowance scheme was based on the payment of salary reflecting the role undertaken by each of the Members. The PCC had chosen to make payments based on the lowest point on each band.

### 18. Exit packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other departures are set out below. These costs include the accrued cost of pension strain incurred through the exit of the employees.

#### 2023/24

<b>Exit package cost band (£)</b>	<b>Number of compulsory redundancies</b>	<b>Number of other departures agreed</b>	<b>Total number of exit packages</b>	<b>Total cost of exit packages £000</b>
1 – 4,999	1	3	4	15.1
5,000 – 20,000	1	1	2	19.9

#### 2022/23

<b>Exit package cost band (£)</b>	<b>Number of compulsory redundancies</b>	<b>Number of other departures agreed</b>	<b>Total number of exit packages</b>	<b>Total cost of exit packages £000</b>
1 – 4,999	0	3	3	4.6
5,000 – 20,000	0	2	2	23.2

## STATEMENT OF ACCOUNTS 2023/24

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### 19. Remuneration of Senior Staff

The Group is required, under the Accounts and Audit (England) Regulations 2014, to report the numbers of staff with pay and benefits in excess of £50,000 in multiples of £5,000. This includes the remuneration of senior employees and relevant police officers which are also disclosed individually.

Remuneration Band	Number of Employees	
	2022/23	2023/24
£50,000 - £54,999	131	188
£55,000 - £59,999	113	116
£60,000 - £64,999	40	87
£65,000 - £69,999	16	34
£70,000 - £74,999	9	14
£75,000 - £79,999	9	8
£80,000 - £84,999	6	9
£85,000 - £89,999	5	5
£90,000 - £94,999	1	1
£95,000 - £99,999	2	2
£100,000 - £104,999	1	2
£105,000 - £109,999	0	1
£110,000 - £114,999	0	0
£115,000 - £119,999	0	1
£120,000 - £124,999	1	0
£125,000 - £129,999	0	1
£130,000 - £134,999	0	2
£135,000 - £139,999	0	0
£140,000 - £144,999	0	0
£145,000 - £149,999	0	0
£150,000 - £154,999	1	1

The Group is required, under the Accounts and Audit (England) Regulations 2014, to disclose individual remuneration details for senior employees and relevant police officers. Details for 2022/23 and 2023/24 are as follows:

## STATEMENT OF ACCOUNTS 2023/24

<u>2023/24</u>								Total		
Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Expenses/ Other Payments £	Remuneration excluding pension contributions 2023/24 £	Employers pension contributions £	Total Remuneration including pension contributions 2023/24 £	
<b>Mr. Hansen Chief Constable</b>	152,778	0	780	0	18,498	0	<b>172,056</b>	47,873	<b>219,929</b>	
<b>Deputy Chief Constable</b>	129,616	0	0	0	7,587	0	<b>137,203</b>	40,181	<b>177,383</b>	
<b>Seconded Officer to SW Regional ACC</b>	129,258	0	780	0	989	0	<b>131,027</b>	39,081	<b>170,108</b>	
<b>ACC - Crime, Justice and Vulnerability</b>	113,011	0	6,405	0	0	0	<b>119,416</b>	32,660	<b>152,076</b>	
<b>ACC - Temporary - Crime, Justice and Vulnerability from 08/01/2024</b>	26,592	0	310	0	0	0	<b>26,902</b>	8,598	<b>35,499</b>	
<b>ACC - Operations and Local Policing from 04/12/2023</b>	37,414	0	7,000	0	2,508	0	<b>46,922</b>	11,598	<b>58,521</b>	
<b>ACO - Director of People and Business Services from 01/04/2023</b>	126,068	0	6,405	0	0	0	<b>132,473</b>	24,961	<b>157,434</b>	
<b>Police and Crime Commissioner</b>	68,202	0	0	0	564	0	<b>68,766</b>	13,504	<b>82,270</b>	
<b>Deputy Police and Crime Commissioner</b>	58,834	0	0	0	0	0	<b>58,834</b>	11,649	<b>70,483</b>	

## STATEMENT OF ACCOUNTS 2023/24

<u>2023/24</u>								Total		
Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Expenses/ Other Payments £	Remuneration excluding pension contributions 2023/24 £	Employers pension contributions £	Total Remuneration including pension contributions 2023/24 £	
<b>Chief Executive Office of Police and Crime Commissioner</b>	106,269	0	0	0	0	0	<b>106,269</b>	21,041	<b>127,310</b>	
<b>Interim CC Chief Finance Officer (see Note 1) Leaver 05/04/2023</b>	5,530	0	0	0	0	0	<b>5,530</b>	271	<b>5,801</b>	
<b>PCC Chief Finance Officer (part time) CC Chief Finance Officer (part time between 06/04/2023 to 18/06/2023) Leaver 10/10/2023</b>	56,533	0	0	0	0	0	<b>56,533</b>	11,194	<b>67,727</b>	
<b>PCC Chief Finance Officer (part time) from 18/09/2023</b>	34,418	0	0	0	0	0	<b>34,418</b>	6,815	<b>41,233</b>	

### Notes:

1. From 19/06/23 the role of CC Chief Finance Officer was undertaken on a part time basis by CIPFA through a contract for services. The cost of this from 19/06/23 to 31/03/24 was £105,596.
2. The expense allowances includes the taxable value of payments made.
3. The benefits in kind entries do not refer to cash payments made to the officers but to the notional value of the benefit provided instead of cash payments. The benefits refer to the provision of home security alarms, vehicles and a telephone line

## STATEMENT OF ACCOUNTS 2023/24

<b>2022/23 RESTATED</b>								Total		
Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Other Payments £	Remuneration excluding pension contributions 2022/23 £	Employers pension contributions £	Total Remuneration including pension contributions 2022/23 £	
<b>Mr. Hansen Chief Constable</b>	151,886	0	780	0	15,758	0	<b>168,424</b>	30,614	<b>199,038</b>	
<b>Deputy Chief Constable Seconded 19/04/2022</b>	6,510	0	0	0	52	0	<b>6,562</b>	1,901	<b>8,463</b>	
<b>Deputy Chief Constable from 30/08/2022</b>	73,302	0	0	0	4,806	0	<b>78,108</b>	22,724	<b>100,831</b>	
<b>ACC - Crime Command seconded 30/08/2022</b>	51,008	0	325	0	412	0	<b>51,746</b>	15,401	<b>67,146</b>	
<b>ACC - Local Policing retired 10/08/2022</b>	44,212	0	0	0	344	0	<b>44,556</b>	13,282	<b>57,838</b>	
<b>ACC - Acting - Operations from 18/08/2022</b>	70,989	0	0	0	0	0	<b>70,989</b>	17,306	<b>88,296</b>	
<b>Police &amp; Crime Commissioner</b>	68,044	0	0	0	1,141	0	<b>69,184</b>	13,473	<b>82,657</b>	
<b>Deputy Police and Crime Commissioner</b>	58,562	0	0	0	0	0	<b>58,562</b>	11,595	<b>70,157</b>	
<b>Chief Executive retired 24/12/2022</b>	74,654	0	0	0	0	0	<b>74,654</b>	14,781	<b>89,435</b>	

## STATEMENT OF ACCOUNTS 2023/24

<b>2022/23 RESTATED</b>								Total		
Post holder information	Salary (including fees & allowances) £	Bonuses £	Expense allowances £	Compensation for loss of office £	Benefits in Kind £	Other Payments £	Remuneration excluding pension contributions 2022/23 £	Employers pension contributions £	Total Remuneration including pension contributions 2022/23 £	
<b>Chief Executive from 01/11/2022</b>	42,542	0	0	0	0	0	<b>42,542</b>	8,423	<b>50,965</b>	
<b>CC Chief Finance Officer</b>	98,547	0	0	0	0	0	<b>98,547</b>	19,512	<b>118,059</b>	
<b>PCC Chief Finance Officer</b>	54,070	0	0	0	0	0	<b>54,070</b>	9,529	<b>63,599</b>	

Notes:

1. The expense allowances includes the taxable value of payments made.
2. The benefits in kind entries do not refer to cash payments made to the officers but to the notional value of the benefit provided instead of cash payments. The benefits refer to the provision of home security alarms, vehicles and a telephone line

## STATEMENT OF ACCOUNTS 2023/24

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### 20. Related Party Transactions

The Group is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group.

His Majesty's Government has significant influence over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates and provides a significant proportion of the main funding (56% (2022/23: 56%)) in the form of grants (details of which can be found in notes 8 and 12).

Officers and staff – during 2023/24 there were no financial material declared related party transactions to disclose.

### 21. Payments to External Auditors

The following fees were paid to external auditors during the year:

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
External Audit services – PCC Scale Fee	28	90
External Audit services – Chief Constable Scale Fee	15	47
Total	<u>43</u>	<u>137</u>

Additional fees of £11.2k were billed for the PCC and £5.5k for the CC in relation to the 2022/23 statutory audit.

These costs are included in the Agency and Contracted section of the subjective analysis (Note 8).

### 22. Joint arrangements

During the year the Group undertook joint arrangements with partners in eight areas. These joint arrangements are where the Group works in collaboration with other organisations to deliver activities which are agreed through a shared control (a shared Board).

Joint arrangements are classified as either joint operations or joint ventures. Joint ventures are managed through a separate vehicle. There are no separate vehicles in place for the Group's joint arrangements and they are all classified as joint operations. Details of each of these joint operations are given below.

#### a. Gloucestershire Emergency Centre

This is a control room centre shared by Police and Fire Services within Gloucestershire, situated at the Waterwells Business Park, Gloucester. As part of the Legal Agreement, Police are the lead body on the purchase of facility management services for the building. These costs were then recharged to the services on the basis agreed within the legal document.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Group Fixed Asset valuation at 31st March	3,867	2,615
Group Premises Expenditure (net of partners contributions)	355	676
Group Income from partners	<b>(265)</b>	<b>(353)</b>

## STATEMENT OF ACCOUNTS 2023/24

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The percentage interest of each party as measured by revenue contribution value was:

	%	%
Group	57	66
Gloucestershire County Council (Fire service)	43	34

The asset valuation percentage interest of each party was:

	%	%
Group	71	71
Gloucestershire County Council	29	29

### b. Tri Service Fleet Workshops

This is a fleet workshop shared by Police, Fire and Ambulance Services within Gloucestershire, situated at the Waterwells Business Park, Gloucester. As part of the Legal Agreement, Police are the lead body on the purchase of facility management services for the building. These costs are then recharged to the other two services on the basis agreed within the legal document.

	2022/23	2023/24
	£'000	£'000
Group Fixed Asset valuation at 31st March	1,722	1,238
Group Premises Expenditure (net of partners contributions)	92	94
Group Income from partners	<b>(88)</b>	<b>(100)</b>

The percentage interest of each party as measured by contribution value was:

	%	%
Group	51	48
Gloucestershire County Council (Fire service)	26	28
South Western Ambulance Service	23	24

The asset valuation percentage interest of each party was:

	%	%
Group	71	71
Gloucestershire County Council	29	29

## STATEMENT OF ACCOUNTS 2023/24

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### c. Firearms training

This joint operation was established from April 2014 to provide firearms training across three Force areas (Gloucestershire, Wiltshire and Avon & Somerset). Each Force provides firearms trainers to the operation which is provided out of the new Firearms facility based in Avon & Somerset. The 2022/23 and 2023/24 costs of this operation were:

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Gloucestershire	1,132	1,269
Avon & Somerset	1,619	1,820
Wiltshire	929	1,042
<b>TOTAL</b>	<b>3,680</b>	<b>4,131</b>

The percentage interest of each party as measured by contribution value was:

	<b>%</b>	<b>%</b>
Gloucestershire	31	31
Avon & Somerset	44	44
Wiltshire	25	25

### d. Tri-service operations

These figure include the non-grant funded element of the joint Counter Terrorism Specialist Firearms Officers, which are provided across the three Forces. The 2022/23 and 2023/24 costs of the operation were:

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Gloucestershire	321	338
Avon & Somerset	744	782
Wiltshire	321	338
<b>TOTAL</b>	<b>1,387</b>	<b>1,457</b>

The percentage interest of each party as measured by contribution value was:

	<b>%</b>	<b>%</b>
Gloucestershire	23	23
Avon & Somerset	54	54
Wiltshire	23	23

## STATEMENT OF ACCOUNTS 2023/24

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### e. Regional Organised Crime Unit (ROCU)

ROCU is a region wide serious and organised crime collaboration with officers and staff being provided by Gloucestershire, Wiltshire, Avon & Somerset, Devon & Cornwall and Dorset. The collaboration agreement includes the following shares of costs for each Force:

	%
Gloucestershire	12
Wiltshire	12
Avon & Somerset	31
Devon & Cornwall	32
Dorset	13

The costs incurred by the joint operation as a whole and the Gloucestershire costs are summarised below.

	2022/23	2023/24
	£'000	£'000
Gloucestershire	1,549	1,974
Total Operation	12,975	16,851

### f. Major Crime Investigation Team (MCIT)

Gloucestershire joined the regional Major Crime Investigation team in December 2015. This collaboration is between 3 forces, Avon & Somerset, Wiltshire and Gloucestershire. The collaboration agreement includes the following shares of costs for each Force:

	%
Gloucestershire	17
Wiltshire	19
Avon & Somerset	64

The costs incurred in 2022/23 and 2023/24 by the joint operation as a whole and the Gloucestershire costs are summarised below.

	2022/23	2023/24
	£'000	£'000
Gloucestershire	1,474	1,571
Total Operation	8,669	9,243

### g. Regional programme team

	2022/23	2023/24
	£'000	£'000
Gloucestershire	176	170
Total Operation	1,599	1,798

### h. South West Police Procurement Service

	2022/23	2023/24
	£'000	£'000
Gloucestershire	198	210
Total Operation	1,662	1,759

## STATEMENT OF ACCOUNTS 2023/24

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### 23. Private Finance Initiative (PFI)

The Group has entered into two long term contractual agreements under PFI, for the headquarters building at Waterwells and the Blackrock Firearms training facility.

#### Headquarters, Waterwells

The Group has entered into a long-term contractual agreement under PFI whereby the Contractor was responsible for the design, build, and financing and not operating and maintaining the headquarters building at Waterwells, Gloucester. The agreement imposes a 30 year commitment on the Group from occupation of the building in December 2005. From 1<sup>st</sup> April 2009, in accordance with IFRIC 12, the headquarters building has been treated as an asset on the balance sheet with a corresponding liability created at the same time. The Group has no control over the Contractor established to run this PFI scheme.

With regard to the rights to use specific assets if termination of this PFI Agreement occurs for whatever reason then the Group may require the Contractor to transfer its rights, title and interest in and to the assets to the Group at no cost to the Group.

With effect from the Actual Service Commencement Date the Contractor shall provide to the Group (or procure the provision to the Group of) the Services at the Site in accordance with the Service Delivery Plan and on the terms of this PFI Agreement. The Contractor will at all times ensure that the Services are performed by appropriately qualified and trained personnel, to such high standard of performance as it is reasonable to expect and in accordance with the terms of this PFI Agreement, the Service Delivery Plan and the Service Specification. The PCC for Gloucestershire has no obligation to provide the contractor with service concession or other revenue generating assets.

The Group may terminate this Agreement voluntarily at any time on or before the Expiry Date by complying with its obligations as follows; If the Group wishes to terminate this Agreement it must give notice to the Contractor stating that the Group is terminating this Agreement and that this Agreement will terminate on the date falling 20 Business Days after the date of receipt of the notice.

If a breach (other than any breach for which performance points could have been awarded and/or deductions could have been made) of the Contractor's obligations has occurred more than once then the Group may serve a notice on the Contractor specifying that the notice is a formal warning notice, giving reasonable details of the breach; and stating that the breach is a breach which, if it recurs frequently or continues, may result in a termination of this Agreement.

The annual unitary charge for 2023/24 was £4.05m (£2.21m service charge, £1.30m interest & £0.54m principal). The PCC receive notional credit approvals totalling £28m from the Home Office over the life of the arrangement. The organisation opted for payment of these credits on an annuity basis. The PCC will receive a constant level amount of £2.26m per year over the life of the contract.

#### Firearms training facility, Blackrock

The Group has contracted with the Blue Light Partnership for the provision of a new facility which has been built under a Private Finance Initiative (PFI). A serious fire occurred at the specialist training centre construction site in August 2013. The fire caused considerable damage, which resulted in a delay in the service availability of the facility until June 2015. This building provides operational facilities over the 25 year contract life. The contract includes the provision of services (including building maintenance) and provides for asset lifecycle replacement.

The annual unitary charge for 2023/24 was £0.65m (£0.26m service charge, £0.29m interest & £0.10m principal). The PCC will receive notional credit approvals totalling £12m from the Home Office over the life of the arrangement. The PCC received £0.50m PFI credits in 2023/24 for this facility.

The building and site assets, as provided under the contract, will remain the property of the Blue Light Partnership during the period of the contract. The assets are recognised on the Group balance sheet and are matched initially by a liability to the Blue Light Partnership. This liability will be written down over the life of the contract when payments which are identified as settling the liability, the capital element of the unitary charge, are made to the operator. The specialist training centre is shared with Avon & Somerset and Wiltshire police. Only the Gloucestershire proportion of the facility is reflected in these accounts.

## STATEMENT OF ACCOUNTS 2023/24

The movement in the value of assets held under PFI is detailed below:

<b>2022/23</b>	<b>Value of assets held under PFI (excluding land)</b>	<b>2023/24</b>
<b>£000</b>		<b>£000</b>
17,169	Balance at 1st April	15,655
0	Disposals in year	0
(873)	Revaluation in year	(1,963)
(641)	Depreciation in year	(418)
<u>15,655</u>	Balance at 31st March	<u>13,274</u>

The movement in the value of the liability associated with PFI is detailed below:

<b>2022/23</b>	<b>Value of liabilities resulting from PFI</b>	<b>2023/24</b>
<b>£000</b>		<b>£000</b>
16,631	Balance at 1st April	16,001
0	Disposal	0
(630)	Lease repayment	(640)
<u>16,001</u>	Balance at 31st March	<u>15,361</u>

The fair value of the PFI liability at 31<sup>st</sup> March 2024 was £20.0m, compared to the carrying amount of £15.4m. The payments due to be made under the PFI contract are analysed below assuming a 2.5% annual indexation rate.

	<b>Repayment of liability</b>	<b>Interest</b>	<b>Service charges (inc lifecycle)</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within one year	696	1,453	2,572	4,721
Within 2 to 5 years	3,377	5,049	11,083	19,509
Within 6 to 10 years	6,881	4,823	14,201	25,905
Within 11 to 15 years	4,407	1,190	5,694	11,291
Within 16 to 20 years	0	0	0	0
<b>TOTAL</b>	<b>15,361</b>	<b>12,515</b>	<b>33,549</b>	<b>61,425</b>

£0.696m (2022/23: £0.640m) of the liability repayment is classified as a short term creditor.

## STATEMENT OF ACCOUNTS 2023/24

### 24. Property, Plant, Equipment & Investment Property

<b>2023/24</b>	<b>Operational assets</b>				<b>Non-operational assets</b>			<b>Total £'000</b>
	Land & Buildings £'000	Plant £'000	Vehicles £'000	Equipment £'000	Surplus Assets not held for sale £'000	Investment Properties £'000	Assets under Construction £'000	
<b>Cost</b>								
Balance as at 1st April 2023	53,945	4,545	10,775	21,086	0	1,205	450	<b>92,006</b>
Additions	487	177	2,592	1,448	0	0	0	<b>4,704</b>
Transfers	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	(720)	0	0	0	0	<b>(720)</b>
Impairment	0	0	0	0	0	0	(218)	<b>(218)</b>
Revaluations recognised in revaluation reserve	695	4,363	0	0	0	456	0	<b>5,514</b>
Revaluations recognised in surplus or deficit on the provision of services	(3,754)	(935)	0	0	0	0	0	<b>(4,688)</b>
Balance as at 31st March 2024	51,374	8,150	12,647	22,534	0	1,661	231	<b>96,597</b>
<b>Accumulated Depreciation and Impairment</b>								
Balance as at 1st April 2023	0	0	8,097	15,908	0	0	0	<b>24,005</b>
Depreciation in the year	846	209	1,673	1,576	0	0	0	<b>4,305</b>
Transfers	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	(720)	0	0	0	0	<b>(720)</b>
Depreciation written out to revaluation reserve	0	0	0	0	0	0	0	<b>0</b>
Depreciation written out to surplus or deficit on the provision of services	(846)	(209)	0	0	0	0	0	<b>(1,056)</b>
Balance as at 31st March 2024	0	0	9,050	17,484	0	0	0	<b>26,535</b>
	0	0						
<b>Balance sheet amount at 31st March 2024</b>	51,374	8,150	3,597	5,049	0	1,661	231	<b>70,062</b>
<b>Balance sheet amount at 31st March 2023</b>	53,945	4,545	2,678	5,178	0	1,205	450	<b>68,001</b>

There are no assets held for sale less than one year at 31<sup>st</sup> March. Land and Buildings includes the land for the Police Headquarters at a value of £3.13m at 31st March 2024. The Police HQ building and Joint Firearms facility are supplied under PFI agreements (note 23). The Police Headquarters building and Joint Firearms facility have been capitalised and are recognised as PFI assets on the asset register. Land and Building also includes Gloucestershire Constabulary's share of the Tri-Service GTEC and Tri-Service Workshop, jointly owned with Gloucestershire County Council (see Note 22). All other assets are fully owned by the Group.

Vehicles, equipment and assets under construction are valued on the basis of historic cost. Operational land and buildings and the surplus asset were valued on the basis of current value as at 31st March 2024. Investment properties were valued on the basis of current Market Value (MV) as at 31st March 2024. Assets under construction are held at cost and are assessed for signs of impairment at year-end.

## STATEMENT OF ACCOUNTS 2023/24

The revaluation of assets at 31<sup>st</sup> March 2024 realised a gain in asset values of £1.664m. This is reflected in the Comprehensive Income and Expenditure Statement as follows:

	<b>£'000</b>
Net cost of Services	3,851
Surplus on revaluation of non-current assets	(5,515)
<b>TOTAL</b>	<b>(1,664)</b>

The fair value of the Group's one investment property is measured annually at each reporting date by an external valuer in line with the professional standards of the Royal Institute of Chartered Surveyors. The Group's investment property, which is land, has been valued at 31<sup>st</sup> March 2024 at Level 2 (other significant observable inputs) in the fair value hierarchy, with a total value of £1.661m. The fair value for this land is based on market conditions and sales prices for similar land in the Group area at the time of the valuation.

	Operational assets				Non-operational assets			Total £'000
	Land & Buildings £'000	Plant £'000	Vehicles £'000	Equipment £'000	Surplus Assets not held for sale £'000	Investment Properties £'000	Assets under Construction £'000	
<b>Cost</b>								
Balance as at 1st April 2022	52,834	4,763	11,185	19,016	0	1,135	11,846	<b>100,779</b>
Additions	0	1,473	800	2,070	0	0	2,017	<b>6,360</b>
Transfers	13,414	0	0	0	0	0	(13,414)	<b>0</b>
Disposals	0	0	(1,210)	0	0	0	0	<b>(1,210)</b>
Impairment	0	0	0	0	0	0	0	<b>0</b>
Revaluations recognised in revaluation reserve	(717)	(930)	0	0	0	70	0	<b>(1,576)</b>
Revaluations recognised in surplus or deficit on the provision of services	(11,586)	(762)	0	0	0	0	0	<b>(12,347)</b>
Balance as at 31st March 2023	53,945	4,545	10,775	21,086	0	1,205	450	<b>92,006</b>
<b>Accumulated Depreciation and Impairment</b>								
Balance as at 1st April 2022	0	0	7,976	14,615	0	0	0	<b>22,591</b>
Depreciation in the year	1,450	676	1,331	1,293	0	0	0	<b>4,750</b>
Transfers	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	(1,210)	0	0	0	0	<b>(1,210)</b>
Depreciation written out to revaluation reserve	0	0	0	0	0	0	0	<b>0</b>
Depreciation written out to surplus or deficit on the provision of services	(1,450)	(676)	0	0	0	0	0	<b>(2,125)</b>
Balance as at 31st March 2023	0	0	8,097	15,908	0	0	0	<b>24,005</b>
<b>Balance sheet amount at 31st March 2023</b>	53,945	4,545	2,678	5,178	0	1,205	450	<b>68,001</b>
<b>Balance sheet amount at 31st March 2022</b>	52,834	4,763	3,209	4,401	0	1,135	11,846	<b>78,188</b>

The new operational centre at Bamfurlong was brought into use during 2022/23 and the corresponding AUC of £13.4m has transferred to Land and Buildings as at 31 March 2023.

## STATEMENT OF ACCOUNTS 2023/24

The following assets were disposed of during 2023/24:

	Sales Proceeds £000	Fair Value £000	Gain (Loss) £000
Land & buildings	0	0	0
Vehicles	66	0	66
Total	66	0	66

Any gains or losses on the disposal of land and buildings are recognised in the Comprehensive Income and Expenditure Statement. The gain on the disposal of vehicles is not included in the Comprehensive Income and Expenditure Statement unless the sale proceeds are greater than £10k. Sale proceeds for vehicles under £10k for an individual vehicle are not classified as capital receipts. Income from the sale of vehicles is included in Income from Fees and Charges (Note 13).

The value of land & buildings, plant and investment properties excluding the effect of revaluation (with a 1<sup>st</sup> April 2015 baseline) is detailed below.

	Land & buildings £'000	Plant £'000	Investment properties £'000	Total £'000
Balance as at 31 <sup>st</sup> March 2024	63,398	4,141	1,110	68,649
Balance as at 31 <sup>st</sup> March 2023	63,611	4,124	1,110	68,845

### 25. Intangible Assets

Intangible Fixed Assets for the Group relate to purchased software licences. All intangible fixed assets are judged to have a finite life of five years and are amortised using a straight line allocation over the expected useful life. Amortisation is apportioned across the Net Cost of Services in the Comprehensive Income and Expenditure Statement.

	Cost £000	Assets Under Construction £000	Accumulated Amortisation £000	Total £000
<u>2022/23</u>				
Balance at 1st April 2022	6,059	680	-4,647	2,092
Expenditure in year	0	433	0	433
Transfers	0	0	0	0
Impairments	0	-433	0	-433
Amortisation in year	0	0	-360	-360
Balance at 31st March 2023	6,059	680	-5,007	1,732
<u>2023/24</u>				
Balance at 1st April 2023	6,059	680	-5,007	1,732
Expenditure in year	60	1,316	0	1,377
Transfers	680	-680	0	0
Impairments	0	0	0	0
Amortisation in year	0	0	-330	-330
Balance at 31st March 2024	6,800	1,316	-5,337	2,779

## STATEMENT OF ACCOUNTS 2023/24

### 26. Summary of capital expenditure and method of finance

<u>Capital Expenditure</u>		2022/23	2023/24
		£000	£000
<b>Replacement and Refurbishment of Assets</b>			
Vehicles		800	2,592
Equipment - IT upgrade/development of existing systems		1,806	1,295
Estates		0	487
		<u>2,606</u>	<u>4,374</u>
<b>New Development Work</b>			
Decarbonisation		1,473	177
FCR upgrade		173	58
Other schemes		91	155
		<u>1,737</u>	<u>390</u>
<b>Assets under Construction</b>			
Bamfurlong development		2,017	0
IT Systems		0	1,316
HR System		433	0
		<u>2,451</u>	<u>1,316</u>
		<u>6,794</u>	<u>6,080</u>
<b>Total Capital Expenditure</b>			
<b>Restated</b>		<b>Capital Financing</b>	
<b>2022/23</b>		<b>(including Blackrock PFI facility)</b>	
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>40,507</b>	<b>Opening capital financing requirement</b>	<b>43,273</b>
		<b>Capital investment</b>	
3,490		Land & buildings	664
800		Vehicles	2,592
2,070		Equipment	2,824
<u>433</u>		Intangible assets	<u>0</u>
	6,794		6,080
		<b>Sources of finance</b>	
(1,329)		Government grants	0
(80)		Capital receipts	0
(1,229)		Revenue contribution	(1,904)
<u>(1,390)</u>		MRP	<u>(1,917)</u>
	(4,028)		(3,821)
	2,766	Increase/(decrease) in capital financing requirement for the year	2,259
	<b>43,273</b>	<b>Closing capital financing requirement</b>	<b>45,532</b>
		<b>In year movement represented by</b>	
	4,156	Borrowing	4,176
	(1,390)	MRP	(1,917)
	<u>0</u>	Assets acquired under PFI contracts	<u>0</u>
	2,766		2,259

## STATEMENT OF ACCOUNTS 2023/24

### 27. Commitments under capital contracts

As at 31<sup>st</sup> March 2024 there was a £400k capital commitment in relation to the record management system project (2022/23: £nil).

### 28. Short term debtors

	2022/23 £000	2023/24 £000
<b>Debtors</b>		
Central government bodies	9,227	10,541
Local Authorities	1,422	1,382
All other bodies	5,322	5,068
<b>Payments in advance</b>		
All other bodies	4,738	5,560
<b>Total</b>	<b>20,709</b>	<b>22,551</b>

Government Debtors for 2023/24 includes £5.2m (2022/23: £3.5m) owed by the Home Office for the Pension Top-Up Grant. This is the only Chief Constable debtor and is reflected as an intra-group adjustment in the accounts between the Chief Constable and Group. All other short term debtors are attributed to the PCC.

### 29. Cash and Cash Equivalents

	2022/23 £000	2023/24 £000
Cash	3,452	2,203
Temporary Investments	14,534	11,543
<b>Total</b>	<b>17,987</b>	<b>13,746</b>

The sum of £11.54m (2022/23: £14.53m) represents the investment of temporary cash balances at 31st March 2024. The fair value of these investments at 31<sup>st</sup> March 2024 was £11.54m (2022/23: 14.53m).

### 30. Short Term Creditors

	2022/23 £000	2023/24 £000
<b>Creditors</b>		
Central government bodies	3,250	3,581
Local Authorities	2,357	2,907
Capital (all other bodies)	301	372
PFI liability	636	692
All other bodies	9,703	10,596
<b>Total creditors</b>	<b>16,247</b>	<b>18,149</b>
<b>Receipts in advance</b>		
Central government bodies	967	50
Local Authorities	-	-
All other bodies	720	446
<b>Total receipts in advance</b>	<b>1,687</b>	<b>497</b>
<b>Total</b>	<b>17,934</b>	<b>18,646</b>

## STATEMENT OF ACCOUNTS 2023/24

All short term creditors are attributed to the PCC, other than the following which are allocated to the Chief Constable and are subject to an intra group adjustment between the accounts of the Chief Constable and Group.

	2022/23	2023/24
	£000	£000
<b>Chief Constable Creditors</b>		
Short term compensated absences	1,584	3,018
March pay paid in April	579	756
Backdated pay award	112	0
<b>Total</b>	<b>2,275</b>	<b>3,774</b>

### 31. Analysis of external borrowing

Source of loan	Average interest rate payable	Total outstanding at 31st March	
		2023	2024
		£000	£000
Local Authority Loans		5,000	6,000
Public Works Loan Board		6,150	9,424
Dexia Credit Local		5,000	5,000
<b>Total loans</b>	4.69%	<b>16,150</b>	<b>20,424</b>
Interest accrued		7	63
<b>Total outstanding</b>		<b>16,158</b>	<b>20,488</b>
<b>Analysis of loans by maturity</b>			
Short term – less than one year		6,731	8,354
Between 1 and 2 years		1,292	1,979
Between 2 and 5 years		977	3,287
Between 5 and 10 years		2,156	1,868
Between 10 and 15 years		-	-
Between 15 and 20 years		-	-
Between 20 and 25 years		-	-
More than 25 years		5,000	5,000
<b>Total</b>		<b>16,158</b>	<b>20,488</b>

As at 31st March 2024 there were no defaults or breaches against any of the loans in the above schedule. In the event of a default against the Dexia loan the registered holder may call for immediate repayment of the amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.

In the event of a default against Public Works Loan Board (PWLB) loans advanced after 31st March 2004, interest will be charged on late payments at the Bank of England 'repo' rate for the day from the relevant payment date to the date on which the Board's account is credited. The same term applies to delayed premature payments. For loans advanced on or after 1st March 1985 but before 1st April 2004, interest will be charged on late payments of fixed rate loans on the whole of the late payment (i.e. both principal and interest) from the relevant payment date at the appropriate fixed rate in force on that date for loans repayable at maturity after one year, to the date on which the Board's account is credited.

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. The fair value of the Dexia loan has been calculated with reference to information published by ArlingClose at 31st March 2024. The interest rate applied is 3.69% based on a 60 year loan with the first option at 10 years and semi-annual calls thereafter. The fair value of the PWLB loans have been calculated by reference to the 'premature repayment' set of rates in force on 31st March 2023 and 31st March 2024. Carrying amounts for instruments

## STATEMENT OF ACCOUNTS 2023/24

maturing in the next twelve months is assumed to approximate fair value. The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of PWLB, LOBO, and fixed term loans has been assessed using level 2 inputs according to the fair value hierarchy. The economic effects of the terms agreed have been compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the difference in the interest the authority will pay for the remaining terms of the loans under their agreement, against what would be paid if the loans were at prevailing market rates. The fair value of the PFI Liability has been assessed using level 2 of the fair value hierarchy, using AA-rated Corporate bond yields as at the balance sheet date to discount the future liability costs.

The fair value of external borrowings is as follows:

External Borrowings	31 March 2023		31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Dexia Credit Local	5,000	5,911	5,000	5,800
Public Works Loan Board	6,158	6,283	9,487	9,720
Local Authority loans	5,000	5,000	6,000	5,903

Financial liabilities and financial assets are carried in the Balance Sheet at amortised cost. IFRS 13 reporting has required fair values to be disclosed, defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the balance sheet date.

The Group's valuations of assets and liabilities are deemed to be Level 2 in terms of hierarchy with all inputs being observable but not quoted prices. These represent present value of the cash flows that will take place over the remaining term of the instruments. Valuations also have the following specific features:

- Cash flows arising from Public Works Loan Board loans have been discounted in line with IFRS13, so that the fair value equals the amount at which the authority could repay its loans on balance sheet date.
- The fair value of the long-term Dexia "Lender's Option Borrower's Option" (LOBO) loans has been calculated by discounting the contractual cash flows over the whole life of the instrument at the appropriate interest rate swap rate.
- The fair value of trade receivables and payables is taken to be the invoiced amount.
- Due to their short term nature the fair value of investments is taken to be that held on the balance sheet.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, accrued interest is included in the fair value calculation.

### 32. Financial instruments

#### Financial Assets

	Non-current				Current			
	Investments		Debtors		Investments		Debtors	
	31/03/23	31/03/24	31/03/23	31/03/24	31/03/23	31/03/24	31/03/23	31/03/24
	£000	£000	£000	£000	£000	£000	£000	£000
Fair value through profit or loss	0	0	0	0	9,500	11,500	0	0
Amortised cost	0	0	0	0	5,034	43	4,061	2,954
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,534</b>	<b>11,543</b>	<b>4,061</b>	<b>2,954</b>
Non-financial assets	0	0	0	0	0	0	16,648	19,597
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,534</b>	<b>11,543</b>	<b>20,709</b>	<b>22,551</b>

## STATEMENT OF ACCOUNTS 2023/24

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### Financial liabilities

	Non-current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31/03/23 £000	31/03/24 £000	31/03/23 £000	31/03/24 £000	31/03/23 £000	31/03/24 £000	31/03/23 £000	31/03/24 £000
Amortised cost	9,426	13,690	15,365	14,669	6,731	6,797	4,350	4,298
<b>Total financial liabilities</b>	<b>9,426</b>	<b>13,690</b>	<b>15,365</b>	<b>14,669</b>	<b>6,731</b>	<b>6,797</b>	<b>4,350</b>	<b>4,298</b>
Non-financial liabilities	0	0	0	0	0	0	13,584	14,348
<b>Total</b>	<b>9,426</b>	<b>13,690</b>	<b>15,365</b>	<b>14,669</b>	<b>6,731</b>	<b>6,797</b>	<b>17,934</b>	<b>18,646</b>

The Group's activities expose it to a variety of financial risks:

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

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by staff in the Finance department, under policies approved by the Group in the Annual Treasury Management report. The Group provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

#### Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group's customers. Deposits are not made with foreign banks and financial institutions unless they are rated independently and meet the minimum credit rating criteria as set out in the Annual Investment Strategy, approved by the PCC. The Group has a policy of not lending more than £6m of its surplus balances to any one building society, £10m to any one bank and £6m to any wholly owned subsidiary of a clearing bank. The credit criteria in respect of financial assets held by the Group are as detailed below:

Financial asset category	Criteria	Maximum sector investment
Deposits with UK banks	Minimum total assets: £1,000m	£35m
Deposits with UK building societies	Minimum total assets: £1,000m	£30m
Deposits with wholly owned subsidiaries of clearing banks	Minimum total assets: £1,000m	£18m

The PCC's current approved lending list includes all UK banks and building societies with assets in excess of £1 billion and many of these do not have a credit rating. In addition, the list includes wholly owned subsidiaries of UK clearing banks.

Any surplus cash is invested temporarily by the PCC's treasury management providers with specified financial institutions, money market funds, or other Government or public sector bodies. In order to ensure the PCC's risk exposure is minimised, credit ratings are monitored on an ongoing basis, and individual counterparty ratings are verified on the day of investment. As directed by the revised CIPFA Treasury Management Code, account is taken using ratings issued by three main rating agencies, Fitch, Moody's, and Standard & Poor's. Decisions are taken based on the lowest of these ratings. It should also be noted that a range of additional indicators are used to assess counterparty credit worthiness including for example credit default swaps, Government guarantees and support, and share price. All investments are held in sterling deposits and are rated as per the lending Counterparty Criteria approved each year by the PCC.

## STATEMENT OF ACCOUNTS 2023/24

The following analysis summarises the PCC's potential maximum exposure to credit risk, based on historical experience of default and write-offs.

	Amount at 31st March 2024 £'000	Historical experience of default %	Historical experience adjusted for market conditions at 31st March 2024 %	Estimated maximum exposure to default and uncollectability £000	Estimated maximum exposure at 31st March 2024 £'000
Deposits with banks and financial institutions	13,746	0	0	0	0
Other Customers	2,954	0	0	0	0

No credit limits were exceeded during the reporting period and the PCC does not expect any losses from non-performance by any counterparties in relation to deposits.

The PCC does not generally allow credit for customers, such that £0.76m of the £2.1m balance on the Accounts Receivable ledger at 31st March 2024 was past its due date for payment (i.e. 30 day payment terms). The past due amount on non-government debtors can be analysed by age as follows:

	31st March 2023 £000	31st March 2024 £'000
Less than three months	76	17
More than three months	210	229
<b>Total</b>	<b>286</b>	<b>245</b>

### Liquidity risk

The Group has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. As the Group has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Group may replenish its borrowings at a time of unfavourable interest rates.

The strategy is to ensure there are adequate though not excessive cash resources, borrowing arrangements and overdraft facilities to enable the Group at all times to have the level of funds available to it, which are necessary for the achievement of its business objectives. The Group's financial liabilities are as follows:

	31st March 2023 £000	31st March 2024 £000
PFI Finance Lease (long term liability)	15,365	14,669
Short Term Creditors	4,350	4,298
Borrowing	16,158	20,488
<b>Total</b>	<b>35,873</b>	<b>39,454</b>
Other non-financial instrument creditors	13,584	14,348
<b>Total</b>	<b>49,457</b>	<b>53,802</b>

## STATEMENT OF ACCOUNTS 2023/24

The maturity analysis of these financial liabilities is as follows:

	<b>31st March 2023 £'000</b>	<b>31st March 2024 £'000</b>
Less than one year	11,086	11,095
Between one and two years	1,988	1,124
Between two and five years	3,430	9,075
Between five and ten years	8,303	8,749
More than ten years	11,066	9,411
<b>Total</b>	<b>35,873</b>	<b>39,454</b>

All creditors and receipts in advance are due for settlement in less than one year.

### Market risk

#### **Interest rate risk**

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

- borrowings at variable rates, the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- borrowings at fixed rates, the fair value of the liabilities borrowings will fall
- investments at variable rates, the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- investments at fixed rates, the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and effect the General Fund Balance £ for £. Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income and Expenditure Statement.

The Group has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans and limits are set on the maturity structure of its borrowings. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Group's cost of borrowing and provide compensation for a proportion of any higher costs.

The Treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable. Because the Group, as at 31 March 2024, had no variable rate borrowings or investments the impact of any interest rate changes on the Comprehensive Income and Expenditure Statement would be zero. A sensitivity analysis on this portfolio of investments and borrowings would therefore show no impact on the Comprehensive Income and Expenditure Statement.

#### **Price risk**

The Group does not invest in equity shares nor does it have shareholdings in joint ventures or local industry. There is, therefore, no exposure to price risk.

#### **Foreign exchange risk**

The Group has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates. Income received in a foreign currency is banked immediately and converted using the exchange rate applicable at the time of banking.

## STATEMENT OF ACCOUNTS 2023/24

### 33. Provisions

Provision has been made for legal cases at the Balance Sheet date.

	2022/23	2023/24
	£000	£000
Balance as at 1st April	66	0
Additional provisions made in year	0	353
Amount used during the period	(66)	0
Balance as at 31 <sup>st</sup> March	<u>0</u>	<u>353</u>

### 34. Contingent liabilities

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

### 35. Trust and other funds

The Group is responsible for various trusts and other funds, summarised below. These balances, which are appropriately invested, are not included in the Balance Sheet.

	Balance at 01/04/2023	2023/24 Income	2023/24 Expenditure	Balance at 31/03/2024
	£	£	£	£
Property Act	76,575	9,843	(20,000)	66,418
Court Orders	1,307,926	545,156	(762,800)	1,090,282
	<u>1,384,501</u>	<u>554,999</u>	<u>(782,800)</u>	<u>1,156,700</u>

(i) **Property Act**

The fund holds the proceeds from the sale of unclaimed property, believed to have been stolen. The proceeds, after defraying the costs of handling the property, are available for distribution each year to local charities as directed by the Group.

(ii) **Court Orders**

Money seized in connection with possible criminal activity is held pending a decision, by the courts, on the lawful owner, or distribution if no legal owner is identified.

### 36. Post Balance Sheet Events

There are no adjusting or non-adjusting post balance sheet events.

## STATEMENT OF ACCOUNTS 2023/24

### 37. Cash Flow Statement – Reconciliation of Comprehensive Income and Expenditure Statement deficit to net cash flow from operating activities

	2022/23 £000	2023/24 £000
<b>Surplus/(Deficit) on provision of services</b>	(55,705)	(32,816)
Adjustment for non-cash transactions:		
Net charges made for retirement benefits in accordance with IAS19	48,501	23,472
Depreciation	5,109	4,635
Loss (gain) on revaluation of fixed assets	10,655	3,851
Gain/loss on disposal of fixed assets	(79)	0
	64,186	31,958
Capital grant to investing activities	(1,329)	0
(Increase)/decrease in stock	(30)	(160)
(Increase)/decrease in debtors	21	(1,842)
Increase/(decrease) in creditors/provisions	368	989
	359	(1,013)
<b>Net Cash Flow from operating activities</b>	<b>7,511</b>	<b>(1,871)</b>

### 38. Cash Flow Statement - Purchase of non-current assets

	2022/23 £000	2023/24 £000
Capital expenditure - per Balance Sheet on accruals basis	6,794	6,080
Add: Capital creditors brought forward	1,044	299
Less: Capital creditors carried forward	(299)	(372)
Capital expenditure - on cash basis (per Cash Flow Statement)	7,539	6,007

### 39. Cash Flow Statement – Net Cash Flow from Financing Activities

	As at 31/03/2023 £000	As at 31/03/2024 £000	Movement in year £000
Short term borrowing - repayable within one year	6,724	6,734	10
Long term borrowing - repayable after more than one year	9,426	13,690	4,264
Capital element of finance lease payment	16,001	15,361	(640)
	32,151	35,785	3,634

## STATEMENT OF ACCOUNTS 2023/24

### 40. Cash Flow Statement - Movement in cash and cash equivalents

	As at 31/03/2023 £000	As at 31/03/2024 £000	Movement in year £000
<b>Movement in cash</b>			
Bank accounts	3,403	2,157	(1,246)
Imprest accounts	50	47	(3)
Increase in cash	<u>3,452</u>	<u>2,203</u>	<u>(1,249)</u>
<b>Movement in temporary investments</b>	14,534	11,543	(2,991)
<b>Movement in cash and cash equivalents</b>	<u>17,987</u>	<u>13,746</u>	<u>(4,241)</u>

## Gloucestershire Police Pension Fund Account

### For the year ended 31st March 2024

2022/23 £'000		2023/24 £'000
	<b>Contributions receivable</b>	
	From employer	
14,577	- basic contributions at 31% of pensionable pay	15,976
866	- other (maternity/paternity/sickness, remedy, capital charge ill health & the 30+ scheme)	1,121
15,443		17,097
6,290	From members	7,016
	<b>Transfers in</b>	
70	Individual transfers in from other schemes	415
43	Transfer from Avon & Somerset Constabulary	42
113		457
<b>21,846</b>		<b>24,570</b>
	<b>Benefits payable</b>	
35,279	Pensions	39,043
6,572	Commutations and lump sum retirement benefits	7,338
247	Lump sum death benefits	0
42,097		46,381
	<b>Payments to and on account of leavers</b>	
30	Individual transfers out to other schemes	96
<b>42,127</b>		<b>46,477</b>
-20,281	<b>Sub-total for the year before transfer from the PCC of amount equal to the deficit</b>	-21,906
20,281	<b>Additional funding payable by PCC to meet deficit for the year</b>	21,906
<b>0</b>	<b>Net amount payable for the year</b>	<b>0</b>

**Gloucestershire Police Pension Fund Net  
Assets Statement  
as at 31st March 2024**

<b>2022/23 £'000</b>	<b>Current Assets</b>	<b>2023/24 £'000</b>
3,495	Funding to meet deficit receivable from PCC	5,207
3,155	Other current assets – Pensions prepaid	3,446
<u>6,649</u>		<u>8,653</u>
	<b>Current Liabilities</b>	
6,649	Other current liabilities	8,653
<u>0</u>	<b>Net Assets</b>	<u>0</u>

# STATEMENT OF ACCOUNTS 2023/24

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## Notes to the Gloucestershire Police Pension Fund Accounts

### 1. General Description of Fund's Operations

The Police Officer Pension Fund is administered by the Chief Constable in accordance with the Police Pensions Act 1976, as amended by the Police Reform and Social Responsibility Act 2011. This is administered from a separate local police pensions account, rather than direct from the Comprehensive Income and Expenditure Statement. The pensions account is topped up by the Group if the contributions are insufficient to meet the cost of pension payments. The Group receives a Police Pension Top Up Grant from the Home Office for an amount equal to the deficit on the Police Pension Fund Account.

It should be noted that the Police Pension Fund has no investment assets, and pensions are paid from employer and employee contributions, plus additional funding from the Group. Employer contributions are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department. For the year ended 31<sup>st</sup> March 2024 the percentage Employer contribution was 31%. Under IAS19 the Police Pension Scheme is classed as a defined benefit scheme. Therefore the risk of shortfall remains with the Group. Accordingly the Group has obtained an actuarial valuation for the scheme.

### 2. Accounting Policies

- a. The Accounts have been prepared to meet the requirements of Regulation 7(1) (d) of the Accounts and Audit (England) Regulations 2014 which states that the Group is obliged to include the police pensions account in its statement of accounts. They also meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.
- b. The Accounts have been prepared on an accruals basis.
- c. The Accounts do not take account of liabilities to pay pensions and other benefits in the future. This is reported upon separately in the Actuary's statement, details of which can be found in note 11 of the main statement of accounts.
- d. There are no significant estimation techniques employed in the production of the pension fund accounts.

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**PCC Annual Governance Statement**

The Accounts and Audit Regulations 2015 require that the Annual Governance Statement accompanies the Statement of Accounts. The PCC and the Chief Constable have prepared a joint statement and have elected to publish the Joint Annual Governance Statement as a separate document to the Statement of Accounts.

The Joint Annual Governance Statement is a statutory document which explains the governance processes and procedures in place to enable the PCC and the Chief Constable to carry out their functions effectively. The Statement is available on the website for the OPCC.

### GLOSSARY OF ACCOUNTING TERMINOLOGY

#### ACCOUNTING PERIOD

The period of time covered by the accounts, usually a full year, which for this Group runs from 1st April to 31st March.

#### 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 define the process whereby transactions and other events are reflected in financial statements.

#### ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid. For example, expenditure accruals relate to the value of goods/services/works received or carried out, but not necessarily paid for, in the period.

#### 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 and losses), or
- (b) The actuarial assumptions have changed.

#### ACTUARIAL VALUATION

An independent report on the financial status of a Pension Fund, which shows the estimated cost today of providing benefits in the future.

#### AGENCY SERVICES

Services provided by one body (the agent) on behalf of, and generally with payment from, the responsible body.

#### AMORTISATION

The writing down in value of intangible fixed assets (e.g. software licences), which is charged to service revenue accounts to reflect the cost of such assets, used in the provision of those services. This is the equivalent of depreciation for fixed assets.

#### ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement comprises mainly a policy statement; recognition of core principles of good governance; the corporate governance arrangements; and an annual governance review. The Annual Governance Statement is a self-contained statement which is submitted to the Audit Committee for review.

#### ASSETS HELD FOR SALE

Under IFRS 5 a split is made of surplus assets, between those where there is a clear intention for disposal within the following 12 months (Assets Held for Sale) and those assets with longer term disposal plans. Assets for immediate sale are classified as current assets rather than non-current assets.

#### AUDITOR'S OPINION

The opinion required by statute from the PCC's external auditors, indicating whether the statement of accounts presents fairly the financial position of the PCC and Group.

#### BALANCE SHEET

This statement sets out the financial position of the Group at year-end 31 March. It shows a summary of non-current assets held, the current assets employed, the balances and reserves of the Group and the Group's financial liabilities.

## **STATEMENT OF ACCOUNTS 2023/24**

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### **BUDGET**

The PCC's plan for providing resources to meet his service obligations. The PCC has recently set an annual budget within a four year financial strategy covering the period 2024/25 to 2027/28.

### **CAPITAL ADJUSTMENT ACCOUNT**

In general this reflects the amount already used to finance fixed assets. Further information on this, including the actual figures for the financial year, is given in the full Statement of Accounts.

### **CAPITAL EXPENDITURE**

The cost of buying or building significant assets (e.g. land and buildings) which have a long-term value to the PCC.

### **CAPITAL GRANTS**

Grants received by the PCC that can only be used to pay for capital projects.

### **CAPITAL RECEIPTS**

Proceeds from the sale of fixed assets, such as land or buildings.

### **CARRYING AMOUNT**

This is the amount of a financial asset or liability that should be recorded in the Balance Sheet for a given date based upon the correct measurement approach for the financial asset or liability.

### **CASH & CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **CASH FLOW STATEMENT**

This statement summarises the Group's inflows and outflows of cash and cash equivalents arising from transactions with third parties during the year, for revenue and capital purposes.

### **CHIEF CONSTABLE FOR GLOUCESTERSHIRE**

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 sector.

### **COLLECTION FUND**

District and unitary councils pay all receipts from local taxpayers into a "collection fund". They then pay county, police, fire, district, unitary and parish council precepts from the fund.

### **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. PCCs raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves statement.

### **CONTINGENT LIABILITY**

A contingent liability is either:

(a) A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group'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.

## **STATEMENT OF ACCOUNTS 2023/24**

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### **COUNCIL TAX**

A tax based on the value of property, which is administered by District and Unitary authorities.

### **CREDITORS**

Amounts owed by the Group for goods received, or services rendered to it within the accounting period, but for which payment has not been made at the end of that period.

### **CURRENT ASSETS**

Current assets are items that can be readily converted into cash.

### **CURRENT LIABILITIES**

Current liabilities are amounts which will become payable or could be called in within the next accounting period.

### **CURRENT SERVICE COST (PENSIONS)**

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

### **CURTAILMENT (PENSIONS)**

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- (a) termination of employees' services earlier than expected, and
- (b) termination or amendment to the terms, of a defined benefit scheme, so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

### **DEBTORS**

Amounts of income due to the PCC within the accounting period but not received at the balance sheet, or period end, date.

### **DEFINED BENEFIT SCHEME**

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

### **DEFINED CONTRIBUTION SCHEME**

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

### **DEPRECIATION**

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

### **EARMARKED GENERAL FUND RESERVES**

Money set aside for a clearly defined purpose, and which is available to meet future expenditure in that area.

### **ESTIMATION TECHNIQUES**

The methods adopted to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves. These implement the measurement aspects of the accounting policies, and include selecting methods of depreciation and making provision for bad debts.

### **EVENTS AFTER THE BALANCE SHEET DATE**

Events after the Balance Sheet date are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

## **STATEMENT OF ACCOUNTS 2023/24**

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### **EXISTING USE VALUE**

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

### **EXPECTED RATE OF RETURN ON PENSIONS ASSETS**

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

### **EXPERIENCE GAINS & LOSSES (Pensions disclosure)**

This shows the impact of actual experience differing from the accounting assumptions, such as pension increases differing from those assumed and unexpected membership movements.

### **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

### **FINANCE LEASE**

Finance Leases are where the terms of the lease, or a right to use an asset in return for payment, transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. Finance lease(s), as defined by IAS 17, are accounted for as deferred liabilities (within Long Term Liabilities on the Balance Sheet); and the finance charges (i.e. interest element) and principal element, respectively, are charged to the CIES (Financing and Investment Income and Expenditure) and to write down the long-term liability. IAS 17 requires the recognition of any leases embedded within contracts.

### **FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

### **GENERAL FUND**

The main revenue fund of the PCC. Day-to-day spending on services is met from the fund.

### **GROUP**

The term Group refers to the Police and Crime Commissioner for Gloucestershire and the Chief Constable for Gloucestershire.

### **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

International Financial Reporting Standards (IFRS) replaced the annual Statement of Recommended Practice (SoRP) based on GAAP, for all local authorities in the UK from the financial year commencing 1st April 2010.

### **IMPAIRMENT**

A reduction in the value of a non-current asset below its value brought forward in the balance sheet. Examples of factors which may cause such a reduction in value include, general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

### **INTANGIBLE ASSETS**

An intangible item may meet the definition of an asset when access to the future economic benefits that it represents is controlled by the reporting entity, either through custody or legal protection. Purchased intangible assets (e.g. software licences) should be capitalised as assets. Intangible assets should be amortised on a systematic basis over their economic lives.

### **INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## **STATEMENT OF ACCOUNTS 2023/24**

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### **INVENTORIES (STOCKS)**

The amount of unused or unconsumed goods held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises.

### **INVESTMENT PROPERTY**

Property held solely to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of operations.

### **LONG TERM ASSETS**

Non-current assets that yield benefits to the Group and the services it provides for a period of more than one year.

### **MINIMUM REVENUE PROVISION (MRP)**

MRP is the mechanism for setting aside monies to repay borrowing. The requirement for MRP set aside applies even if the capital expenditure is being financed from the Council's own cash resources and no new external borrowing or other credit arrangement has been entered into.

### **MOVEMENT IN RESERVES STATEMENT (MIRS)**

This statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (including the General Fund Balance), and other (unusable) reserves.

### **NET ASSETS**

Assets less liabilities, which are matched by the reserves held by the Group.

### **NON CURRENT ASSETS**

Assets that yield benefits to the Group and the services it provides for a period of more than one year.

### **NON DISTRIBUTED COSTS**

For the Group these are principally past service costs relating to pensions benefits earned in prior periods.

### **NON OPERATIONAL ASSETS**

Non current assets that are not used to deliver direct services. For example, assets that are still being built or are no longer used and about to be sold.

### **OPERATING LEASE**

An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership. Expenditure financed by operating leasing does not count in capital expenditure. Rentals paid under operating leasing agreements are accrued and accounted for through the revenue account in the period to which they relate.

### **OPERATIONAL ASSETS**

Non-current assets held and occupied, used or consumed by the Group in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

### **PAST SERVICE COST (PENSIONS)**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

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### PENSIONS RESERVE

Unlike other 'Reserves' this is a negative reserve (debit balance). It is equal in amount to, and offsets, the net pensions liability.

### POLICE AND CRIME COMMISSIONER FOR GLOUCESTERSHIRE (PCC)

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

### POST BALANCE SHEET EVENTS

Events arising after the balance sheet date which provide additional evidence of conditions that existed at the balance sheet date and are of a material nature.

### PRECEPT

The levy made by precepting authorities, such as PCCs, on billing Authorities requiring the latter to collect income from Council Taxpayers on their behalf.

### PRINCIPAL

The amount of a loan that was actually borrowed, before interest is added.

### PRIVATE FINANCE INITIATIVE (PFI)

The private finance initiative is a way of creating public/private partnerships by funding public infrastructure projects with private capital.

### PROVISION

An amount set aside in the accounts for anticipated future liabilities or specific losses that are reasonably certain to be incurred, but which cannot be quantified accurately at the balance sheet date (are uncertain in amount and date). Provisions have been recognised in the accounts when there is a legal or constructive obligation to transfer economic benefits that can be estimated with a degree of certainty as a result of a past event. Any provision is intended to represent the best estimate at the Balance Sheet date of expenditure required to settle the present obligation; and, later, should only be applied to the precise purpose for which the provision was recognised. Provisions are shown in a note in the full Statement of Accounts.

### PRUDENTIAL CODE FOR CAPITAL FINANCE

This code was introduced from 1st April 2004. The basic principle of the code is that PCCs are free to borrow so long as their capital spending plans are affordable, prudent and sustainable. The prudential code sets out indicators that the PCC must use and factors that they must take into account to demonstrate that they have fulfilled this objective.

### PUBLIC WORKS LOAN BOARD (PWLB)

A Government agency that provides longer-term loans to PCCs.

### RELATED PARTY TRANSACTIONS

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Two or more parties are related parties when at any time during the financial period:

- (i) One party has direct or indirect control of the other party, or
- (ii) The parties are subject to common control from the same source, or
- (iii) one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests, or
- (iv) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

### REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

### RESERVE

Amounts, where cash-backed, set aside in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, which may be incurred in future period(s). Any

## **STATEMENT OF ACCOUNTS 2023/24**

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amounts set aside for purposes falling outside the definition of Provisions have been accounted for as reserves.

### **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits.

### **REVALUATION RESERVE**

This account, from 1st April 2007, replaced the (former) Fixed Asset Restatement Account. The revaluation reserve deals with the impact of increases or decreases in the values of fixed assets.

### **REVENUE CONTRIBUTIONS**

A method of financing capital expenditure through the revenue account.

### **SCHEME LIABILITIES (PENSION SCHEME)**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **SECONDED OFFICERS**

These are police officers who, for agreed periods, temporarily work for other organisations. Their salaries and expenses are not included in the Comprehensive Income and Expenditure Statement.

### **SHORT-TERM ACCUMULATING COMPENSATED ABSENCES**

Absences earned but not taken by the end of the financial year e.g. annual leave entitlement.

### **SHORT-TERM BORROWINGS**

Loans that a borrower needs to pay back within 12 months.

### **TERMINATION BENEFITS**

Termination benefits (e.g. redundancy payments), whether they are resulting from a decision by the Group to terminate an employee's employment before normal retirement date or an employee's decision to accept voluntary redundancy, are charged to the relevant service line in the CIES.

### **THIRD PARTY PAYMENTS**

Payments made to outside contractors and other bodies who provide specialist or support services for the Group.

### **TREASURY MANAGEMENT**

This relates to borrowing and cash activities, including Investment, of the PCC, and the effective management of any associated risks. Local authorities' treasury management activities are prescribed by statute. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment for the purpose of the prudent management of its financial affairs.

### **UNUSABLE RESERVES**

Reserves that the PCC is not able to use to provide services, as they reflect unrealised gains and losses.

### **USABLE RESERVES**

Reserves that the PCC may use to provide services, subject to maintaining a prudent level and to any statutory limitations. They are cash backed.