



**The Police & Crime  
Commissioner for  
Bedfordshire and the Police  
& Crime Commissioner for  
Bedfordshire Group  
DRAFT  
STATEMENT OF ACCOUNTS**

**2023/2024**

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## Narrative Report

### Management Overview

The Police Reform and Social Responsibility Act 2011 replaced Police Authorities with Police & Crime Commissioners (PCCs) and created two corporate soles, the Police & Crime Commissioner and the Chief Constable for Bedfordshire Police. For accounting purposes the PCC for Bedfordshire and the Chief Constable of Bedfordshire Police are known as the PCC for Bedfordshire Group.

This Narrative Report covers information about the PCC for Bedfordshire as a local authority and its activities.

### The Policing Environment

We are dedicated to "protecting people and fighting crime together".

At 477 square miles and with 705,000 people Bedfordshire is one of England's smallest (yet most diverse), counties and faces complex crime challenges more usually seen in large metropolitan cities. The population has grown by 19% since 2002 and the population is currently still growing faster than the population of England and Wales.

More than half of its residents live in its largest towns Luton and Bedford which have diverse and often transient communities, alongside smaller market towns and rural parishes.

London Luton Airport handled 16 million passengers in 2023 and remains one of the busiest airports in the UK. The M1 and A1(M) motorways traverse the county. Two principle railway lines connect people with the heart of London in less than an hour.

Bedfordshire has a complex mix of volume crime, serious crimes, drugs, gangs and terrorism threats. Every day our officers meet threats, harm and risks like those in large cities. The year to October 2023 the force recorded 49,091 crimes (a decrease of 6.7 per cent) and answered more than 311,000 calls for service.

We employ in the region of 1,466 Police Officers, 1,235 police staff and 36 Police Community Support Officers (PCSOs).

Among all English police forces, Bedfordshire receives one of the lowest Government grants per head of population, and is in the lowest quartile for budget and police officers per head of population, and for council tax levels.

Due to our limited resources, we have a Control Strategy to prioritise how we respond to crime - with protecting vulnerable people the primary focus. There is also a desire to reduce the increasing demand through 999 and 101 calls by offering digital solutions and signposting people to more appropriate agencies. As an organisation we are striving to be innovative to enhance productivity and allow technology to deal with demand that doesn't require human intervention.

However, despite our relatively small size, we lead joint protective services (Armed Policing, Dogs, Roads Policing, Major Crime etc) for Bedfordshire, Cambridgeshire and Hertfordshire and are the lead force for the Eastern Region Special Operations Unit – a co-ordinated approach from the seven forces to tackle serious and organised crime, and terrorism.

Recently there has been a push by the force to reintroduce a community policing model to engage with residents and prevent crime by early intervention and problem-solving before issues escalate. You can find out what's happening in your area here:

[Your area | Bedfordshire Police \(beds.police.uk\)](https://beds.police.uk)

Alongside local issues, policing nationally faces new and emerging crime such as cyber-crime, child sexual exploitation and 'county line' drug supply and associated criminality.

The Police and Crime Commissioner has responsibility for the totality of policing within Bedfordshire, allocating the policing budget to the Chief Constable on behalf of the taxpayer. A statutory requirement of this role is to publish a Police & Crime Plan which sets out the priorities for Bedfordshire Police and community safety in the county. The Commissioner holds the Chief Constable to account for the efficient and effective delivery of the Plan to ensure local people receive a policing service they are satisfied with and have trust and confidence in.

The priorities identified within the Police and Crime Plan for the financial year 2023-2024 are as follows:

1. Investment in community-based and community-led policing for urban and rural areas
2. Recruitment and retention of police officers
3. Tackling the causes of crime and breaking the cycle of re-offending
4. Placing residents and victims at centre of policing priorities
5. Multi-agency approach to community safety and crime reduction
6. Transparency and open communication
7. National contributions

Underlying these objectives are a number of commitments from the PCC which have been compiled as a result of the PCC's engagement with local communities to establish their priorities. The progress of these commitments are reviewed by the Police & Crime Panel, whose role is to scrutinise the PCC's work. The Panel consists of eleven local councillors and two independent members of the public. The PCC's key achievements are detailed in the Non-Financial Performance Review section of this Narrative Report. The main risks which the PCC faces are identified on the OPCC Strategic Risk Register, the key ones being:

- If financial resources are insufficient to meet the policing needs of Bedfordshire, then the PCC may fail to provide sufficient funding to the Chief Constable to deliver an efficient and effective policing provision.
- If the PCC fails to effectively commission support services and monitor commissioned services for victims of crime then the PCC may fail to deliver against the priority of 'Placing residents and victims at centre of policing priorities'.
- There is a risk that the Commissioner fails to meet the requirements of the Police and Crime Panel as it assesses the performance of the Commissioner and scrutinises the Commissioner's strategic actions and decisions.
- If outcomes of external scrutiny damage the OPCC/Force reputation public confidence may fall.

The risk register is regularly reviewed both within the PCC's office and by the Joint Audit Committee, each risk has a senior officer lead and a board lead, this governance ensures mitigating actions are constantly reviewed.

## Financial Performance

The revenue budget was set at £139.983M, and the final outturn position for the Force and Office of the Police and Crime Commissioner (OPCC) is an underspend of £0.425M.

The latest estimated year-end revenue outturn reported in February 2024 was that we expected the budget to break-even. While there have been some offsetting variances the position has changed in a positive way in the last two months of the year, firstly, the additional uplift grant that the Force applied for has been achieved. They were awarded additional grant equating to £0.216M on the basis that they could exceed their original uplift recruitment targets by 9, this was achieved but it had not been factored into our budget monitors as it was known this would be extremely challenging, credit should go to the People & Workforce Development team for reaching this target. The OPCC had a planned underspend of their Community Safety Grant, some of which they will carry forward to the next financial year to support an ongoing project. An underspend within collaboration, most noticeably in ICT & HR has meant we have been able to place £0.277M in the police general reserve and avoid using reserves to fund additional costs associated with the McCloud pension case and fund investment into innovation projects. These factors have given a year-end under-spend of £0.425M, of which £0.372M relates to an under-spend for the PCC after using £0.091M from reserves and £0.053M is an under-spend incurred by the Force after a net use of reserves of £0.605M.

### Revenue Expenditure was as follows:

	<u>£'M</u>
Net Expenditure before Reserve Transfers	140.395
Planned Transfers to / From Reserves	-0.882
<b>Net Expenditure</b>	<u><b>139.513</b></u>

### Revenue Expenditure Met from Budgeted Grants:

	<u>£'M</u>
Home Office Grant	77.467
11/12 Council Tax Freeze Grant	0.751
Council Tax Benefit Subsidy Grant	3.886
Council Tax	57.834
	<u><b>139.938</b></u>

<b>Net (Surplus) or Deficit for the year (Revenue Budget)</b>	<b>(0.425)</b>
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The budget variances for the year arose in the following areas:

	<b>£'M</b>
Police Pay	1.532
Police Overtime	1.887
Staff Costs (inc Agency and Overtime)	0.575
Non-Staff Costs	0.158
Externally Funded & Income	-0.526
Collaboration	-0.653
Grants	-6.314
Operation Costello	3.011
PCC's Office	-0.027
PCC's Community Safety Fund	-0.288
PCC's Grants	-0.057
Contribution to Reserves	0.277
<b>Total</b>	<b>-0.425</b>

Transfers (to) / from other useable reserves comprised:

	<b>£'M</b>	<b>£'M</b>
Transfer to ERSOU Reserve	-0.331	
Transfer from Road Safety Reserve	0.091	
Budgeted Contribution from Reserves	0.882	
Budgeted Transfer to Police Fund	-0.277	
Transfer Funding Op Kenova	0.164	
Transfer to Regional Property Reserve	-0.010	
<b><i>Budgeted Transfers included in Outturn Reporting</i></b>		<b>0.519</b>
Reported Underspend		-0.425
Capital Funding - Force		0.261
Capital Funding - Regional		0.004
<b>Net transfer from General Fund Reserves</b>		<b>0.359</b>
Transfer from Capital Grants Unapplied		1.129
<b>Net transfer from Usable Reserves</b>		<b>1.488</b>

#### Capital Expenditure

Capital expenditure made by the PCC for Bedfordshire Group amounted to £8.381M this includes capital expenditure made on behalf of regional units for which Home Office Grants are provided. Overall capital programme expenditure is £0.935M lower than the original programme due to slippage in the Estates Programme along with a combination of underspends and slippage within the ICT programme.

The financing of Capital Expenditure was as follows:

	<b>£'M</b>
Internal Borrowing	2.265
External Borrowing	2.539
Capital Receipts	0.018
Capital Grant	0.242
Direct Revenue Financing	0.063
Capital Expenditure Reserve	0.261
<b>Total (as per approved capital programme)</b>	<b>5.388</b>
Home Office Counter Terrorism Grant	2.699
Regional Organised Crime Unit Grant	0.006
Regional Organised Crime Unit Revenue Contributions	0.098
Regional Capital Reserve	0.189
<b>Total Including Regional Commitments</b>	<b>8.380</b>

#### Use of Reserves

The reduction in reserves identified above for funding capital and revenue expenditure results in a usable reserves balance of £11.264M, detailed in Note 9.

#### Treasury Management

Treasury Management covers borrowings, investment, interest rate exposures, cash balances, cash flow forecasting and banking relationships. The Chartered Institute of Public Finance and Accountancy (CIPFA) has published a Code of Practice entitled 'Treasury Management in the Public Services' and the PCC for Bedfordshire has adopted the Code as part of its Financial Regulations. In compliance with the Code requirements, Treasury Management operations are carried out within an annually approved Treasury Strategy Statement which sets and reports on the PCC for Bedfordshire's prudential indicators.

Planned borrowing of £3.0M was undertaken during 2023/24 in order to finance some of the capital expenditure incurred in 23/24 and a loan of £0.461M was repaid resulting in the increase in PWLB borrowing of £2.549M as shown on the balance sheet.

#### Key Strengths and Resources

The PCC for Bedfordshire group continues to deal with significant change and is supported by a significant number of experienced staff and officers. They continue to provide innovative solutions and effective project management in order to progress collaborative projects and this expertise is considered a key strength.

The force's ongoing involvement with the television series 24 Hours in Police Custody has raised the profile of Bedfordshire Police and the issues the organisation and the wider policing community faces. Involvement in the TV series has largely contributed to an improved reputation for the force as it has been praised for openness and transparency and the series is viewed as groundbreaking and a first for policing which is yet to be matched.

Bedfordshire Police is the only police force to have a collaboration agreement with Amazon Web Services, this agreement has led to Bedfordshire being at the forefront of design for webservices and voice recognition being used in policing and leading

the way with a red-action tool which has saved many hours of officer time and has been praised by the policing minister as best practice for police forces nationally.

### **Non-Financial Performance**

Former Police and Crime Commissioner for Bedfordshire, Festus Akinbusoye, provided an Annual Report to the Police and Crime Panel setting out his achievements against his Police and Crime Plan. The report was scrutinised at the meeting which took place on 4<sup>th</sup> June 2024 and the meeting details and Annual Report can be read here:

[Item 09 - Annual Report.pdf \(bedford.gov.uk\)](#)

### **Corporate Reporting Structure**

Monitoring the performance of the force has been one of the PCC's key areas of focus, the primary mechanism has been through the Performance and Governance Board, held monthly, at which agreed objectives and outcomes have been measured. During these meetings the force provides strategic updates to the PCC on:

- Performance
- Finance
- Change
- Estates
- Inspections
- Risk
- Culture
- Report on priorities progress – Police and Crime Plan

Operational performance is reviewed in the Chief Constable's narrative report.

### **Medium Term Financial Plan**

The increase in the size of the net revenue budget of £3.9M in 2023/24 compared to 2022/23 was made possible by the decision to raise Council Tax by £15, the maximum allowed without a local referendum. The Police Grant only increased by £0.269M and the Police & Crime Commissioner agreed to use £0.5M of reserves to help support the budget. This enabled him to continue with his commitment to increase officer numbers within Bedfordshire, in setting the budget for 23/24 the Commissioner maximised the income available to him enabling him to deliver his plan while enhancing the service received from the Police to the public of Bedfordshire. He set himself the challenging task of increasing the number of police officers employed by Bedfordshire Police by 72FTE to 1,423FTE (1,456 headcount), the highest number the Force has ever employed. This target headcount was then exceeded by 10 and the Force was awarded an additional grant to support this number of police officers.

The medium-term financial plan covering the next four years, between 2024/25 and 2027/28, that is constantly being reviewed, also places reliance on reserves to assist in balancing the budget, and it is likely that consideration will need to be given to the replenishment of these reserves over the same period. It is helpful to be aware of some specific context in relation to the current financial environment as highlighted below.



- Bedfordshire Police has received a Special Police Grant, in relation to its Boson capability since 2018/19, providing additional funding in support of targeted operations against the use of Guns and Gangs in Bedfordshire and Luton. In addition the force received Special Police Grant funding for Op Costello and similar bids have been submitted for the new financial year, 2024/25 and continuation funding is expected at slightly lower levels as the Force is asked to contribute higher levels of matched funding. The force has been awarded £6.9M via special grant for Operation Boson and Costello which is the same level of funding as 2023/24.
- The 2024/25 budget incorporates a top up to reserves of £0.298M
- The Council Tax increase was capped at £13 per Band D property
- An increasing percentage of the annual budget is spent on areas of policing delivered by collaborated units. While this has provided savings for the Force and increased resilience, the priorities for Bedfordshire within those service areas that are collaborated have to be considered alongside those of Hertfordshire and Cambridgeshire Constabularies.

The budget for 2024/25 is based on a police grant of £82.1M, an increase of £4.6M compared to last year covering the police pay award in September 2023. We will see an increase to the uplift and recruitment grant to take that to £4.8M, an increase of £2.8M to the pension grant which is to fund an increase in employers pension contributions and legacy council tax grants are maintained at £4.637M. The budget reflects the higher than anticipated pay award in September 2023 and it contains a contingency to fund a 2.5% pay award in September 2024.

Prior to setting the budget a number of medium-term financial plan scenarios had been tested and these continued to be revised until the budget was agreed. These helped the Commissioner to take the decision to increase Council Tax by the maximum amount expected to be allowed, this equated to £13 for a band D household.

In considering the 2024/25 budget the Commissioner has continued to utilise the maximum amount of funding he can generate allowing him to increase both officer and staff numbers to ensure a better service is provided to the public of Bedfordshire as set out in the Police & Crime Plan. For illustrative purposes we have shown a budget gap from 2025/26 onwards, noting that this could be closed using reserves or additional savings and there is plenty of time to plan for this. The Government has committed to review the funding formula within the period covered by the medium-term plan so the figures used must only be considered as provisional.

	<b>2024/25 Indicative</b>	<b>2025/26 Estimated</b>	<b>2026/27 Estimated</b>	<b>2027/28 Estimated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Estimated draft budget (a)	156,400	156,066	159,928	164,618
Estimated funding (b)	149,164	152,485	157,044	161,735
<b>Shortfall (a-b)</b>	<b>7,236</b>	<b>3,581</b>	<b>2,884</b>	<b>2,883</b>
Savings	-2,144	-298	0	0
Grant increases	-5,092	0	0	0
<b>Budget Shortfall</b>	<b>0</b>	<b>3,283</b>	<b>2,884</b>	<b>2,883</b>

## Opportunities for additional commercial income (outside of the Medium-Term Financial Plan).

Future opportunities for non-core grant and council tax funding are minimal and are likely to reduce in the future. Cost recovery and cost reduction processes are likely to be more effective than revenue generating activities. The following five routes are available for the PCC for generation of non-core income:

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<i>Bids and Grants</i>	The Bedfordshire PCC can, individually or alongside regional PCCs, bid for funds to enable Police and Crime Plan outcomes, and objectives in the Chief Constable's Long-Term and Annual Delivery plans. Grants come mainly from government sources, for example the Police Transformation Fund. Such funds are becoming scarcer and more prescriptive in their outcome requirements.
<i>Sponsorship and donations</i>	During 23/24 sponsorship of £5,275 was received for force staff awards night and a donation of £250,000 received from the premier league
<i>Trading</i>	In favourable circumstances income can be generated by offering spare places on training courses, at a suitable charge, to members of other police forces or suitable organisations. No income is currently expected from such trading activities.
<i>Special Police Services</i>	<p>The provision of Special Police Services (SPS) at the request of any person under Section 25 of the Police Act 1996 (as amended) makes such services subject to payment of charges as determined by the PCC. SPS generally relate to policing a one-off event (for example a pop concert) or a series of events (for example football matches).</p> <p>The outcome from <i>Ipswich Town Football Club Company Limited and The English Football League v The Chief Constable of Suffolk Constabulary [2017] EWCA 1484 judgment</i>, reduced the ability of police force to supply SPS on public land, thus reducing income from SPS. Accompanied by a natural movement by customers away from engaging SPS from police forces, this will tend drive towards zero income over the long term.</p>
<i>Infrastructure development expenditure</i>	<p>The PCC has secured an agreement to receive revenue from the Central Bedfordshire Borough Council Supplementary Planning Document linked to progression of new housing developments. As at March 2021 this generates around £50,000 per annum, available for claiming against Bedfordshire Police infrastructure expenditure.</p> <p>The housing and infrastructure development agreements in Luton Borough and Bedford Borough have been established without PCC involvement, and thus there is no provision for claims against police infrastructure expenditure.</p>

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## Background Information to the Statement of Accounts & Significant Transactions

This set of accounts sets out the income and expenditure and the financial position of the PCC for Bedfordshire Group and the PCC for Bedfordshire for the year ending 31 March 2024.

The 2023/24 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2023/24 (the Code). The accounts also reflect the following frameworks and regulations:

- The Police Reform and Social Responsibility Act 2011 (the Act)
- Financial Regulations for the PCC for Bedfordshire Group
- The scheme of delegation between the PCC and the Chief Constable

The PCC for Bedfordshire retains control of the non – current assets transferred to them by the Police Reform Act and in addition, receives all income and funding and makes all payments for the Group from their Police Fund. The Commissioner has not set up a separate bank account for the Chief Constable but instead delegates a budget within which the Chief Constable exercises day to day control. It is recognised that in exercising day-to-day direction and control the Chief Constable will undertake activities and incur expenditure to allow the police force to operate effectively. It is therefore appropriate for the income and expenditure associated with the day to day direction and control to be shown in the Chief Constable's Comprehensive Income and Expenditure Statement, with the resources consumed by the Chief Constable being offset by an intra-group transfer of resources from the Commissioner. In turn the assets and liabilities associated with this income and expenditure are recognised in the Chief Constable's balance sheet.

As per the CIPFA Code the reporting headings in the Expenditure & Funding Analysis and the Comprehensive Income & Expenditure Statement reflect the internal reporting headings within the organisation.

Bedfordshire is the lead force for the Counter Terrorism Policing Unit (CTP), covering Bedfordshire, Hertfordshire, Cambridgeshire, Essex, Kent, Norfolk and Suffolk. Police Officers and Staff working in the unit are shown in the PCC's group accounts, in 2023/24 the costs of running the unit were £24.011M which are fully grant funded by a government grant payable to the PCC. Assets utilised by the unit are shown on the balance sheet for the PCC for Bedfordshire.

The Chief Constable's Movement in Reserves Statement consists only of the unusable reserves associated with the timing differences between financing and recognition of the employee's liabilities, both for pensions and for accumulated absences, required by statute. All other reserves are held by the Commissioner who has not delegated responsibility for these reserves to the Chief Constable.

The Accounts of the Police & Crime Commissioner (PCC) for 2023/24 will be the basis for the Audit Opinion. They consist of:

- (i) **Statement of Responsibilities** – this includes the financial responsibilities of the Police & Crime Commissioner and the Chief Finance Officer to the PCC.
- (ii) **Annual Governance Statement** – this statement is a statutory document which sets out how the PCC has ensured that it has proper arrangements for governance of its affairs allowing it to effectively exercise its functions including the arrangements for the management of risk, during the financial year.

- (iii) **Comprehensive Income and Expenditure Statement** – this statement shows the accounting cost in the year of providing services in accordance with accounting standards, rather than the amount to be funded from taxation. Police & Crime Commissioners raise taxation to cover expenditure in accordance with regulations which will be very different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
- (iv) **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the PCC and the Group, analysed into usable reserves and other reserves. The surplus or deficit on the Provision of Services line shows the accounting cost of providing the services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amount required to be charged to the General Fund Balance. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves are undertaken.
- (v) **Balance Sheet** – the balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the PCC and the Group. The net assets (assets less liabilities) are matched by the reserves held by the Police & Crime Commissioner Group. Reserves are reported in two categories:
- Usable reserves - reserves that the PCC for Bedfordshire may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).
  - Unusable reserves - This category includes reserves that hold unrealised gains and losses, for example the revaluation reserve, where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- (vi) **Cash Flow Statement** – the Cash Flow Statement shows the changes in cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which operations of the PCC are funded by way of taxation and grant income or from the recipients of services provided by the PCC for Bedfordshire. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCC's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital.
- (vii) **Notes to the Accounts** – This sets out the accounting policies adopted by the PCC in order for the reader to understand the basis on which the PCC's transactions are presented. The notes also provide a detailed analysis of the summarised financial information in the financial statements, including the Expenditure and Funding Analysis.

### Pension Reserves

The balance sheet includes a liability of £989M which is the commitment that the PCC for Bedfordshire Group has in the long-term, to pay retirement benefits. This liability has a substantial impact on the net worth of the PCC for Bedfordshire Group as recorded in the balance sheet, resulting in a negative overall balance of £914M.

However, statutory arrangements for funding the deficit mean that the year-end financial position of the PCC for Bedfordshire remains sound as the deficit of the Local Government Pension Scheme (LGPS) will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary. Finance is only required to be raised to cover police pensions when the pensions are actually paid. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than amounts payable, the PCC for Bedfordshire 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 PCC for Bedfordshire who in turn must then repay the amount to central government.

The accounts have been prepared on the assumption that the PCC for Bedfordshire Group will continue in existence for the foreseeable future in accordance with the going concern concept, this is accepted based on the fact that the negative balance sheet position relates entirely to the pension deficit and will be made good by increased pension contributions from employees and from the Home Office.

### Changes compared to 2022/23.

The draft accounts for 2023/24 are prepared based on the roll forward of balances in the 2022/23 draft accounts which is still subject to audit. There have been widespread delays to local authority audits in the audit sector and for the PCC for Bedfordshire Group the 2021/22 audit is still to commence.

The PCC expects to sell the former Greyfriars Police station within the next financial year and it is now shown on the balance sheet as an asset held for sale. The valuation takes into account the agreed sale price but is discounted to reflect timing and risk.

Pension balances have been updated since the draft accounts for 22/23 were issued on 31<sup>st</sup> May 2023 with revised actuarial reports being received which gave rise to material adjustments to March 2023 balances. The 22/23 draft accounts would usually have been finalised with these changes included before 23/24 draft accounts being issued but as this is not the case this year then the draft accounts for 22/23 has been re-issued.

Creditors and Debtors balances show a £5M grant due to be provided and distributed by Bedfordshire Police acting as an agent for the grant provider in 22/23 are not repeated in 23/24. This related to ROCU funding.

The Chief Constables Net Cost of Services which is chargeable to the general fund increased by £14M. This is largely due to employee expenditure brought about by a 7.5% pay increase in the year for officers and by the uplift in officer numbers previously discussed, as well as innovation costs, for both the funding is recognised in the PCCs accounts. In addition, our regional capabilities increased with funding for that also shown in the PCC's accounts. Overall the Group cost of services chargeable to the general fund increased by £4.193M as shown in the Expenditure and Funding Analysis at Note 1.

The accounting adjustments decreased considerably, mainly due to the impact of changes made to the pension valuation assumptions as current service costs have gone from £47.391M in 22/23 to £17.142M in 23/24, these accounting adjustments are shown in the Expenditure and Funding Analysis and related notes and explained more at Note 37 Pension Schemes. This swing in current service costs affects the deficit on the provision of services shown in the Comprehensive Income and Expenditure Statement bringing it from £50.298M in 22/23 to £26.782M for the group in 23/24.

### **Further information**

Additional information on revenue and capital expenditure is detailed in the notes to the accounts. Further information may be obtained from:

Chief Finance Officer to the Police & Crime Commissioner  
The Office of the Police & Crime Commissioner for  
Bedfordshire  
Police Headquarters  
Woburn Road  
Kempston  
Bedford MK43 9AX

Any person interested also has a statutory right to inspect the Accounts at Police Headquarters, Woburn Road, Kempston, Bedford MK43 9AX before the completion of each annual Audit, as publicly advertised.

## Statement of Responsibilities

### The Police and Crime Commissioner Chief Finance Officer's Responsibilities

The Police and Crime Commissioner's Chief Finance Officer is responsible for the preparation of the PCC for Bedfordshire's statement of accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which are up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

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



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Philip Wells  
Chief Finance Officer to the Police & Crime Commissioner for Bedfordshire  
14<sup>th</sup> June 2024

### The Police & Crime Commissioner's Responsibilities

The Police & Crime Commissioner is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Police and Crime Commissioner's Chief Finance Officer) has the responsibility for the administration of those affairs;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure that there is an adequate annual governance statement;
- to approve the statement of accounts.

I approve the Statement of Accounts

John Tizard  
Police & Crime Commissioner for Bedfordshire

## Annual Governance Statement

This Annual Governance Statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Bedfordshire Police have complied with their published corporate governance framework for the year ended 31 March 2024, including plans for the financial year 2024/25.

A glossary of terms is provided at the end of the Statement of Accounts.

### **SCOPE OF RESPONSIBILITY**

Following the introduction of the Police Reform and Social Responsibility Act 2011 (the 2011 Act), the PCC and Chief Constable were established on 22 November 2012 as separate legal entities ('corporations sole') which means they are both entitled to own assets and employ staff. However, the 2011 Act gives PCCs responsibility for the totality of policing within their force area and requires them to hold their force Chief Constable to account for the operational delivery of policing.

Under the 2011 Act, the PCC is recipient of all funding, including government grant, precept and other sources of income related to policing and crime reduction, and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, who provides professional advice and recommendations to the PCC. However, the PCC is ultimately accountable to the public for the management of the Police Fund.

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Both the PCC and Chief Constable are required to, and have, appointed chief financial officers who each have a fiduciary duty to the local taxpayer for securing the efficient use of public funds. Under the Local Government Act 1999 the PCC makes arrangements to secure continuous improvement in the way his functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his police officers and staff remain operationally independent in the service of the public. In discharging his overall responsibilities, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The Policing Protocol Order 2011 requires both the PCC and Chief Constable to abide by the seven principles of personal conduct set out in 'Standards in Public Life: First Report of the Committee on Standards in Public Life' (commonly known as the 'Nolan Principles'), i.e. 'Selflessness', 'Integrity', 'Objectivity', 'Accountability', 'Openness', 'Honesty' and 'Leadership'. The Nolan Principles are incorporated into the College of Policing 'Code of Ethics' that applies to every individual who works in policing, including the Chief Constable and OPCC.



[https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code\\_of\\_Ethics.pdf](https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code_of_Ethics.pdf))

In addition, from an organisational perspective, the PCC and Chief Constable have approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA / SOLACE guidance 'Delivering Good Governance in Local Government' <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the Code and the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of the system of internal control.

## THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities (i.e. the PCC and Chief Constable) achieve their intended outcomes whilst always acting in the public interest.

The governance framework comprises the systems and processes, and culture and values by which the PCC and Chief Constable discharge their responsibilities and through which the police service accounts to and engages with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

## THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and the Force include:

### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The PCC and the Chief Constable have developed and approved a 'Joint Corporate Governance Framework' which clarifies the working relationship between the PCC, Chief Constable, and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations. The Framework is informed by the requirements of 'The Good Governance Standard for Public Services' and is consistent with the seven Nolan Principles of standards in public life.

The national police service Code of Ethics sets and defines the exemplary standards of behaviour for everyone who works in policing, placing an absolute duty on officers and staff. The Code applies to everyone in policing, officers, staff, volunteers, and

contractors. It applies both on and off duty. It guides behaviour within the organisation as much as it informs how to deal with those outside.

Measures are in place to ensure that the PCC and employees of the Office of the PCC (OPCC) and the Force are not influenced by prejudice, bias, or conflicts of interest in dealing with different stakeholders. This includes the Anti-Fraud, Bribery and Corruption Policy and guidance on the acceptance of gifts, loans, and hospitality. Notifications of disclosable interests and a register of gifts and hospitality are published on the PCC's and the force website.

The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public.

The Force has a Professional Standards Department (PSD) whose role is to uphold the ethical and professional standards of Bedfordshire Police by managing the application of police misconduct regulations, and the administration of complaints by members of the public against police officers and police staff below the rank of Chief Constable. Complaints against the Chief Constable are dealt with by the PCC. The independent Bedfordshire Police and Crime Panel (PCP) handles formal complaints made against the PCC.

The Deputy Chief Constable has regular monthly updates with PSD to consider conduct cases that are under investigation and the PCC conducts random dip sampling of cases.

Both the PCC and Chief Constable demonstrate respect for the rule of law and comply with relevant laws and regulations. Both have access to in-house legal advice to provide assurance of the same and guidance upon lawful decision making. The PCC is independent of Force management and operational decision-making, which is the responsibility of the Chief Constable. Established mechanisms ensure that legal and regulatory breaches and misuse of power are dealt with effectively. The PCC and Chief Constable (and all other individuals who work in policing) are subject to the College of Policing's Code of Ethics, which are consistent with the Nolan principles. The Chief Executive of the OPCC is also the designated statutory Monitoring Officer of the PCC's actions and decisions.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with good practice. Guidance originating from the College of Policing and NPCC is disseminated through the OPCC and/or the Office of the Chief Constable. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (APAC<sup>2</sup>E) and Police and Crime Commissioners Treasurers' Society (PACCTS) and is disseminated amongst the OPCC.

The Force employs a Force Vetting Manager and team within the Professional Standards Department to ensure compliance with relevant national vetting standards.

## **B. Ensuring openness and comprehensive stakeholder engagement**

The PCC has a statutory responsibility to consult the Chief Constable and obtain the views of the community and victims of crime about the policing of the Force area and must have regard to their views as well as the priorities of responsible authorities within Bedfordshire and relevant government bodies before issuing a Police and Crime Plan.

The Police and Crime Plan must be published by the end of the financial year in which the PCC is elected and, in Bedfordshire, is reviewed as necessary and

appropriate on an annual basis to ensure it remains relevant and fit for purpose. In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public.

Following his election in May 2021, the PCC published his Police and Crime Plan in autumn 2021. The PCC's Police and Crime Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered. His Plan is supported by the Force's Annual Delivery Plan, the OPCC's Strategic Delivery Plan and the Financial Strategy. The Police and Crime Plan has due regard to the Strategic Policing Requirement as issued by the Home Secretary and is developed in consultation with the Chief Constable, informed by the views of the local community, victims of crime and the priorities of other key stakeholders. A new PCC was elected in May 2024. The new PCC will launch his Police and Crime Plan in due course.

The independent Bedfordshire Police and Crime Panel meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the objectives contained in his Police and Crime Plan. It also meets specifically to consider the PCC's proposed annual council tax precept, Police and Crime Plan, Annual Report, and any proposed appointment to the roles of Deputy PCC, where applicable, Chief Constable, OPCC Chief Executive and OPCC Chief Finance Officer.

Arrangements have been agreed and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements, including a schedule of formal Beating Crime and Delivery Boards (now replaced by the Performance & Governance Board and one to one holding to account meetings with the Chief which are then made publicly available) for which agendas and minutes are published on the PCC's website (as well as the meeting itself made available through social media), supplemented by regular private liaison meetings between the PCC and Chief Constable. The PCC's transparency of holding the Chief Constable to account has been enhanced through publication of the recording and minutes from the unrestricted section of the Performance & Governance Board and the sharing of the meeting itself on social media. These arrangements have been strengthened even further in 2023/24 by the PCC chairing these meetings.

The Framework of Corporate Governance defines the parameters for decision making, including delegations, financial regulations, and contract regulations. The PCC has published his policy statement on decision making. All formal and significant PCC decisions taken in accordance with this policy are published on his website and are presented to the Police and Crime Panel on a bi-monthly basis.

The PCC proactively publishes information to maintain openness and transparency with the public on this same website; in doing so he also meets his obligations under the Elected Local Policing Bodies (Specified Information) Order 2011 and, as a public authority, under the Freedom of Information Act 2000.

The previous PCC published his second Annual Report in July 2023, and his final one was presented to the Police & Crime Panel on 4<sup>th</sup> June 2024.. This gives an outline of progress made against the PCC's strategic objectives from his Police and Crime Plan.

Key information about the Force, including the Annual Delivery Plan is published on the Bedfordshire Police website. Information about neighbourhood policing, partnerships and sponsors, corporate events and public misconduct or special case hearings is also published, including details of upcoming hearings and how to attend. The site also allows for crimes and road traffic incidents to be reported, feedback to be given or complaints made.

The PCC and Chief Constable regularly attend local authority council meetings across Bedfordshire and provide formal briefings to constituency MPs on topical policing and crime issues at both a local and national level. The Chief Constable, and his management team, meet monthly with the local MPs to discuss local issues. In addition, the Police and Crime Panel acts as a two-way mechanism to enable local authority Panel representatives to inform the PCC of their local policing and crime matters of importance to their respective authorities, and to brief their authorities of the activities and initiatives of the PCC (and the Panel).

The PCC works with and part-funds local authority Community Safety Partnerships, Youth Offending Teams and Drug and Alcohol Teams across Bedfordshire to support crime reduction and community safety activities in their local areas. Such activities are aligned to the PCC's strategic priorities and key aims, as set out in his Police and Crime Plan, and are funded from the PCC's Community Safety Fund. Through working in partnership, these activities help the PCC to deliver his strategic objectives and support partners in achieving their local priorities.

The PCC is Chair of the Bedfordshire Local Criminal Justice Board which meets quarterly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually and collectively by the criminal justice agencies. The Bedfordshire Deputy Chief Constable and Assistant Chief Constable represent the Force on the Board.

The Force has appropriate mechanisms for engaging with a variety of external organisational stakeholders. The Chief Constable attends regular meetings with the chief executives of all statutory partners sharing strategic information sharing and briefings for all key partners, including local authorities, blue light services, and health providers. In addition, senior police officers engage with the local authority commensurate to their geographic area, including their Community Safety Partnership.

Both the PCC and Chief Constable are members of the Strategic Alliances for the three force Collaboration of Bedfordshire, Cambridgeshire, and Hertfordshire as well as the seven force Eastern Region Alliance.

The OPCC and Chief Constable communication and engagement strategies explain how local people can interact with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction.

In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. Furthermore, the decisions and actions of the PCC are subject to regular review and scrutiny by the Police and Crime Panel.

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls through to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners, and local policing teams. In addition, the Force has active social media outlets including Facebook and Twitter. The Beds Alert system also enables electronic public engagement.

### **C. Defining outcomes in terms of sustainable service and economic benefits**

The PCC's Police and Crime Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered. Following his election in May 2024, the new PCC will publish his Police and Crime Plan in due course.

The Chief Constable's most recent Annual Delivery Plan, published in April 2024, outlines the organisation's organisational themes and operational objectives, taking account of the PCC's Police and Crime Plan, the Government's national Beating Crime Plan and Strategic Policing Requirement, outcomes from HMICFRS inspections and other local and national factors. Progress against the Annual Delivery Plan is assessed through focussed evaluation measures, and reviewed via the Force Executive Board and Learning, Demand and Futures Board.

The Chief Constable has updated the Force Vision with a clear focus on culture, system productivity, people, performance edge and innovation.

The organisation is committed to the identification and consideration of collaboration opportunities with regards systems, processes, and resourcing to sustain service delivery and increase the capacity and resilience of the organisation without diminishing capability and access to specialist services. Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration. There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including MASHs.

The Medium-Term Financial Plan (MTFP) and Capital Programme ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The MTFP, through the embedded Priority Based Budgeting (PBB) process identifies where savings and efficiencies can be achieved, and hence more resources directed to priority areas. Service delivery is reviewed within the Chief Constable's Force's Executive Board, which has been changed to include governance of all areas associated with: Change and Continuous Improvement Board, Performance Board and Learning, Demand and Futures Board.

Risk and business continuity matters are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery.

The Force and PCC have duties to consider the impact on equality of proposed changes to policies, procedures, and practices. Equality Impact Assessments are routinely undertaken by Bedfordshire Police for policies and change programmes to assess impact internally and externally for staff, stakeholders, and the public.

#### **D. Determining the actions necessary to achieve the intended outcomes**

The Force planning cycle has four phases, scan, plan do & review and incorporates strategic assessments of demand, assets and intelligence, the Annual Delivery Plan, the annual Force Management Statement, financial plans, and workforce plans. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (Force Executive), with regular updates provided to the PCC's Performance & Governance Board.

The Chief Constable maintains MTFPs, which form the basis of the annual budgets and provide a framework for the evaluation of future proposals. These are accompanied by mid-term workforce plans, managed by the People Portfolio.

Decision-making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. The National Decision Model was introduced to ensure a greater focus on delivering the mission of policing, acting in accordance with values, enhancing the use of discretion, reducing risk aversion, and supporting the appropriate allocation of limited policing resources as the demand for them increases. Both are now fully embedded in the Force, to ensure officers have the tools to act lawfully in their decision making and to enable them to use their full powers for the benefit of citizens, communities, and other stakeholders.

With regards to change programmes, Force change proposals are governed through the Change and Continuous Improvement Board, which co-ordinates and prioritises proposals, assessing them against the organisation's strategic objectives, capacity, and financial capability. These are overseen by the Force Executive Board. Each proposal is captured through an application, then if appropriate a business case. Projects and programmes requiring the support of a collaborated unit to deliver, are governed through a joint Programme Management Office (PMO) with representation from all Forces.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. These financial controls are subject to review as part of the annual audit programme.

The Chief Constable produces a MTFP and a Capital Programme which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective framework for decision making. The MTFP and Capital Programme are closely aligned to the PCC's Police and Crime Plan and the Force Annual Delivery Plan. The PCC approves the MTFP and the Capital Programme as well as the annual budgets.

The Police and Crime Panel must review the PCC's proposed council tax precept and make recommendations to the PCC before he formally sets the annual budget in February of each year. Formal budget monitoring is undertaken regularly throughout the year. It is presented to the PCC's Performance & Governance Board as well as being reviewed regularly at the Force Executive Board.

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal and treasury management, is sourced externally, as this is more practical and cost-effective. The PCC and Chief Constable use the annual staff appraisal process to focus individual employee contributions towards corporate objectives and measures, and to facilitate continuous professional development.

Chief Officers have clearly defined leadership roles and are responsible for implementing strategy and managing the delivery of services within their respective portfolios.

Officers and staff manage their performance and continuous development through the Performance Development Review framework. An annual assessment of competencies and objectives linked to Annual Delivery Plan outcomes is supported by regular conversations throughout the year and a requirement for officers and staff to undertake Continuous Professional Development, as applicable. The framework also allows for the management of unsatisfactory performance or attendance where

it is identified. The Force has a stated Health and Wellbeing Strategy, along with a workforce plan focussed on recruitment, retention, and resilience.

The Force continues to build on its success towards building a workforce that is more representative of the communities it serves and has further invested resources into its attraction and engagement to sustain the developments in this area.

Chief Officers have promoted a learning environment climate focussed on continuous service improvement, recognising the importance of independent and peer review when needed. Integral to this is the identification of lessons learned, recommendations and identified areas for improvement through end of project / programme closure reports undertaken before transitioning to business as usual, results analysis, individual management reviews, serious case reviews and HMICFRS audit / inspection processes.

The previous PCC implemented a staffing structure within the OPCC to ensure it has the necessary capability and capacity to support delivery of his statutory functions, such as commissioning services for victims and witnesses.

The PCC reviews the workload and performance of his office via the internal OPCC Strategic Delivery Plan, which allows him to identify workload priorities and staffing capacity needs in accordance with the delivery of his strategic priorities. The PCC employs a part-time dedicated Chief Finance Officer for the OPCC.

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). The Chief Constable and his fellow chief officers are members of the National Police Chiefs' Council (NPCC).

## **F. Managing risks and performance through robust internal control and strong public financial management**

The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The management of risk is governed through the Force Executive Board. The Board is responsible for ensuring strong oversight of strategic risk management and business continuity processes including taking ownership of strategic risk issues; delegating actions to appropriate managers; and accepting strategic risk report updates and recommendations flowing from the Force Executive Board.

The PCC and Chief Constable monitor service delivery effectively via their respective performance regimes.

The PCC has a duty to hold the Chief Constable to account for the performance of the Force generally. The PCC has therefore implemented an effective scrutiny and oversight function. He holds a monthly Performance & Governance Board at which the Chief Constable, and his management team, are required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Crime Plan, the Home Secretary's Strategic Policing Requirement, and the Force's own Plan. Similarly, the PCC meets monthly with the Chief Constable on a private, informal, basis to review and discuss more regularly the general performance of the Force against topical national, regional, and local issues.

The Force maintains an internal process to track implementation of actions from HMICFRS inspections, which is monitored through the Learning, Demand and Futures Board chaired by the Director of Strategic Services, with updates by exception to the Force Executive Board.

The Assistant Chief Constable chairs monthly Performance Boards, which report into the Force Executive Board, at which the Chief Constable reviews performance of the Force against plans. Gold Groups are set up to manage specific areas of vulnerability or performance as necessary, for example in response to a critical incident.

A Joint Audit Committee (JAC) operates in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Home Office Financial Management Code of Practice. The JAC's main role is to provide assurance to the PCC and Chief Constable that the corporate internal control and governance framework, including risk management, is operating effectively. It does this by providing an annual report to the PCC and Chief Constable. The JAC meets in public, with reports and minutes placed on the PCC's website.

Effective counter-fraud and anti-corruption arrangements are in place and are monitored, in the main, by the Professional Standards Department. The Anti-Fraud, Bribery and Corruption Policy is updated regularly and is considered and endorsed by the JAC before formal publication.

The Internal Audit Team provides assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control.

The Force manages its information in accordance with the Data Protection Act 2018 and the General Data Protection Regulation, the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information and is overseen by the Information Management Governance Board chaired by the Deputy Chief Constable. The BCH Information Management Department (IMD) leads on information compliance for Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary and ensures that appropriate policies and procedures are in place. The IMD is also responsible for providing guidance on lawful sharing of information with partners and completion of Data Protection Impact Assessments and maintains a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. NCALT training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a MTFP and a Capital Programme which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision making. Formal budget monitoring is undertaken regularly throughout the year, reviewed by the Force Executive, and presented to the PCC's Performance & Governance Board.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Assistant Chief Officer (the current postholder, who is also the CFO for the Chief Constable was confirmed in post by the Police and Crime Panel in February 2023. Prior to this the CFO from Bedfordshire Fire and Rescue Service held the post). The Chief Internal Auditor provides a regular update to the JAC and provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.



The financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer of the PCC and the Chief Financial Officer of the Chief Constable.

### **G. Implementing good practices in transparency, reporting and audit to deliver effective accountability**

The PCC and the Chief Constable attempt to strike a balance between providing the right amount of information to satisfy transparency demands and enhance effective public scrutiny whilst not being too onerous to provide and for users to easily access and understand.

The PCC's decisions and actions are scrutinised by the Police and Crime Panel, which includes reviews of significant documentation produced by the OPCC for the benefit of the public. Decisions of significant public interest made by the PCC are published in accordance with a template that ensures they are easy to access and interrogate. Similarly, public reports are compiled in accordance with best practice and scrutinised by the JAC.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 and publishes required information on the OPCC website.

The PCC reports at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way.

The PCC and Chief Constable maintain a process to assess the extent to which the organisation is applying the principles contained in the Joint Corporate Governance Framework and publish the results of that assessment in the Annual Governance Statement, including an action plan for improvement and evidence to demonstrate good governance in action.

The PCC and Chief Constable ensure that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities.

The PCC and Chief Constable ensure that all accepted recommendations for corrective action made by external audit are acted upon.

The Internal Audit function has direct access to the PCC, Chief Constable and the JAC, and provides assurance about the organisation's governance arrangements. The JAC monitors progress with regards to timely implementation of agreed internal audit report actions.

Both the PCC and Force are subject to external independent scrutiny and review, through the external audit of their financial statements, systems, and management arrangements, and through the inspection of policing performance by HMICFRS. The resultant audit and inspection reports are published on the PCC's website.

HMICFRS is charged with independently assessing the effectiveness, efficiency and legitimacy of police forces and fire and rescue services, in the public interest. The PCC is required to publish a response to formal reports issued by HMICFRS. The Force engages fully with the cycle of Police Effectiveness, Efficiency and Legitimacy (PEEL) inspections, Joint Targeted Area Inspections and Thematic Inspections as required.

The PCC and Chief Constable make best use of peer challenge, reviews and inspections from regulatory bodies and professional partners (e.g. College of Policing) and implement agreed recommendations.

When working in partnership, the PCC and Chief Constable ensure that the arrangements for accountability are clear and that the need for wider public accountability has been recognised.

## ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the adequacy and effectiveness of the governance framework on at least an annual basis. This includes:

### a) The Police and Crime Commissioner

The PCC has the following key statutory duties and powers to:

- produce and publish a Police and Crime Plan that sets out the PCC's policing and crime objectives;
- set the annual policing budget and council tax precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control;
- have regard to the relevant priorities of, and act in co-operation with, responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the Force area;
- commission victims' services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and
- produce and publish an annual report.

The following key governance activities took place during 2023/24 and demonstrate how the PCC has discharged these powers and duties during that year:

- The PCC allocated Community Safety Funds to help improve community safety and crime prevention across Bedfordshire. These were reported to the Police and Crime Panel.
- The PCC published the 2022/23 Annual Report in July 2024, giving an outline of progress made against the PCC's strategic objectives from his Police and Crime Plan. The 2023/24 Annual Report will be reported to the Police and Crime Panel on 4<sup>th</sup> June 2024.
- During the autumn of 2023 the PCC worked closely with the Chief Constable to update the MTFP (2024/25 to 2027/28). The PCC presented the budget and council tax proposals for 2024/25 to the Police and Crime Panel on 6<sup>th</sup> February 2024. The Panel voted to accept the £13 increase in Band D council tax.
- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. BCH and seven Force Alliances, Chiltern Transport Consortium, and the National Police Air Service).
- Monthly Performance & Governance Board, supplemented by regular private and informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account.

## **b) The Force**

The Force Executive Board meets monthly to govern and monitor Force strategy, policies, performance, and progress against the annual delivery plan. The Joint Chief Officers Board (for the BCH Alliance) meets monthly to provide similar governance for areas of collaboration.

Key discussions during the year include review of the MTFP, Capital Programme and the PCC reserves as part of the annual budget cycle. The financial plans were considered several times, and the associated decisions facilitated the formal approval of the Revenue Budget and Capital Programme 2024/25 by the PCC in early 2024. As part of the annual budget process the Priority Based Budgeting outcomes were also considered.

The PCC, Chief Constable and Deputy Chief Constable attend regular seven force collaboration boards for oversight of regional collaboration such as PEQF and the Emergency Services Network, gas well as the operational elements of ERSOU.

The Force's Strategic Services and Improvement Department continues to draw together corporate and strategic elements of the organisation. The over-arching function is to provide a central point of co-ordination, governance, strategy, policy, and guidance development, change delivery, and the provision of internal evaluation of delivery including the identification of opportunities for continuous improvement.

## **c) The Joint Independent Audit Committee**

Quarterly meetings of the JAC consider external audit and internal audit plans; updates of the Force and OPCC strategic risk registers; and written briefings on other assurance issues from the OPCC and Force. JAC members can attend Force working groups as observers to gain a greater understanding of current governance, operational and risk activities and to assist their judgment of the adequacy of the overall Joint Corporate Governance Framework. In addition, the JAC Members have at least one development day per annum to allow them to be provided with more detail on various aspects of the Force and OPCC.

## **d) Internal audit**

The annual report of the Chief Internal Auditor for 2023/24 contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment for both the PCC and Chief Constable:

*The organisation has an adequate and effective framework for risk management, governance and internal control.*

*However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.*

## **e) External audit**

On 24<sup>th</sup> March 2023 DBO, the external auditor, issued an unqualified audit opinion in respect of the 2020/21 statement of accounts to both the PCC and the Chief Constable.

Despite the 2021/22 and 2022/23 statement of accounts being published by the due date no date has been set for the audit of these accounts by our external auditors for this period who were DBO. They wrote to Jagtar Singh in his capacity as the Chair of the Audit Committee explaining the reasons for delay. As a result, no audit letter or opinion has been given provided by the external auditors. This delay is beyond the

control of Bedfordshire Police, this means that the opening balances contained within these statement of accounts have not been externally verified.

In February 2024, the government launched a consultation on the best way to clear the backlog in local authority audit, which outlined measures to “reset” the system through a backstop date of 30 September 2024 to publish accounts for all outstanding years up to and including 2022/23. If accounts are not finalised by this deadline disclaimers of opinion will be issued. This means that the auditor does not provide an opinion and this is the position that the PCC and Chief Constable are both expecting.

BDO have been replaced by KPMG from the commencement of the 2023/24 financial year onward and expect to provide an audit opinion by the final accounts publication deadline of 31<sup>st</sup> December 2024. However this opinion is expected to be a qualified opinion meaning that the audit report will state that the financial statements give a true and fair view ‘except for’ the effects of any adjustments that might have been found necessary, had a limitation of scope not affected the evidence available. This limitation is not so significant that a disclaimer of opinion is required but is brought about by the disclaimer of opinion given for the accounts of the prior year.

The 2023/24 unaudited financial statements will be signed by the PCC’s CFO and Chief Constable’s CFO on 14 June 2024 and published on that same day.

#### **f) Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)**

In 2018/19, HMICFRS adopted an integrated approach to the PEEL inspection programme, combining the effectiveness, efficiency, and legitimacy strands into a single inspection. From 2021 forces receive one of five graded judgements in their inspected service areas: outstanding; good; adequate; requires improvement; inadequate. The report from the most recent (autumn 2021) PEEL inspection of Bedfordshire, published in April 2022, gave graded judgements in eight aspects:

- **Outstanding** in Managing offenders and suspects.
- **Good** in Engaging with and treating the public with fairness and respect.
- **Good** in preventing crime and anti-social behaviour.
- **Good** in building, supporting and protecting the workforce.
- **Good** in strategic planning, organisational management and value for money.
- **Adequate** in Protecting vulnerable people.
- **Requires improvement** in Responding to the public.
- **Requires improvement** in investigating crime.

Disrupting serious and organised crime was subject to a separate PEEL report (published May 2023) and received a grading of ‘good’. Of all the other police forces to have had their 2021/22 PEEL inspection reports published by May 2023, Bedfordshire remains in the upper quartile.

Preparations are underway for the next PEEL inspection of Bedfordshire, with the main inspection visit scheduled for September 2024.

Areas for improvement from inspection activities are managed through a dedicated tracker, governed by the Force’s Learning, Demand and Futures Board, chaired by the Director of Strategic Services.

A monthly task and finish group chaired by the DCC and attended by all the key business area leads will continue from late summer 2023 to provide oversight and guidance to the next phase of the PEEL assessment programme (2023/24).

The full list of HMICFRS publications is shown on the HMICFRS website.

The Force submitted its 2024 Force Management Statement to HMICFRS in May 2024. This comprised; a strategic assessment of current and future demands; a strategic assessment of workforce and non-workforce assets; and force and collaboration plans to manage and mitigate future demand. The Force continues to be heavily engaged in national co-ordination of the Force Management Statement process.

#### **g) Risk management and business continuity**

The strategic risk registers for the PCC and Chief Constable are updated quarterly and reviewed by the Joint Audit Committee. The PCC risk register is reviewed at its Senior Leadership Team meeting and the Force risk register is reviewed by the Force Executive Board.

#### **h) Health and Safety and Environmental Management**

Bedfordshire Police have a Health & Safety Board that meet on a quarterly basis. The purpose of the Board is to initiate, promote, maintain, and review measures of health and safety of all those that work for, or engage with, Bedfordshire Police. The Bedfordshire Health & Safety Board feeds into the BCH Health & Safety Board.

The Bedfordshire Deputy Chief Constable chairs a BCH Health and Safety Board to ensure that appropriate measures are in place and all officers and staff have been required to complete mandatory training on specific areas of Health and Safety. The Force has allocated co-ordination of Health and Safety issues for Bedfordshire to the Director of the Strategic Services and Improvement Department. The Bedfordshire Strategic Risk Register contains a specific Health and Safety strategy risk to ensure ongoing monitoring or strategic Health and Safety issues.

#### **i) Ethics and Integrity**

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handling by the Force.

All complaints against the Chief Constable are reported to the PCC's Performance & Governance Board and any complaints against the PCC are reported to the Police and Crime Panel.

The Chief Constable continues to promote the fundamental importance of Bedfordshire Police officers and staff employing the highest professional standards, principles which are embodied and enforced through the Code of Ethics. All new Officers and staff receive training on the Code of Ethics as part of their induction.

#### **j) Bedfordshire Police and Crime Panel**

The independent Police and Crime Panel met seven times in 2023/24. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2022/23 year with the final one presented on 4<sup>th</sup> June 2024; scrutiny and consideration of the PCC's 2024/25 budget and council tax precept proposals. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the Police and Crime Plan strategic

priorities and key aims, including the contribution made by other partner agencies, and on matters of topical interest to the Panel.

#### **k) Collaboration and partnership working**

The Strategic Alliance Summit oversees and scrutinises the work of the existing collaborative functions (i.e. Joint Protective Services, Organisational Support and Operational Support) as well as an overview of the national developments and their impact on Bedfordshire, Cambridgeshire & Hertfordshire.

With Bedfordshire having host force status for Joint Protective Services the PCC's Chief Executive attend the JPS Governance Boards (chaired by the Bedfordshire DCC) on his behalf.

The Eastern Region Special Operations Unit (ERSOU), hosted by Bedfordshire, brings together the current regional organised crime units under one structure. It is operationally aligned with the eastern Region Counter Terrorism Investigation Unit (CTIU). A joint ACC, who reports directly to the Deputy Chief Constable of Bedfordshire, exercises overall command of the regional crime and counter terrorism functions. The joint ACC also represents serious organised crime at the Eastern Region Governance Board and nationally with the National Crime Agency and other key stakeholders

#### **SIGNIFICANT GOVERNANCE ISSUES**

It should be noted that significant operational issues continuing to face the organisation are not necessarily a result of weaknesses within the internal control and governance framework.

- The Financial Statements for 2021/22 and 2022/23 have been published as required as draft statements, however to date there is no timetable for the auditing of these Statements from the External Auditors.
- The PCC continues to receive Special Grants for Operations Boson and Costello. However, these are time limited grants and whilst continuation funding has been agreed for 2024/25 and is expected in 2025/26. Bedfordshire Police continues to be, inappropriately funded to tackle the disproportionate demands it faces in relation to gun, gang and knife crime and organised crime groups. These grants are likely to reduce over the forthcoming years placing additional funding pressures on the Force.
- Out of the 7 Bedfordshire only internal audit reports issued during the year 6 received substantial assurance and at the time of writing the other one was still to be agreed. Of the 5 collaborated audits that took place, 1 received substantial assurance and 3 received reasonable assurance. The final audit for 7F Procurement was still in draft.
- Despite the improved funding position for Bedfordshire there remains a need, based upon the fact that the complexity and level of demand in Bedfordshire is not commensurate with the way in which policing is funded for both the PCC and Chief Constable to continue with their focus on continue to enhance its understanding of demand, its impact on performance and its ability to fund priority activities over the coming year. There is also a need to ensure that short term specific funding is put on a long-term footing through a revised national funding formula.
- Significant improvement has been made in relation to responding to the public via the Control Room. The Force will now focus on performance by

further enhancing its response to the public and improving its solved crime rate.

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**John Tizard**  
PCC for Bedfordshire

**Philip Wells**  
Chief Finance Officer

## Comprehensive Income and Expenditure Statement

## The Police and Crime Commissioner for Bedfordshire Group

2022/23 – RESTATED (UNAUDITED)			2023/24 – DRAFT UNAUDITED				
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
88,361	-423	87,938	Policing	88,382	-572	87,809	
57,552	-24,780	32,772	Collaborated Units	63,724	-29,562	34,162	
63,806	-23,916	39,890	Corporate / Support Services	42,374	-29,934	12,439	
5,022	-2,522	2,501	Office of the Police & Crime Commissioner	4,876	-2,747	2,129	
<b>214,742</b>	<b>-51,641</b>	<b>163,101</b>	<b>Cost of Services</b>	<b>199,355</b>	<b>-62,816</b>	<b>136,539</b>	
		-12,425	Other Operating Income & Expenditure			-10,506	10
		37,608	Financing & Investment Income & Expenditure			43,607	11
		-137,986	Taxation & Non-Specific Grant Income			-142,859	12
		<b>50,298</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>26,782</b>	
		-751	(Surplus) or deficit on revaluation of non-current assets			-269	
		-534,665	Re-measurements of the net defined benefit liability			-21,263	
		<b>-535,416</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>-21,532</b>	
		<b>-485,118</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>5,250</b>	



## The Police and Crime Commissioner for Bedfordshire

2022/23 – RESTAED - UNAUDITED				2023/24 – DRAFT UNAUDITED					
Chief Constable Net Expenditure	The Police & Crime Commissioner				Chief Constable Net Expenditure	The Police & Crime Commissioner			Notes
	Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
88,024	0	-86	-86	Policing	88,039	0	-230	-230	
54,781	0	-22,009	-22,009	Collaborated Units	60,450	0	-26,288	-26,288	
48,715	4,653	-13,478	-8,825	Corporate & Support Services	26,255	5,200	-19,016	-13,816	
0	5,022	-2,522	2,501	Office of the Police & Crime Commissioner	0	4,876	-2,747	2,129	
<b>191,521</b>	<b>9,675</b>	<b>-38,095</b>	<b>-28,419</b>	<b>Cost of Services</b>	<b>174,745</b>	<b>10,076</b>	<b>-48,281</b>	<b>-38,205</b>	
			-12,425	Other Operating Income & Expenditure				-10,506	10
			-163	Financing & Investment Income & Expenditure				169	11
			-137,986	Taxation & Non-Specific Grant Income				-142,859	12
			180,728	PCC Funding for Financial Resources Consumed				193,784	5
			<b>1,735</b>	<b>(Surplus) or Deficit on Provision of Services</b>				<b>2,383</b>	
			-751	(Surplus) or Deficit on revaluation of non-current assets				-269	
			-1,701	Re-measurements of the net defined benefit liability				-199	
			<b>-2,452</b>	<b>Other Comprehensive Income &amp; Expenditure</b>				<b>-468</b>	
			<b>-718</b>	<b>Total Comprehensive Income &amp; Expenditure</b>				<b>1,915</b>	

Movement in Reserves Statement for the Year Ended 31 March 2024 - Group

The Group	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Group Reserves
DRAFT - UNAUDITED	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 <sup>st</sup> April 2023	-11,459	0	-1,293	-12,752	921,122	908,370
<u>Movement In Reserves during 2023/24</u>						
Total Comprehensive Income & Expenditure	26,782	0	0	26,782	-21,532	5,250
Adjustments between accounting basis & funding basis under regulations	-26,423	0	1,129	-25,294	25,294	0
Net (Increase)/Decrease	359	0	1,129	1,488	3,762	5,250
Balance as at 31 <sup>st</sup> March 2024	-11,100	0	-164	-11,264	924,884	913,620

Movement in Reserves Statement for the Year Ended 31 March 2024 – Commissioner

The Commissioner	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Reserves
DRAFT - UNAUDITED	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 <sup>st</sup> April 2023	-11,456	0	-1,293	-12,754	-33,475	-46,227
<u>Movement In Reserves during 2023/24</u>						
Total Comprehensive Income & Expenditure	2,383	0	0	2,383	-468	1,915
Adjustments between accounting basis & funding basis under regulations	-2,024	0	1,129	-895	895	0
Net (Increase)/Decrease	359	0	1,129	1,488	427	1,915
Balance as at 31 <sup>st</sup> March 2024	-11,097	0	-164	-11,266	-32,961	-44,224

Movement in Reserves Statement for the Year Ended 31 March 2023 – Group

The Group - Restated	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Group Reserves
DRAFT - UNAUDITED	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 <sup>st</sup> April 2022	-11,559	0	-101	-11,660	1,405,149	1,393,489
<u>Movement In Reserves during 2022/23</u>						
Total Comprehensive Income & Expenditure	50,298	0	0	50,298	-535,416	-485,118
Adjustments between accounting basis & funding basis under regulations	-50,198	0	-1192	-51,390	51,390	0
Net (Increase)/Decrease	100	0	-1,192	-1,092	-484,026	-485,118
Balance as at 31 <sup>st</sup> March 2023	-11,459	0	-1,293	-12,752	921,122	908,370

Movement in Reserves Statement for the Year Ended 31 March 2023 – Commissioner

The Commissioner - Restated	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Reserves
DRAFT UNAUDITED	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 <sup>st</sup> April 2022	-11,557	0	-101	-11,660	-33,762	-45,422
<u>Movement In Reserves during 2022/23</u>						
Total Comprehensive Income & Expenditure	1,734	0	0	1,734	-2,452	-718
Adjustments between accounting basis & funding basis under regulations	-1,634		-1192	-2,828	2,828	0
Net (Increase)/Decrease	100	0	-1,192	-1,094	376	-718
Balance as at 31 <sup>st</sup> March 2023	-11,456	0	-1,293	-12,754	-33,387	-46,139

**Balance Sheet**

The PCC for Bedfordshire and Group

RE-STATE DRAFT – UNAUDITED			DRAFT - UNAUDITED		
The Commissioner	The Group		The Commissioner	The Group	
As at 31st March 2023	As at 31st March 2023		As at 31st March 2024	As at 31st March 2024	
£'000	£'000		£'000	£'000	Notes
		Property Plant & Equipment			
59,300	59,300	- Land and Buildings	62,012	62,012	13
5,224	5,224	- Vehicles	5,760	5,760	13
7,890	7,890	- Furniture & Equipment	7,280	7,280	13
545	545	Intangible Assets	462	462	14
315	315	Investment Property	305	305	13
552	552	Surplus Assets	-	-	13
9	9	Long Term Debtors	-	-	
<b>73,835</b>	<b>73,835</b>	<b>Total Long Term Assets</b>	<b>75,819</b>	<b>75,819</b>	
2,000	2,000	Short Term Investments	5,000	5,000	15
-	-	Assets Held for Sale	1,260	1,260	13
-	68	Inventories	0	64	
34,664	44,694	Short Term Debtors	26,496	38,331	17
6,654	6,654	Cash & Cash Equivalents	4,496	4,496	18
<b>43,318</b>	<b>53,416</b>	<b>Current Assets</b>	<b>37,252</b>	<b>49,151</b>	
-17,003	-50,192	Short Term Creditors	-12,176	-49,236	22
-16,770	-	Intra-group Creditor*	-17,113	-	5
<b>-33,773</b>	<b>-50,192</b>	<b>Current Liabilities</b>	<b>-29,289</b>	<b>-49,236</b>	
-	-813	Provisions	-	-700	
-37,020	-37,020	Long Term Borrowing	-39,559	-39,559	15
-221	-947,956	Liability relating to Defined Benefit Pension Schemes	-	-949,096	38
<b>-37,241</b>	<b>-985,429</b>	<b>Long Term Liabilities</b>	<b>-39,559</b>	<b>-989,355</b>	
<b>46,139</b>	<b>-908,370</b>	<b>Net Assets</b>	<b>44,223</b>	<b>-913,620</b>	
-12,752	-12,752	Usable Reserves	-11,264	-11,264	9
-33,387	921,122	Unusable Reserves	-32,960	924,884	23
<b>-46,139</b>	<b>908,370</b>	<b>Total Reserves</b>	<b>-44,224</b>	<b>913,620</b>	

\*The Intra-group creditor is shown to reflect the amount due to the Chief Constable in order to support the overall liabilities which have been incurred under the Chief Constable's day to day control. As this is balanced by an Intra-group debtor on the Chief Constable's balance sheet there is no effect on the group.

These financial statements are draft and subject to audit



Philip Wells

Chief Finance Officer  
14<sup>th</sup> June 2024

**Cash Flow Statement**

As at 31 <sup>st</sup> March 2023 RESTATED DRAFT - UNAUDITED			As at 31 <sup>st</sup> March 2024 DRAFT -UNAUDITED		
The Commissioner	The Group		The Commissioner	The Group	
£'000	£'000		£'000	£'000	Notes
-1,735	-50,298	Net surplus or (deficit) on the provision of services	-2,383	-26,782	24
3,701	52,264	Adjust net surplus or deficit on the provision of services for noncash movements	9,067	33,466	24
-2,017	-2,017	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-2,002	-2,002	24
<b>-51</b>	<b>-51</b>	<b>Net cash flows from Operating Activities</b>	<b>4,682</b>	<b>4,682</b>	
-5,141	-5,141	Investing Activities	-9,379	-9,379	25
10,000	10,000	Financing Activities	2,539	2,539	26
<b>4,808</b>	<b>4,808</b>	<b>Net increase or (decrease) in cash and cash equivalents</b>	<b>-2,158</b>	<b>-2,158</b>	
<b>1,846</b>	<b>1,846</b>	Cash and cash equivalents at the beginning of the reporting period	<b>6,654</b>	<b>6,654</b>	18
<b>6,654</b>	<b>6,654</b>	Cash and cash equivalents at the end of the reporting period	<b>4,496</b>	<b>4,496</b>	18

## Notes to the Accounts

### Note 1 Expenditure & Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with the generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the forces departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income & Expenditure Statement.

### The Police and Crime Commissioner for Bedfordshire Group

2022/23				2023/24			
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
87,938	0	87,938	Policing	87,809	0	87,809	
32,843	-71	32,772	Collaborated Units	34,260	-98	34,162	
12,258	27,632	39,890	Corporate & Support Services	14,834	-2,395	12,439	
1,827	674	2,501	Office of the Police & Crime Commissioner	2,156	-27	2,129	
<b>134,866</b>	<b>28,235</b>	<b>163,101</b>	<b>Cost of Services</b>	<b>139,059</b>	<b>-2,520</b>	<b>136,539</b>	
-134,767	21,963	-112,804	Other Income & Expenditure	-138,700	28,943	109,757	
100	50,198	50,298	(Surplus) or Deficit	359	26,423	26,782	
11,559			Opening General Fund Balance	11,459			
-100			Less/ Plus Surplus or (Deficit) on General Fund Balance in Year.	-359			
11,459			Closing General Fund Balance as at 31 March	11,100			



## The Police and Crime Commissioner for Bedfordshire – Expenditure & Funding Analysis

2022/23				2023/24			
The Police & Crime Commissioner				The Police & Crime Commissioner			
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
-86	0	-86	Policing	-230	0	-230	
-22,009	0	-22,009	Collaborated Units	-26,288	0	-26,288	
-15,203	6,378	-8,825	Corporate & Support Services	-20,988	7,172	-13,816	
1,827	674	2,501	Office of the Police & Crime Commissioner	2,156	-27	2,129	
<b>-35,471</b>	<b>7,052</b>	<b>-28,419</b>	<b>Cost of Services</b>	<b>-45,350</b>	<b>7,145</b>	<b>-38,205</b>	
35,571	-5,418	30,153	Other Income & Expenditure	45,709	-5,121	40,588	
100	1,634	1,734	(Surplus) or Deficit on Provision of Services	358	2,024	2,383	
11,559			Opening General Fund Balance	11,458			
-101			Less/ Plus Surplus or (Deficit) on General Fund Balance in Year.	-358			
11,458			Closing General Fund Balance as at 31 March	11,100			

## Notes to the Accounts Continued

### Note 2 Accounting Policies

#### A. General

The Statement of Accounts summarises the transactions for the 2023/24 financial year and the position of the Group as at 31 March 2024. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) which is recognised by statute as representing proper accounting practice. The Income and Expenditure Statement is presented as per the Service Reporting Code of Practice published annually by CIPFA.

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets.

The Chief Constable's Accounting Policies are disclosed separately in their Statement of Accounts.

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the PCC/CC will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue. In carrying out a Going Concern assessment the PCC has taken into account its statutory duty to allocate assets and funds to the Chief Constable. The PCC/CC has considered known and expected government funding and determined that it has sufficient liquidity from its ability to access short term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the PCC/CC are satisfied that they can prepare their accounts on a going concern basis. The PCC/CC's detailed assessment has considered the following:

- We have a history of strong and effective financial management;
- We have carried out a self-assessment against the new CIPFA Financial Management Code;
- We have once again managed revenue and capital resources within budget during 2023/24 and have done so during several difficult financial years.
- We have an efficient and effective internal audit service that reports jointly to the PCC CFO and the Force Assistant Chief Officer. Quarterly update reports are presented to the Joint Internal Audit Committee. The annual report of the Chief Internal Auditors for 2023/24 reported that the organisation has an adequate and effective framework for risk management, governance and internal control.
- We produce and publish a detailed annual financial strategy, capital strategy, reserves strategy and a treasury management strategy statement;
- We produce a 4 year medium term financial plan as well as a 4 year capital plan;
- We have an embedded Priority Based Budgeting model that allows service to move with the funding envelope;
- The medium term financial plan is fully balanced in 2024/25 but has identified shortfalls in later years. Work is ongoing to update the draft budget for 2025/26 and medium term financial plan and regular updates will be provided to both the Force Executive and PCC in coming months;
- We are maintaining our general reserve to 3% of the net revenue expenditure and we have maintained a budget reserve to assist with smoothing funding deficits over the medium term;
- The CFO publishes a Section 25 report (Local Government Act 2003) analysis within the annual budget report highlighting all key issues and concerns;
- The Annual Governance Statement for 2023/24 has not identified any significant areas weakness in governance or internal control that require immediate attention during 2023/24

Based on all of the above, the PCC does not consider that there is a material uncertainty in respect of its ability to continue as a going concern for the period to 30 December 2025.

#### **B. Cost Recognition and Intra-Group Adjustment**

All contracts are held in the name of the PCC for Bedfordshire and the PCC pays for all expenditure including salaries of police officers, PCSOs and police staff. There is no transfer of cash between the PCC and Chief Constable, the Chief Constable does not have a bank account into which monies can be received or paid from. Costs are recognised in the Chief Constable's accounts to reflect the resources consumed and generated in the direction and control of day to day policing at the request of the Chief Constable.

In addition, the Chief Constable's accounts reflect the employment and post-employment liabilities in accordance with IAS19 which states that liabilities relating to these benefits should follow the cost of employment. The Chief Constable's Total Comprehensive Income and Expenditure reflects the movement in the Chief Constable's unusable reserves as all other net expenditure is met by a transfer of resources from the PCC and no usable reserves are held by the Chief Constable.

#### **C. Recognition of Non-Current Assets**

Expenditure on the acquisition, creation or enhancement of non-current assets is capitalised provided that it is probable that the future economic benefits or service potential associated with the item will flow to the PCC for Bedfordshire for more than one year and the cost of the item can be measured reliably. The expenditure is capitalised on an accruals basis and a 'de-minimis' capitalisation value of £10K is applied to individual projects.

Expenditure that maintains, but does not add to, an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged to the Comprehensive Income and Expenditure Statement when it is incurred.

#### **D. Measurement of Non-Current Assets**

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The PCC for Bedfordshire does not capitalise borrowing costs incurred.

Land and Buildings are valued as at 31<sup>st</sup> March 2024 on the basis of current value as required by CIPFA. Investment properties are valued on the basis of fair value. These valuations have been prepared in accordance with the RICS Appraisal and Valuation Standards ('the red book') and undertaken by Gerald Eve LLP. Full revaluations are undertaken at three yearly intervals, with a yearly review of interim values.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service.

Where decreases in value are identified, the revaluation loss is accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, that carrying amount of the asset is written down against that balance (up to the value of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset or the balance remaining after write out to the Revaluation Reserve is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

Furniture and equipment are held at depreciated historical cost and intangible assets are held at historical cost less amortisation. Intangible assets consist of purchased software licences.

Vehicles are held at historical cost less depreciation, the useful lives and estimated residual values of the vehicle fleet are based on the values held in the vehicle fleet management system and these values are reviewed annually.

Where expenditure on non-current assets qualifies as capital expenditure for statutory purposes, depreciation/amortisation, impairment losses and disposal gains are not permitted to have an impact on the general fund balance. The gains and losses are therefore reversed out of the Police Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

#### **E. Impairment of Non-Current Assets**

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any differences are estimated to be material, the recoverable amount of the asset is estimated, and where this is less than the carrying amount of the asset, an impairment loss is recognised.

The impairment loss can be charged to the Revaluation Reserve up to the value of the accumulated gains. Where there is no balance or insufficient balance in the Revaluation Reserve the carrying value of the asset or the balance remaining after write out to the Revaluation Reserve is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

IAS 36 – Impairment of Non-Current Assets requires all impairments, including those that relate to a ‘clear consumption of economic benefits’ to be recognised in the revaluation reserve up to the amount in the revaluation reserve for each respective asset.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### F. Disposal of Non-Current Assets

When it becomes probable that the carrying value 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. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Subsequent gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

When an asset is disposed of, the value 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 in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts in excess of £10K are categorised as capital receipts which are required to be appropriated to the Usable Capital Receipts reserve from the General Fund Balance in the Movement in Reserves Statement.

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

#### G. Depreciation

Depreciation is provided for on all non-current assets by allocating the value of the asset over the assets useful life. An exception is made for assets without a determinable useful life (i.e. freehold land), assets that are not yet available for use (i.e. works in progress), assets that are investment properties or held for sale.

Depreciation is calculated on the following basis:

##### **Buildings**

In accordance with IAS 16 – Non Current Assets, the usable lives of buildings have been assessed and depreciated on a straight line basis dependent on their useful lives as estimated by the valuers.

##### **Vehicles, Plant, Furniture and Equipment**

Depreciation is charged in full on plant, furniture and equipment commencing the year after acquisition on a straight line basis over 5 years and assuming a nil residual value. For vehicles, depreciation is charged on a straight line basis over their useful lives after taking into account their estimated residual values.

##### **Jointly Controlled Assets**

The Comprehensive Income and Expenditure Statement is charged with depreciation on assets held by the Eastern Region Special Operations Unit according to the agreed contribution of each arrangement. Assets are held in each authority's balance sheet at their relevant share of depreciated historical cost or depreciated to existing use value.

##### **Intangible Assets**

Intangible assets (purchased software licences) are amortised on a straight line basis over 5 years, commencing the year after acquisition and assuming a nil residual value.

The PCC for Bedfordshire has decided that for new components of non-current assets to be recognised and depreciated separately they must be greater than 15% of the value of the non-current asset. No new capital purchases meet this criterion and therefore depreciation is based on the components given by the valuers.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged 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.

#### **H. Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are charged with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible non-current assets attributable to the service.

The PCC for Bedfordshire is not required to raise council tax to cover depreciation, impairment losses or amortisations. However, the PCC for Bedfordshire has a statutory duty to make a prudent annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. Depreciation, impairment losses and amortisations are therefore replaced by the Minimum Revenue Provision (MRP) in the General Fund Balance, by way of an adjusting transaction within the Capital Adjustment Account.

For capital expenditure incurred before 1 April 2020 the MRP will be calculated as 4% of the capital financing requirement for those assets. For capital expenditure purchased after 1 April 2020 the asset life method will be used and MRP will be based on a percentage corresponding with the assets estimated life and the capital financing requirement of those assets. The combination of these options provide for a reduction in the borrowing need over approximately the asset's life.

#### **I. Revenue Recognition**

Specific grants & contributions which result in the Commissioner providing additional resources to the Chief Constable in the budget are included in the Commissioner's Comprehensive Income and Expenditure Statement as well as all non-specific government grants. Other fees, charges and service income are recognised in the Chief Constable's Comprehensive Income and Expenditure Statement as these are generated within the Chief Constable's budget by staff under their operational direction and control. It is a requirement of IFRS15 Revenue from Contracts with Customers that revenue is recognised only once the performance criteria in the contract are met, service contracts are subject to an annual review of performance criteria to ensure any necessary adjustment are made.

#### **J. Debtors and Creditors**

The PCC for Bedfordshire's accounts are maintained on the basis of receipts and payments converted at the year end to income and expenditure by bringing creditors and debtors of material significance into account. Where revenue and expenditure has been recognised but cash has not been received or paid a creditor or debtor for the relevant amount is recorded in the Balance Sheet.

The following exceptions are applied consistently and their effect is not material on the accounts from one year to the next.

- Overtime paid to Police staff which has been claimed after the end of the financial year is not accrued;
- Travel and other employee expenses claimed after the end of the financial year have not been accrued.

As all payments are made by the PCC on the Chief Constable's behalf, the creditors and debtors recognised on the Chief Constable's balance sheet will need to be financed by the PCC, therefore an intra-group debtor is recognised in the Chief Constable's balance sheet and an intra-group creditor on the PCC's balance sheet to show that the liability ultimately rests with the PCC.

#### **K. Funds Held on behalf of Third Parties**

The PCC for Bedfordshire holds funds seized from individuals whilst enquiries are conducted under the Proceeds of Crime Act 2002. The PCC for Bedfordshire will either return or repay these funds (to the courts or the individual) on conclusion of the enquiries. The balance of Third Party funds held is shown in the notes to the accounts.

#### **L. Provisions and Contingent Liabilities**

Provisions are made when an event has taken place that gives the PCC for Bedfordshire group 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 group becomes aware of the obligation, and 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.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. If it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment is expected to be recovered from a third party (i.e. from an insurance claim), this is only recognised as income if it is virtually certain that reimbursement will be received if the PCC for Bedfordshire group settles the obligation.

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation the existence of which will only be confirmed by the occurrence of uncertain future events not wholly within the organisations control. Contingent liabilities also arise in circumstance where a provision would otherwise be made but the recognition criterion above is not met. A contingent liability is not recognised on the balance sheet but disclosed in the notes to the accounts.

#### **M. Reserves**

Usable Reserves are amounts set aside from the General Fund Balance in the Movement of Reserves Statement for future policy purposes or contingencies. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus/Deficit on 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 there is no net charge against council tax for the expenditure. Additionally certain unusable reserves are kept to manage the accounting processes for non-current assets,

short term compensated absences and retirement benefits and those that do not represent useable resources for the PCC for Bedfordshire.

**N. Police Fund**

This is the main Fund into which the precept, government grants and other income are paid and from which the cost of providing services is met. The balance on the Fund represents the accumulated surplus of the PCC for Bedfordshire's revenue income over expenditure.

**O. Capital Receipts**

Capital Receipts are principally the proceeds from the sale of non-current assets. Insurance income from vehicle write-offs is also treated as Capital Receipts. Capital Receipts are used to augment the capital resources of the PCC for Bedfordshire. Receipts less than £10K are treated as de-minimis and included in the Comprehensive Income and Expenditure Statement.

**P. Value Added Tax (VAT)**

VAT is included in the accounts of the PCC for Bedfordshire, whether of a capital or revenue nature, only to the extent that it is not recoverable. VAT receivable is excluded from income.

**Q. Government Grant and Contributions**

The PCC for Bedfordshire receives two main grants from the Government to support general revenue expenditure. These are the Police Grant and a share of the National Non Domestic Rate Pool. These grants are credited to the Comprehensive Income and Expenditure Statement in the year to which they relate. The PCC for Bedfordshire also receives a number of additional specific grants from Government to help finance specific policing initiatives.

Government Grants are recognised as due to the PCC for Bedfordshire when there is reasonable assurance that:

- The PCC for Bedfordshire will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the PCC for Bedfordshire are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Taxation and Non-Specific Grant Income (non ring fenced grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

When capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

**R. Pensions**

The PCC for Bedfordshire group participates in two Pension Schemes. Both Schemes provide members with defined benefits related to pay and service.



(ii) **Police Officers – Police Pension Scheme**

This Scheme is 'unfunded'. The charge to the Accounts represents the applicable IAS19 charges as determined by the Actuary. The Code of Practice requires separate statements to be produced which are shown at Note 37

(ii) **Other Employees – Local Government Pension Scheme (LGPS)**

Subject to certain qualifying criteria, police staff are eligible to join the Local Government Pension Scheme administered by Bedford Borough Council. The Scheme is 'funded' and all group pension costs are charged to the Chief Constable or PCC's Accounts according to the relevant employer.

The figures included within the Accounts are based on the IAS19 requirements, that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years in the future. Injury benefits paid under both police pension schemes are disclosed separately. These payments are unfunded and are paid directly by the PCC for Bedfordshire Group. Injury awards are subject to the same treatment as police pension schemes, with the movement on the liability being attributable to any change in interest cost and re-measurement gains / losses.

This obligation to pay pensions benefits in the future is recognised as a liability in the PCC for Bedfordshire's Group balance sheet. In the Group Comprehensive Income and Expenditure Statement, transactions are recorded that indicate the change over the year in the pension liability. The transactions are not cash-based but are instead actuarially calculated amounts that reflect more accurately the true changes in the scheme's long-term liabilities.

- The attributable defined benefit liabilities of each scheme should be measured on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date, based on assumptions about mortality rate, employee turnover rates and projections of projected earnings for current employees.
- Liabilities for the payment of future injury benefits are based on current and projected injury statistics (including an element for serving police officers) as determined by the actuary.
- Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds determined by the actuaries.
- In the case of the local government scheme, which is a funded scheme, the scheme assets are deducted in determining the overall liability.
- Quoted securities held as scheme assets are valued at their bid value at the latest available date.

The change in the net pension liability is analysed into the following components of the group financial statements:

- The current service cost (the increase in liabilities as a result of years of service earned this year) is debited to the Comprehensive Income and Expenditure Statement and included with the Net Cost of Services
- The past service cost (the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years) is debited to the Comprehensive Income and Expenditure Statement and included with the Net Cost of Services

- Interest cost (the expected increase in the present value of liabilities during the year as they move one year closer to being paid) is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Expected return on assets (the annual investment return on the fund assets attributable to the PCC for Bedfordshire) is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Interest Income on assets (the annual investment return on the fund assets attributable to the group) is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Gains / losses on settlements (the result of actions to relieve the PCC for Bedfordshire of liabilities or events that reduce the expected long term return) are debited / credited to the Comprehensive Income and Expenditure Statement.
- Re-measurements of the net defined benefit liability / asset are debited / credited to the appropriate reserve. This includes an amount for actuarial gains / losses and estimated returns on plan assets which arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.
- The employers contributions made in the year are not accounted for as an expense.

The above balances and transactions are included in the accounts to provide a more informative picture of the Group pension schemes. Although to ensure there is no impact on the level of council tax the account is adjusted through an appropriation from reserves.

#### **S. Officers' Emoluments**

Officers' Emoluments are disclosed in the accounts on a cash basis of gross pay as notified in the P60s to the Inland Revenue and including taxable benefits within the P11Ds. The figures contained within the Comprehensive Income and Expenditure Statement, however, are prepared on an accruals basis in accordance with proper accounting practices.

#### **T. Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the PCC for Bedfordshire becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost.

An assessment is made annually as to what level of debts are outstanding at the end of the financial year and an impairment allowance for expected credit losses is calculated and charged to the Financing & Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This has the impact of reducing the debtors balance shown within the balance sheet.

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. Therefore the amount shown in the Balance Sheet is the outstanding principal repayable and interest is charged to the Comprehensive Income and Expenditure Statement.

The PCC for Bedfordshire fully complies with the CIPFA Code of Practice 'Treasury Management in the Public Services'. A Treasury Management Strategy has been approved by the PCC for Bedfordshire.

**U. Financial Assets**

Investments are limited to approved investments as specified in the Local Authority (Capital Finance) (Approved Investment) Regulations 1990 and are contained within the PCC for Bedfordshire's Treasury Management Strategy. These Investments are recognised on the Balance Sheet when the PCC for Bedfordshire becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Therefore the amount shown in the Balance Sheet is the outstanding principal receivable and interest receivable is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The fair value as at year end is also disclosed in the notes to the accounts.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Any gains and losses that arise on the de-recognition of the asset are credited /debited to the Financing and Investment Income and Expenditure line.

As the PCC currently holds no re-classifiable available for sale financial assets no separation of amounts in the Other Comprehensive Income and Expenditure is required under IAS1.

**V. Group Accounts**

The PCC for Bedfordshire has to determine whether it has interests in subsidiaries, associates or joint arrangements. The PCC for Bedfordshire has interests in joint arrangements and as a result is required to disclose these arrangements. For 2022/23 this applies to:

- Regional Organised Crime Unit (ROCU)
- Bedfordshire, Cambridgeshire and Hertfordshire collaborated units.

These are Joint Operations under IFRS11. Assets purchased by Joint Operations are shared between the parties and each recognises only their own share on their balance sheet. The Joint Operation does not involve the establishment of a separate entity and the PCC for Bedfordshire accounts only for its share of the joint assets, liabilities, income and expenses that it incurs in respect of its interest in the joint operation identified above.

**W. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Any fixed term investments are usually made for 3 to 6 months and the PCC for Bedfordshire includes those within Short Term Investments instead of Cash Equivalents.

**X. Leases**

Rentals paid under operating leases are charged to the Group Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased item. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (i.e. there is a rent free period at the commencement of the lease).

Rent received from operating leases granted by the PCC is credited to the Other Operating Expenditure line the Comprehensive Income and Expenditure Statement, with credits made on a straight line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs in negotiating the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Leases are classified as finance leases where the terms of the lease transfer substantially all

the risks and rewards of ownership from the lessor to the lessee. The PCC for Bedfordshire Group has assessed its leases and all leases are treated as operating leases during 2023/24.

**Y. Benefits Payable during Employment**

Short-term employee benefits such as wages and salaries, paid annual leave and time owed for current employees are recognised as an expense in the year in which employees render service to the PCC for Bedfordshire Group. An accrual is made against the services in the Surplus / Deficit on Provision of Services for the cost of leave earned by employees but not taken before the year end. The accumulated cost is carried entirely as a liability on the Chief Constable's balance sheet, due to the low number of employees employed by the PCC there is no accrual made for the cost of leave earned but not taken in relation to the PCC's employees, this is judged not to be material and this judgement is kept under review.

**Z. Termination Benefits**

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement once a valid expectation of redundancy is created.

**AA. Events after the Reporting Period**

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date in which the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events.
- Those that indicate conditions that arose after the reporting period. The Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes to the accounts of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

**BB. Exceptional Items**

When items of income and expense 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 for Bedfordshire's financial performance.

**CC. Prior Period Adjustments**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

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

Changes in accounting estimates are applied prospectively, i.e. in the current and future year affected by the change. Where material errors are discovered in prior period figures they are corrected retrospectively by amending opening balances and comparative amounts.

### Note 3: Accounting Standards that have been Issued but have not yet been adopted

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- **IFRS 16 Leases** issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year). This will bring about a change in Accounting Policy which will require re-statement of prior year balances. The effect on the balance sheet is expected to be:

	The Commissioner	The Group
	As at 31st March 2024	As at 31st March 2024
	£'000	£'000
Property Plant & Equipment		
-Right of Use Assets	3,689	3,689
<b>Total Long Term Assets</b>	<b>3,689</b>	<b>3,689</b>
Short Term Creditors – Lease Liability	-503	-503
<b>Current Liabilities</b>	<b>-503</b>	<b>-503</b>
Long Term Creditors – Lease Liability	-3,051	-3,051
<b>Long Term Liabilities</b>	<b>-3,051</b>	<b>-3,051</b>
<b>Net Assets</b>	<b>135</b>	<b>135</b>
Unusable Reserves	-135	-135
<b>Total Reserves</b>	<b>-135</b>	<b>-135</b>

These restatements are expected to include 10 commercial leases and 1 non - commercial (peppercorn) lease.

Other changes to accounting standards that may require re-statement of 2023/24 balances depending on their impact are:

- **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in January 2020. The amendments:
  - a) specify that an entity's right to defer settlement must exist at the end of the reporting period
  - b) clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - c) clarify how lending conditions affect classification, and
  - d) clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)** issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- **Non-current Liabilities with Covenants (Amendments to IAS 1)** issued in October 2022. The amendments improved the information an entity provides when its right

to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

#### Note 4: Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Finance Officer on 14 June 2024. Events after the balance sheet date have been considered for inclusion in the accounts up to the authorised for issue date.

#### Note 5: Intra-Group Funding Arrangements between the Commissioner & Chief Constable

The background and principles that underpin the accounting arrangement and create the need for an intra-group adjustment are explained in the Explanatory Foreword.

Under the current arrangements the Chief Constable does not hold any cash or reserves. However a budget is delegated to the Chief Constable for which the Chief Constable has operational control of the associated income and expenditure. It is felt that to accurately reflect the financial impact of the day-to-day control exercised by the Chief Constable over policing Bedfordshire it is necessary to capture the income and expenditure associated with their delegated budget on their own Comprehensive Income and Expenditure Statement. As a consequence the associated assets and liabilities relating to these balances are also required to be shown on the Chief Constable's balance sheet.

The Commissioner has undertaken to fund the resources consumed by the Chief Constable and makes all payments from the police fund. In order to reflect this position in the accounts the funding from the Commissioner offsets all expenditure on the Chief Constable's Comprehensive Income & Expenditure Statement to leave just the movement on unusable reserves which is reflected in the Chief Constable's Movement in Reserves Statement.

The following table shows the calculation of the funding provided to the Chief Constable:

<i>PCC Funding provided to the Chief Constable for Resources Consumed</i>	2023/24	2022/23
	£'000	£'000
Net Cost of Services (Chief Constable)	174,745	191,521
Financing & Investment Income & Expenditure	43,438	37,771
Actuarial (gain) / loss on pension assets / liabilities	-21,064	-521,964
<u>Adjust for Movement in Unusable Reserves:</u>		
Pensions Reserve	-1,721	485,510
Accumulated Absences Reserve	1,614	-1,110
<b>Total Funding Transfer</b>	<b>193,784</b>	<b>180,728</b>

In practice instead of transferring this funding to the Chief Constable the Commissioner makes all payments on their behalf, therefore an element of the resources consumed by the Chief Constable remain unpaid at the year end. This leaves the Chief Constable with its own current liabilities which after deduction of current assets is supported by the Commissioner.

Intra-group Debtor / Creditor	31 March 24	31 March 23
	£'000	£'000

Chief Constable's Creditors & Receipts in Advance	28,311	26,064
Chief Constable's Provisions	700	813
Chief Constable's Current assets (excluding PCC Debtor)	-11,898	-10,107
<b>Total Owing to Commissioner</b>	<b>17,113</b>	<b>16,770</b>

This has the effect of showing working capital balances on the Chief Constable's balance sheet which are then supported by the Commissioner. The following table shows the movement through the intra-group account:

Intra-group Adjustments	The Chief Constable £'000	The Commissioner £'000	The Group £'000
<i>Comprehensive Income &amp; Expenditure Statement – 2022/23</i>			
PCC Funding for Resources Consumed	-180,728	180,728	0
<i>Comprehensive Income &amp; Expenditure Statement – 2023/24</i>			
PCC Funding for Resources Consumed	-193,784	193,784	0
<i>Balance Sheet – 2022/23</i>			
Intra Group Creditor / Debtor	16,770	-16,770	0
<i>Balance Sheet – 2023/24</i>			
Intra Group Creditor / Debtor	17,113	-17,113	0

Note 6: Note to the Expenditure & Funding Analysis

## Adjustments between Accounting and Funding Basis

Group – 2023/24	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustment
	£'000	£'000	£'000	£'000
Policing	0	0	0	0
Collaborated Units	-98	0	0	-98
Corporate & Support Services	4,028	-9,999	3,576	-2,395
Office of the Police & Crime Commissioner	0	-27	0	-27
<b>Cost of Services</b>	<b>3,930</b>	<b>-10,026</b>	<b>3,576</b>	<b>-2,520</b>
Other Income & Expenditure from the Expenditure & Funding Analysis	-2,082	32,789	-1,764	28,943
<b>Difference between General Fund surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>1,848</b>	<b>22,763</b>	<b>1,812</b>	<b>26,423</b>

Group – 2022/23	Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustment
	Policing	0	0	0
Collaborated Units	-71	0	0	-71
Corporate & Support Services	2,671	22,417	2,544	27,632
Office of the Police & Crime Commissioner	-50	0	724	674
<b>Cost of Services</b>	<b>2,550</b>	<b>22,417</b>	<b>3,268</b>	<b>28,235</b>
Other Income & Expenditure from the Expenditure & Funding Analysis	-2,357	25,385	-1,065	21,963
<b>Difference between General Fund surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>193</b>	<b>47,802</b>	<b>2,203</b>	<b>50,198</b>



PCC – 2023/24	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Policing	0	0	0	0
Collaborated Units	0	0	0	0
Corporate & Support Services	5,210	0	1,962	7,172
Office of the Police & Crime Commissioner	0	-27	0	-27
<b>Cost of Services</b>	<b>5,210</b>	<b>-27</b>	<b>1,962</b>	<b>7,145</b>
Other Income & Expenditure from the Expenditure & Funding Analysis	-3,362	5	-1,764	-5,121
<b>Difference between General Fund surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>1,848</b>	<b>-22</b>	<b>198</b>	<b>2,024</b>

PCC – 2022/23	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Policing	0	0	0	0
Collaborated Units	0	0	0	0
Corporate & Support Services	4,647	297	1,434	6,378
Office of the Police & Crime Commissioner	-50	0	724	674
<b>Cost of Services</b>	<b>4,597</b>	<b>297</b>	<b>2,158</b>	<b>7,052</b>
Other Income & Expenditure from the Expenditure & Funding Analysis	-4,404	51	-1,065	-5,418
<b>Difference between General Fund surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>193</b>	<b>348</b>	<b>1,093</b>	<b>1,634</b>

### Adjustments for Capital Purposes

Adjustments for capital purposes column adds in depreciation and impairment and revaluation gains and losses in the service line as well as adjusting for the transfer of income on disposals of assets / amounts written off / capital grants.

The statutory charges for financing capital i.e Minimum Revenue Provision and other revenue contributions to capital are deducted from the income and expenditure as these are not chargeable under generally excepted accounting practices. This deduction for revenue contributions includes the amount of capital expenditure funded from general

fund reserves during the year.

**Net Change for the Pension Adjustments**

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

**Other Differences**

The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and income recognised under generally excepted accounting practices in the Code.

Also included are the adjustments for staff benefits, such as untaken leave, which is recognised in the Comprehensive Income and Expenditure Statements but is not permitted to be charged to the general fund in the year.

**Note 7: Expenditure and Income Analysed by Nature**

The income and expenditure for the PCC Group and for the PCC is analysed below:

Police & Crime Commissioner Group	2023/24	2022/23
Expenditure / Income	£'000	£'000
<b>Expenditure</b>		
Employee benefits expenses	199,912	214,867
Other services expenses	37,688	33,037
Depreciation, amortisation, impairment	5,200	4,647
Loss on disposal of assets	141	26
Interest payments	1,046	864
<b>TOTAL EXPENDITURE</b>	<b>243,987</b>	<b>253,441</b>
<b>Income</b>		
Fees, charges and other service income	-17,746	-16,874
Government grants and contributions	-140,977	-132,860
Income from council tax	-57,636	-53,091
Interest & Investment income	-846	-318
<b>TOTAL INCOME</b>	<b>-217,205</b>	<b>-203,143</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>26,782</b>	<b>50,298</b>

Police & Crime Commissioner	2023/24	2022/23
Expenditure / Income	£'000	£'000
<b>Expenditure</b>		
Employee benefits expenses	1,817	2,011
Other services expenses	3,073	3,055
Depreciation, amortisation, impairment	5,200	4,647
Loss on disposal of assets	141	26
Interest payments	1,046	864
Funding made to Chief Constable	193,784	180,728
<b>TOTAL EXPENDITURE</b>	<b>205,061</b>	<b>191,321</b>
<b>Income</b>		
Fees, charges and other service income	-3,219	-3,327
Government grants and contributions	-140,977	-132,860
Income from council tax	-57,636	-53,091
Interest & Investment income	-846	-318
<b>TOTAL INCOME</b>	<b>-202,678</b>	<b>-189,596</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>2,383</b>	<b>1,735</b>

**Note 8: Adjustments - Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the PCC for Bedfordshire in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the PCC for Bedfordshire to meet future capital and revenue expenditure.

2023/2024 – Usable Reserves	General Fund	Capital Receipt Reserve	Capital Grant Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
<b>Adjustments involving the Capital Adjustments Account:</b>				
<i>Reversal of items debited/credited to the Comprehensive Income &amp; Expenditure Statement</i>				
Charges for depreciation, impairment & amortisation of non- current assets	-5,200	0	0	5,200
Revaluation gains / losses on Property, Plant and Equipment	-10	0	0	10
Capital grants & contributions applied to capital financing	2,002	0	-2,002	0
Amounts of non- current assets written off on disposal as part of the gain/loss on disposal to Comprehensive Income & Expenditure Statement	-187	0	0	187
<i>Insertion of items not debited / credited to the Comprehensive Income &amp; Expenditure Statement</i>				
Statutory Provision for the financing of capital investment	1,119	0	0	-1,119
Capital expenditure charged against the Police Fund	427	0	0	-427
<b>Adjustments involving the Capital Receipts Reserve:</b>				
Transfer of cash sale proceeds credited to the Comprehensive Income & Expenditure Statement	0	0	0	0
Use of capital receipts reserve to finance new capital expenditure	0	8	3,131	-3,139
Transfer from Deferred Capital Receipts Reserve on Receipt of Cash	0	-8	0	8
<b>Adjustments involving the Collection Fund Adjustment Account:</b>				
Amount which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated in accordance with statutory requirements	-198	0	0	198
<b>Adjustments involving the pensions reserves:</b>				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-201	0	0	201
Employer's pension contributions and direct payments to pensioners	223	0	0	-223
<b>TOTAL ADJUSTMENTS – COMMISSIONER</b>	<b>-2,025</b>	<b>0</b>	<b>1,129</b>	<b>896</b>
<b>Adjustments involving the Compensated Absences Adjustment Account for the Chief Constable:</b>				
Amount by which officer remuneration charged to Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration in the year in accordance with statutory requirements	-1,614	0	0	1,614
<b>Adjustments involving the pensions reserves for the Chief Constable:</b>				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-60,494	0	0	60,494
Employer's pension contributions and direct payments to pensioners	37,709	0	0	-37,709
<b>TOTAL ADJUSTMENTS – CHIEF CONSTABLE</b>	<b>-24,399</b>	<b>0</b>	<b>0</b>	<b>24,399</b>
<b>TOTAL ADJUSTMENTS - GROUP</b>	<b>-26,424</b>	<b>0</b>	<b>1,129</b>	<b>25,295</b>

2022/2023 – Usable Reserves	General Fund	Capital Receipt Reserve	Capital Grant Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
<b>Adjustments involving the Capital Adjustments Account:</b>				
<i>Reversal of items debited/credited to the Comprehensive Income &amp; Expenditure Statement</i>				
Charges for depreciation, impairment & amortisation of non- current assets	-5,962	0	0	5,962
Revaluation gains / losses on Property, Plant and Equipment	1,315	0	0	-1,315
Capital grants & contributions applied to capital financing	1,944	0	-1,192	-752
Amounts of non- current assets written off on disposal as part of the gain/loss on disposal to Comprehensive Income & Expenditure Statement	-91	0	0	91
<i>Insertion of items not debited / credited to the Comprehensive Income &amp; Expenditure Statement</i>				
Statutory Provision for the financing of capital investment	821	0	0	-821
Capital expenditure charged against the Police Fund	1,780	0	0	-1,780
<b>Adjustments involving the Capital Receipts Reserve:</b>				
Transfer of cash sale proceeds credited to the Comprehensive Income & Expenditure Statement	0	0	0	0
Use of capital receipts reserve to finance new capital expenditure	0	30	0	-30
Transfer from Deferred Capital Receipts Reserve on Receipt of Cash	0	-30	0	30
<b>Adjustments involving the Collection Fund Adjustment Account:</b>				
Amount which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated in accordance with statutory requirements	-1,093	0	0	1,093
<b>Adjustments involving the pensions reserves:</b>				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-532			532
Employer's pension contributions and direct payments to pensioners	184			-
<b>TOTAL ADJUSTMENTS – COMMISSIONER</b>	<b>-1,634</b>	<b>0</b>	<b>-1,192</b>	<b>2,828</b>
<b>Adjustments involving the Compensated Absences Adjustment Account for the Chief Constable:</b>				
Amount by which officer remuneration charged to Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration in the year in accordance with statutory requirements	1,110	0	0	1,110
<b>Adjustments involving the pensions reserves for the Chief Constable:</b>				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-84,763			84,756
Employer's pension contributions and direct payments to pensioners	37,309			-37,309
<b>TOTAL ADJUSTMENTS – CHIEF CONSTABLE</b>	<b>-48,564</b>	<b>0</b>	<b>0</b>	<b>48,564</b>
<b>TOTAL ADJUSTMENTS - GROUP</b>	<b>-50,198</b>	<b>0</b>	<b>-1,192</b>	<b>53,390</b>

**Note 9: Transfers to / from Earmarked Reserves**

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and any amounts posted back from earmarked reserves to meet General Fund expenditure. All are usable reserves held by the Commissioner.

	Balance at 31 March 2022	Transfer Out 2022/23	Transfer In 2022/23	Balance at 31 March 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance at 31 March 2024	Purpose of the Earmarked Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Devolved Budget Reserves	-1,744	346	-961	-2,359	643	-425	-2,141	This reserve contains under spending which has been earmarked for use in the following year.
Budget Reserve	-3,055	0	0	-3,055	500	0	-2555	This reserve contains funds to be used to bridge the anticipated future budget gap.
Insurance Reserve	-1,132	0	0	-1,132	0	0	-1,132	This provides for partial self-funding of insurance for combined liability, motor vehicle and fidelity guarantee.
Capital Expenditure Reserve	-250	500	-250	0	-261	261	0	To hold capital receipts until they are used to finance capital expenditure.
Regional Organised Crime	0	0	0	0	0	-318	-318	This reserve contains underspending which is for use within the Regional Organised Crime area
Road Safety Reserve	-660	189	0	-471	91	0	-380	Holds the balance of income generated in excess of expenditure by the Camera, Tickets and Collisions Unit which is ring fenced for re-investment in road safety activities.
Op Kenova Reserve	-564	400	0	-164	164	0	0	Holds the balance of income provided for Operation Kenova on behalf of Police Service Northern Ireland.
Sixhills Sink Fund	-71	4	-11	-78	0	-13	-13	This reserve holds regional funds held for the purposes of property maintenance of the shared property.
<b>Earmarked Reserves</b>	<b>-7,475</b>	<b>1,439</b>	<b>-1,222</b>	<b>-7,258</b>	<b>1,142</b>	<b>-506</b>	<b>-6,625</b>	
Police Fund	-4,081	0	-117	-4,198	0	-277	-4,475	
<b>General Fund Balance</b>	<b>-11,557</b>	<b>1,439</b>	<b>-1,339</b>	<b>-11,456</b>	<b>1,142</b>	<b>-783</b>	<b>-11,100</b>	
Capital Grants Unapplied	-101	752	-1,944	-1,293	3,132	-2,002	-164	
Capital Receipts Reserve	0	0	0	0	18	-18	0	
<b>Total Usable Reserves</b>	<b>-11,660</b>	<b>2,191</b>	<b>-3,283</b>	<b>-12,752</b>	<b>4,292</b>	<b>-2,803</b>	<b>11,264</b>	

**Note 10: Other Operating Income and Expenditure**

The PCC for Bedfordshire 2022/23	The Group 2022/23		The PCC for Bedfordshire 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
100	100	<i>Loss on Disposal of Non-Current Assets – Vehicles</i>	141,786	141,786
-74	-74	<i>Gain on Disposal of Non-Current Assets – Land and Buildings</i>	0	0
0	0	<i>Gain / Loss on Disposal / Reclassification of Non-Current Assets – Buildings</i>	0	0
-12,451	-12,451	<i>Pension Top Up Grant Received from Home Office</i>	-10,647	-10,647
<b>-12,425</b>	<b>-12,425</b>	<b>Total</b>	<b>-10,506</b>	<b>-10,506</b>

**Note 11: Financing and Investment Income and Expenditure**

The PCC for Bedfordshire 2022/23	The Group 2022/23		The PCC for Bedfordshire 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
864	864	Interest Payable	1,046	1,046
-723	-723	Impairment Allowance	-19	-12
0	33,720	Pensions Interest Cost and Expected Return on Pension Assets – Police Pensions	0	42,650
-24	-24	Income from Investment Property	-26	-26
0	0	Impairment of Investment Property	10	10
38	4,089	Pensions Interest Cost and Expected Return on Pension Assets – LGPS	5	786
-318	-318	Interest Receivable	-846	-846
<b>-163</b>	<b>37,608</b>	<b>Total</b>	<b>169</b>	<b>43,607</b>

**Note 12: Taxation and Non-Specific Grant Income**

The PCC for Bedfordshire 2022/23	The Group 2022/23		The PCC for Bedfordshire 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
-53,091	-53,091	<i>Council Tax Income</i>	-57,636	-57,636
-27,966	-27,966	<i>Formula Funding</i>	-28,064	-28,064
-3,886	-3,886	<i>Council Tax Subsidy</i>	-3,886	-3,886
-751	-751	<i>Council Tax Freeze Grant</i>	-751	-751
-49,232	-49,232	<i>Non Ring-fenced Government Grants</i>	-49,404	-49,404
-1,944	-1,944	<i>Capital Grants and Contributions</i>	-2,002	-2,002
-1,116	-1,116	<i>Pension Grant</i>	-1,116	-1,116
<b>-137,986</b>	<b>-137,986</b>	<b>Total</b>	<b>-142,859</b>	<b>-142,859</b>

**Note 13: Property, Plant and Equipment**

The PCC for Bedfordshire holds all the Group's property, plant and equipment.

(i) Movements on Balances

2023/24

	Tangible Assets			
	Land & Buildings	Vehicles	Furniture & Equip	Total
	£'000	£'000	£'000	£'000
Book Value as at 1 <sup>st</sup> April 2023	65,150	10,478	16,848	92,476
Impairment Losses recognised in Revaluation Reserve	269	0	0	269
Impairment Losses reversed in Surplus / Deficit on Provision of Service	1,141	0	0	1,141
Additions	3,190	2,050	2,298	7,538
Disposals	0	-577	0	-577
Written Out	0	0	0	0
<b>Gross Book Value as at 31<sup>st</sup> March 2024</b>	<b>69,750</b>	<b>11,951</b>	<b>16,890</b>	<b>98,591</b>
Depreciation and Impairment as at 1 <sup>st</sup> April 2023	-5,850	-5,254	-8,958	-20,062
Depreciation for year	-1,888	-1,327	-2,908	-6,123
Disposals	0	390	0	0
Written Out on Reval / Disposal	0	0	2,256	2,256
<b>Depreciation and Impairment as at 31<sup>st</sup> March 2024</b>	<b>-7,738</b>	<b>-6,191</b>	<b>-9,610</b>	<b>-23,539</b>
Net Book Value as at 31 <sup>st</sup> March 2023	59,300	5,224	7,890	72,414
Net Book Value as at 31 <sup>st</sup> March 2024	62,012	5,760	7,280	75,052



Comparative Movements in 2022/23

	Tangible Assets			
	Land & Buildings	Vehicles	Furniture & Equip	Total
	£'000	£'000	£'000	£'000
<b>Book Value as at 1<sup>st</sup> April 2022</b>	59,451	10,049	15,233	84,733
Impairment Losses recognised in Revaluation Reserve	790	0	0	790
Impairment Losses reversed in Surplus / Deficit on Provision of Service	1,455	0	0	1,455
Additions	3,454	1,102	2,446	7,002
Disposals	0	-673	0	-673
Written Out	0	0	-831	-831
<b>Gross Book Value as at 31<sup>st</sup> March 2023</b>	65,150	10,478	16,848	92,476
<b>Depreciation and Impairment as at 1<sup>st</sup> April 2022</b>	-4,159	-4,610	-6,920	-15,689
Depreciation for year	-1,692	-1,152	-2,869	-5,713
Disposals	0	508	0	508
Written Out on Reval / Disposal	0	0	831	831
<b>Depreciation and Impairment as at 31<sup>st</sup> March 2023</b>	-5,850	-5,254	-8,958	-20,062
<b>Net Book Value as at 31<sup>st</sup> March 2022</b>	55,292	5,439	8,313	69,044
<b>Net Book Value as at 31<sup>st</sup> March 2023</b>	59,300	5,224	7,890	72,414

**Investment Property**

During 2023/24 the Former Leagrave Police Station remained an investment property.

	£'000
<b>Gross Book Value as at 31<sup>st</sup> March 2023</b>	<b>315</b>
Revaluation Gains / (Losses)	-10
Disposal / Reclassification	0
Additions & Subsequent Expenditure	0
<b>Gross Book Value as at 31<sup>st</sup> March 2024</b>	<b>305</b>

**Surplus Property**

During 2023/24 the Greyfriars premises was recategorized as Held for Sale:

	£'000
<b>Gross Book Value as at 31<sup>st</sup> March 2023</b>	<b>552</b>
Revaluation Gains / (Losses)	0
Re-Categorised to Held for Sale	-552
Depreciation	0
<b>Gross Book Value as at 31<sup>st</sup> March 2024</b>	<b>0</b>

**Asset Held for sale**

During 2023/24 the Greyfriars premises was recategorized as Held for Sale:

	£'000
<b>Gross Book Value as at 31<sup>st</sup> March 2023</b>	<b>0</b>
Re-Categorised from Surplus Asset	552
Revaluation Gains / (Losses)	708
Depreciation	0
<b>Gross Book Value as at 31<sup>st</sup> March 2024</b>	<b>1,260</b>

The value is the valuers opinion given that the sale price is not yet realised.

(ii) Capital Commitments

At 31<sup>st</sup> March 2023 the PCC for Bedfordshire has authorised expenditure in 2024/25 and in future years of £22.282 under its Capital Programme, of which £0.090M had been contractually committed on the following projects:

	2023/24 £M	2022/23 £M
Firing Range Upgrades	0.015	0.200
Window Replacement Project	0	0.346
Airport Base	0.075	0
<b>TOTAL</b>	<b>0.090</b>	<b>0.546</b>

(iii) Revaluation Assumptions

The PCC for Bedfordshire’s operational freehold properties were valued at 31<sup>st</sup> March 2024 by external valuers, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the terms of the Valuation – Global Standards (January 2022 edition) and the national standards and guidance set out in the UK national supplement (November 2018 edition). The valuation of each property was on the basis of fair value, subject to the following assumptions:

- For owner occupied property: the property would be sold as part of the continuing business.

The valuers’ opinion of fair value was primarily derived using the Depreciated Replacement Cost (DRC) approach, because the specialised nature of the assets

means that there are no market transactions of this type. For non-specialised assets valuers have had regard to the available evidence derived from transactions of comparable properties in their respective locations or other valuation approaches.

Other significant assumptions applied in estimating fair value are:

- That depreciated historical cost is used as a proxy for fair value of furniture and equipment. In addition this policy is applied to enhancement expenditure funded by capital grant to regional premises not owned by the PCC.
- The residual value and useful life of all vehicles are estimated by the Chiltern Transport Consortium and depreciated on a straight line basis over the expected life of the vehicle as a proxy for fair value.

(iv) Depreciation

Straight line depreciation has been applied to the following useful lives in the calculation of depreciation:

- Land & Buildings – Between 5 years (capital works to leased building) and 73 years.
- Vehicles – Between 2 and 10 years.
- Plant & Equipment – 5 years.

**Note 14: Intangible Assets**

The PCC for Bedfordshire accounts for its purchased software licences as intangible assets, to the extent that the software licence was purchased as part of the initial installation and set-up cost of the software. A useful life of 5 years is assigned to all intangible assets and their carrying amount is amortised on a straight-line basis. The amortisation of £0.218 is charged to the Comprehensive Income & Expenditure Statement in 2023/24

The PCC for Bedfordshire currently has no Internally Generated Assets as defined by IAS38 (Intangible Assets). The movement on intangible asset balances during the year is as follows:

	2022/23	2023/24
	£'000	£'000
Historical Cost	1,665	1,340
Accumulated Amortisation	-1,035	-795
<b>Net carrying amount at start of year</b>	<b>630</b>	<b>545</b>
Additions – Purchases	157	135
Assets re-classified	0	0
Amortisation for the period	-242	-218
<b>Net carrying amount at end of year</b>	<b>545</b>	<b>462</b>
Comprising:		
Gross carrying amounts	1,340	1,197
Accumulated amortisation	-795	-735

Assets and depreciation written out in the year amounted to £0.277M.

**Note 15: Financial Instruments**

Categories of Financial Instruments

The borrowings and investments disclosed in the balance sheet are made up of the following categories of financial instruments, all are valued at amortised cost.

Financial Assets	31 March 2023		31 March 2023		31 March 2024		31 March 2024	
	The Chief Constable		The Commissioner		The Chief Constable		The Commissioner	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Debtors:</u>								
Amortised Cost	0	5,260	9	5,970	0	6,732	0	4,927
<u>Investments:</u>								
Amortised Cost	0	0	0	2,000	0	0	0	5,000
<u>Cash</u>								
Amortised Cost	0	0	0	6,654	0	0	0	4,496
<b>Total Financial Assets</b>	<b>0</b>	<b>5,260</b>	<b>9</b>	<b>14,624</b>	<b>0</b>	<b>6,732</b>	<b>0</b>	<b>14,423</b>
Non Financial Assets	0	21,540	0	28,694	0	22,216	0	22,829
<b>Total</b>	<b>0</b>	<b>26,800</b>	<b>9</b>	<b>43,318</b>	<b>0</b>	<b>28,948</b>	<b>0</b>	<b>37,252</b>
Financial Liabilities	31 March 2023		31 March 2023		31 March 2024		31 March 2024	
	The Chief Constable		The Commissioner		The Chief Constable		The Commissioner	
	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Creditors:</u>								
Amortised Cost	0	21,904	0	3,854	0	23,629	0	8,223
<u>Borrowings:</u>								
Amortised Cost	0	0	37,020	0	0	0	39,559	0
<b>Total Financial Liabilities</b>	<b>0</b>	<b>21,904</b>	<b>37,020</b>	<b>3,854</b>	<b>0</b>	<b>23,629</b>	<b>39,559</b>	<b>8,223</b>
Non Financial liabilities	0	11,286	0	29,919	0	13,430	0	21,067
<b>Total</b>	<b>0</b>	<b>33,189</b>	<b>37,020</b>	<b>33,773</b>	<b>0</b>	<b>37,059</b>	<b>39,559</b>	<b>29,289</b>

Borrowings represents the amount owing to external lenders in respect of long term loans. The maturity period for these loans is between one and fifty years and the borrowing is from the Public Works Loan Board (PWLb).

Short-term Investments are temporary surplus funds, invested short term with those financial institutions included within the PCC for Bedfordshire's approved lending list.

Trade Debtors and Creditors relate to balance sheet amounts (excluding payments in advance and receipt in advance) adjusted for statutory debtors and creditors.

The PCC for Bedfordshire has not reclassified any financial instruments during 2023/24 and all remain at amortised cost.

Income and Expense Gains and Losses

## Police Pension Fund Accounting Statement

All interest income and expenditure relates to the Commissioners accounts.

	2022/23			2023/24		
	Financial Liabilities measured at amortised cost	Financial assets	Total	Financial Liabilities measured at amortised cost	Financial assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest Expense - Paid	864	0	864	1,046	0	1,046
<b>Total expense in surplus or deficit on the provision of services</b>	<b>864</b>	<b>0</b>	<b>864</b>	<b>1,046</b>	<b>0</b>	<b>1,046</b>
Interest Income	0	-318	-318	0	-846	-846
<b>Total income in surplus or deficit on the provision of services</b>	<b>0</b>	<b>-318</b>	<b>-318</b>	<b>0</b>	<b>-846</b>	<b>-846</b>
<b>Net (gain) / loss for the year</b>	<b>864</b>	<b>-318</b>	<b>546</b>	<b>1,046</b>	<b>-846</b>	<b>199</b>

### Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value has been calculated below by calculating the net present value of the future cash flows using the following assumptions:

- The discount rate used is the applicable market rate on 31<sup>st</sup> March using bid prices where applicable.
- For fixed term deposits it is assumed that interest is received on maturity.
- The new borrowing rate at 31 March has been used as the discount factor for PWLB borrowing.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair value of each class of financial liabilities and assets carried in the Balance Sheet at amortised cost is as follows:

	The Commissioner				The Chief Constable			
	31 March 2024		31 March 2023		31 March 2024		31 March 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Financial Liabilities:</i>								
<i>PWLB Borrowing</i>	39,559	25,930	37,020	25,097	0	0	0	0
Creditors	8,223	8,223	3,854	3,854	23,629	23,629	21,904	21,904
<i>Loans and Receivables:</i>								
Short-Term Investments	5,000	5,000	2,000	2,000	0	0	0	0
Debtors	4,927	4,927	5,970	5,970	6,732	6,732	5,260	5,260
Instant Access Bank Deposit Accounts	4,431	4,431	6,589	6,589	0	0	0	0
Imprest & Cash	65	65	65	65	0	0	0	0

The differences between carrying amount and fair value for PWLB borrowing is due to several of the PCC for Bedfordshire's larger loans being taken out at lower interest rates than those available in the market at 31 March 2024. In arriving at the fair value of PWLB borrowing the current certainty rate for new borrowing from the PWLB is used to calculate the fair value of each loan. However there is no active market for

these loans, Code guidance suggests that in these circumstances fair value should be measured from the PWLB perspective, assessing the price that they would be able to secure if they were to sell the loans in an orderly market transaction. The valuation basis uses Level 2 Inputs – I,e inputs other than quoted prices that are observable for the financial liability.

The carrying value of short term trade receivables and payables, short term investments and cash balances is deemed to be a reasonable approximation of fair value.

### **Note 16: Nature and Extent of Risks Arising from Financial Instruments**

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

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

#### **Overall Procedures for Managing Risk**

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

- by formally adopting the requirements of the CIPFA Code of Practice on Treasury Management;
- by adopting the Treasury Policy Statement and the treasury management clauses within Financial Regulations;
- by approving a Treasury Management Strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
  - The PCC's overall borrowing;
  - Its maximum and minimum exposures to fixed and variable rates;
  - Its maximum and minimum exposures for the maturity structure of its debt;
  - Its maximum annual exposures to investments maturing beyond a year.

These are required to be reported and approved at or before the PCC's annual council tax setting budget meeting or before the start of the year to which they relate. These

items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the PCC's financial instrument exposure.

The annual treasury management strategy which incorporates the prudential indicators is approved annually the PCC Strategic Board.

### Credit Risk

All direct investments are made by the Commissioner and may only be to those organisations included in the approved lending list, will be for a period of less than 365 days and cannot be more than £9M to an individual counter party. In compiling the lending list certain criteria have been applied and credit ratings (which the PCC for Bedfordshire receives as part of the service from Link Asset Services) are considered.

The risk is minimised through the Treasury Management Strategy, which requires that deposits are not made with banks and/or building societies unless they meet identified minimum credit criteria, in accordance with Fitch, Moody's and Standard & Poor's credit rating services. The Treasury Management Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet minimum investment criteria. Additional selection criteria are also considered after this initial criteria is applied.

The PCC uses the creditworthiness service provided by Link Asset Service. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard & Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

The PCC's maximum exposure to credit risk in relation to its investments in individual banks during 2022/23 of £18M cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the PCC's deposits but there was no evidence at the 31 March 2023 that this was likely to crystallise. As at 31<sup>st</sup> March 2023 £2M was held in a fixed term deposit with other funds placed in instant access accounts.

No breaches of the PCC's counterparty criteria occurred during the reporting period and the PCC does not expect any losses from non-performance by any of its' counterparties in relation to deposits.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors. The PCC does not generally allow credit for customers, however the past due amount can be analysed by age as follows:

	31 March 2024	31 March 2023
	£'000	£'000
Less than 30 days	2,699	6,332
30-60 days	676	80
60-90 days	0	19
Over 90 days	0	1
<b>Total</b>	<b>3,375</b>	<b>6,432</b>

The following analysis summarises the PCC for Bedfordshire Group's potential maximum exposure to credit risk, based on experience of default and non-collectability over the last five financial years:

	Amount as at 31 March 2024	Historical experience of default	Estimated maximum exposure to default and non- collectability
	£'000	%	£'000
Deposits with banks and financial institutions	4,431	-	-
Customers	3,375	0.15	9

The expected credit losses included in the accounts of £0.009M are calculated according to expectations and communications in respect of individual balances owing at 31<sup>st</sup> March 2024.

Liquidity Risk

The PCC for Bedfordshire seeks to minimise liquidity risk by securing adequate available sources of short term financing and by effective cash flow forecasting and monitoring.

The PCC for Bedfordshire maintains several instant access accounts which are used to meet the day to day fluctuations in income and expenses. The force's Treasury Strategy ensures that limits are in place for the amount of funds invested in each banking group.

Short term borrowing, within the PCC for Bedfordshire's borrowing limits, may be undertaken through the money markets when necessary to cover expenditure pending the receipt of income.

Any long term borrowing is through the PWLB thereby minimising the potential liquidity risks. The maturity analysis of the PCC for Bedfordshire borrowing is as follows:



31 March 2023	Analysis of PWLB Loans by Maturity	31 March 2024
£'000		£'000
7,720	Less than 10 years	10,259
4,000	Between 10 and 15 years	4,000
0	Between 15 and 20 years	0
2,500	Between 20 and 25 years	2,500
22,800	Over 25 Years	22,800
<b>37,020</b>	<b>Total</b>	<b>39,559</b>

All trade and other payables are due to be paid in less than one year.

Market Risk

The PCC for Bedfordshire seeks to minimise market risk by maintaining reliable sources of information regarding market conditions to allow for informed assessment of treasury transactions. The PCC for Bedfordshire employs the services of Link Asset Services to advise on Treasury Management issues.

The PCC for Bedfordshire does not make direct investments that are subject to market fluctuations (e.g. gilts, certificates of deposit etc.).

Cash flow forecasts are regularly monitored to ensure the PCC for Bedfordshire's financing targets are met.

Loans and short-term investment balances shown in the balance sheet are at fixed rates and therefore not affected by market fluctuations as at 31 March 2024. A rise in interest rates would reduce the fair value of the loans; however borrowings are not carried at fair value so any notional gain arising from a commitment to pay interest to lenders below current market rates would not impact on the Surplus or Deficit on the Provision of Services.

Re-financing Risk

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

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC's approved treasury and investment strategies address the main risks and OPCC staff address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the PCC's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.
- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt
- monitoring interest rates available to ensure any re-financing is carried out whilst interest rates are most favourable.

**Note 17: Debtors & Payments In Advance**

31 March 2023			31 March 2024	
Commissioner	Group		Commissioner	Group
£'000	£'000		£'000	£'000
5,170	6,433	Trade Receivables	576	3,375
-19	-21	Less Expected Credit Losses	0	-9
7,545	7,545	Council Tax	2,731	2,731
21,940	26,832	Other Receivables	23,190	28,017
28	3,905	Prepayments	0	4,217
<b>34,663</b>	<b>44,694</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>26,496</b>	<b>38,331</b>

**Note 18: Cash and Cash Equivalents**

The balance of cash and cash equivalents is made up of the following elements:

	As at 31st March 2023	As at 31st March 2024	Movement in the year
	£'000	£'000	£'000
Cash in hand	65	65	0
Bank current accounts	6,580	4,413	-2,167
Euro bank Account	9	18	9
<b>Total Group Cash and Cash Equivalents</b>	<b>6,654</b>	<b>4,496</b>	<b>-2,158</b>

**Note 19: Funds Held on Behalf of Third Parties**

The PCC for Bedfordshire holds cash and property seized from individuals whilst enquiries are conducted. The PCC for Bedfordshire will either return or repay these funds (to the courts or the individual) on conclusion of the enquiries. Therefore, these funds are excluded from the PCC for Bedfordshire's income and expenditure but balances are held in the PCC bank accounts and recognised as creditors.

As at 31 March 2024 the balance of these funds was £2.479M (£2.126M at 31 March 2023).

**Note 20: Critical Judgements In Applying Accounting Policies**

In applying the accounting policies the PCC for Bedfordshire has had to make certain judgements and assumptions about complex transactions or those involving uncertainty about future events.

- In order to apply the group accounting requirements the relationship between the PCC and Chief Constable has been assessed. The PCC remains in control of all assets and reserves however it is judged that the Chief Constable has sufficient operational control over staff and delegated budgets that this expenditure and associated income is shown on the Comprehensive Income and Expenditure Statement for the Chief Constable.

- The PCC for Bedfordshire is involved in various joint arrangements with other forces. These arrangements are judged to be joint operations due to the joint management and decision making structure of the agreement. The PCC for Bedfordshire's share of transactions and balances are consolidated into the financial statements in accordance with the CIPFA Code of Practice.
- The accounting arrangements for the Counter Terrorism Policing (CTP) are not judged to be a joint arrangement as although it is governed by a management board and decisions made on a unanimous basis, the unit is entirely grant funded therefore decisions regarding the level of funding and hence the service provided are not entirely made by the forces involved.

### Note 21: Assumptions Made about the Future & Other Estimation Uncertainties

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities as at the balance sheet date and the income and expenses reported during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key assumptions and areas of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Property, Plant & Equipment is depreciated over the useful lives of the assets which are dependent on assumptions regarding the length of time the asset will be in operational use for, these vary for different classes of assets. The property valuation is also based on assumptions around how the buildings will be used in future years and price indexes which are broad estimates and subject to fluctuation. Depreciation on Land and Buildings is calculated on useful lives estimated by valuers at the start of the year, when depreciation on these building is calculated on the useful lives estimated at 31<sup>st</sup> March 2023 this results in a depreciation reduction of £100K.
- The fair value of loans is calculated using the discount rate (see Note 15 Financial Instruments). If the discount rate increased by 1% then fair value of loans would be £23.256M instead of £25.930M.
- Estimation of the net liability to pay pensions depends on a number of complex assumptions relating to the discount rate used, the rate at which salaries increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A sensitivity analysis is shown at note 37 and the risks of participating in a defined benefit pension scheme are provided by the actuaries and shown below:

## Police Pension Fund Accounting Statement

Risk	Comment
Investment risk	The fund may hold investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.
Interest rate risk	The fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
Inflation risk	All of the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
Longevity risk	In the event that the members live longer than assumed a deficit will emerge in the fund. This may be mitigated by a longevity insurance contract if held by the fund. There are also other demographic risks.
Climate risk	Climate risk can be grouped into two categories; Physical and Transitional risks. Physical risks are direct risks associated with an increased global temperature such as heatwaves and rising sea levels. Transitional risks are the costs of transitioning to a low carbon economy. These risks will manifest themselves in many of the other risks detailed above which the fund is exposed to, for example investment returns may be affected.
Regulatory risk	Regulatory uncertainties could result in benefit changes to past or future benefits which could result in additional costs.
Orphan risk	As many unrelated employers participate in each fund, there is an orphan liability risk where employers leave the fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers in that fund.

**Note 22: Creditors & Receipts in Advance**

The creditors of the PCC for Bedfordshire and PCC for Bedfordshire Group can be analysed as follows:

The Commissioner 31 March 2023	The Group 31 March 2023		The Commissioner 31 March 2024	The Group 31 March 2024
£'000	£'000		£'000	£'000
2,125	4,923	Trade Payables	1,095	4,128
6,929	29,604	Other Payables - Capital & Revenue	8,202	32,852
0	448	Other Payables - Employees	0	563
6,078	6,078	Council Tax	2,116	2,116
1,871	2,005	Receipts In Advance	762	829
0	7,134	Short Term Accumulating Absences	0	8,748
<b>17,003</b>	<b>50,192</b>	<b>Short Term Creditors 31<sup>st</sup> March</b>	<b>12,176</b>	<b>49,236</b>
16,770	0	Amount owed to Chief Constable	17,113	0
<b>33,773</b>	<b>50,192</b>	<b>Total Amounts Due within 1 Year</b>	<b>29,289</b>	<b>49,236</b>

**Note 23: Unusable Reserves**

The Commissioner 31 March 2023  Restated	The Group 31 March 2023  Restated		The Commissioner 31 March 2024	The Group 31 March 2024
£'000	£'000		£'000	£'000
-4,132	-4,132	Revaluation Reserve	-4,277	-4,277
-29,411	-29,411	Capital Adjustment Account	-28,825	-28,825
221	20,806	Pensions Reserve – LGPS	0	7,696
0	926,790	Pensions Reserve – Police Pensions	0	941,400
-56	-56	Collection Fund Adjustment Account	142	142
-8	-8	Deferred Capital Receipts Reserve	0	0
0	7,134	Accumulated Absences Account	0	8,748
<b>-33,387</b>	<b>921,122</b>	<b>Total Unusable Reserves</b>	<b>-32,960</b>	<b>924,885</b>

Revaluation Reserve

This reserve records the gains made by the PCC for Bedfordshire arising from increases in the value of its Property Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost

## Police Pension Fund Accounting Statement

- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluations made since April 2007, accumulated gains arising before that date have been consolidated into the balance on the capital adjustment account.

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
-3,479	-3,479	Balance at 1 <sup>st</sup> April	-4,132	-4,132
-1,015	-1,015	Upward revaluation of assets	-359	-359
0	0	Asset Disposal	0	0
264	264	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services - PPE	100	100
0	0	Downward revaluation of assets and impairment losses on reclassification.	0	0
98	98	Difference between fair value depreciation and historical cost depreciation	114	114
-4,132	-4,132	Balance at 31 <sup>st</sup> March	4,277	4,277

### Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the capital funds due from the National Police Air Service. These funds will be applied to capital financing and recognised in the Usable Capital Receipts Reserve as they are received.

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
-38	-38	Balance at 1 <sup>st</sup> April	-8	-8
0	0	Amount credited to reserve	-10	-10
30	30	Amount released to finance capital	18	18
0	0	Discount Unwound / Revaluation following payments made	0	0
-8	-8	Balance at 31 <sup>st</sup> March	0	0

### Collection Fund Adjustment Account

This account records the difference between the council tax incomes included in the Income and Expenditure Account and the council tax incomes actually received as required by regulation.

## Police Pension Fund Accounting Statement

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
-1,149	-1,149	<b>Balance at 1<sup>st</sup> April</b>	-56	-56
1,093	1,093	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	198	198
-56	-56	<b>Balance at 31<sup>st</sup> March</b>	142	142

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising for the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
-30,668	-30,668	<b>Balance at 1<sup>st</sup> April</b>	-29,411	-29,411
-1,780	-1,780	Revenue Contributions Applied	-427	-427
-30	-30	Capital Receipts Applied	-8	-8
-826	-826	Government Grants Released	-3,132	-3,132
0	0	Contribution applied in year	0	0
-821	-821	MRP	-1,119	-1,119
4,549	4,549	Depreciation and Impairment	5,085	5,085
165	165	Non-current assets written off on disposal	187	187
-29,411	-29,411	<b>Balance at 31<sup>st</sup> March</b>	25,825	25,825

### Accumulated Absences Account

Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

## Police Pension Fund Accounting Statement

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
0	6,024	Balance at 1 <sup>st</sup> April	0	7,134
0	-6,024	Cancellation of accrual made at the end of the preceding year	0	-7,134
0	7,134	Amounts accrued at the end of the current year	0	8,748
0	7,134	Balance at 31 <sup>st</sup> March	0	8,748

### Pensions Reserves

The pension reserves absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Chief Constable for Bedfordshire accounts for post-employment benefits in their Comprehensive Income and Expenditure Statement as the benefits are earned by employees under their control accruing years of service, updating their liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. The debit balance on the Chief Constable and Group Pension Reserves therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
		<b>Pension Reserve – Local Government Scheme</b>		
1,574	161,789	Balance at 1 <sup>st</sup> April	221	20,806
-1,703	-156,301	Actuarial (gains) or losses on pensions assets and liabilities	-204	-13,207
534	23,630	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of services in the Comprehensive Income and Expenditure Statement	205	9,059
-184	-8,312	Employer's pension contributions and direct payments to pensioners payable in the year	-222	-8,962
221	20,806	Balance at 31 <sup>st</sup> March	0	7,696



**Police Pension Fund Accounting Statement**

The Commissioner 2022/23	The Group 2022/23		The Commissioner 2023/24	The Group 2023/24
£'000	£'000		£'000	£'000
		<b>Pension Reserve – Police Pension Scheme</b>		
0	1,272,670	<b>Balance at 1<sup>st</sup> April</b>	0	926,790
0	-378,519	Actuarial (gains) or losses on pensions assets and liabilities	0	-8,320
0	61,820	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of services in the Comprehensive Income and Expenditure Statement	0	51,900
0	-29,181	Employer's pension contributions and direct payments to pensioners payable in the year	0	-28,970
0	926,790	<b>Balance at 31<sup>st</sup> March</b>	0	941,400

**Note 24: Cash Flow Statement – Operating Activities**

2022/23			2023/24	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
1,735	50,298	Net (surplus) or deficit on the provision of services	2,383	26,782
0	252	Contributions (to)/from provisions		113
-4,647	-4,647	Depreciation & Impairment	-5,210	-5,210
-349	-47,802	IAS 19 pension adjustments	22	-22,763
-165	-165	Carrying Amount of non-current assets sold	-187	-187
0	3	Increase / (decrease) stock	0	-4
12,258	11,370	Increase / (decrease) debtors	-8,177	-6,371
-7,480	-11,275	(Increase)/decrease creditors	4,827	956
-3,318	0	(Increase) / decrease creditors – Inter Company	-342	0
-3,701	-52,264	Adjust net surplus or deficit on the provision of services for non-cash movement	-9,067	-33,466
73	73	Remove proceeds of sale of non-current assets included in investing activities	0	0
1,944	1,944	Remove Capital Grants included in investing activities	2,002	2,002
51	51	<b>Net cash flows from operating activities</b>	<b>-4,682</b>	<b>-4,682</b>

The cash flows for operating activities include the following items:

2022/23			2023/24	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
-318	-318	Interest Received	-846	-846
864	864	Interest Paid	1,046	1,046

**Note 25: Cash Flow Statement – Investing Activities**

2022/23			2023/24	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
7,158	7,158	Purchase of property, plant and equipment, and intangible assets	8,381	8,381
0	0	Purchase of short term investments	3,000	3,000
-73	-73	Proceeds from the sale of property, plant and equipment, and intangible assets	0	0
-	-	Proceeds from short-term investments	-	-
-1,944	-1,944	Other Receipts from Investing Activities	-2,002	-2,002
5,141	5,141	<b>Net cash flows from investing activities</b>	<b>9,379</b>	<b>9,379</b>

**Note 26: Cash Flow Statement – Financing Activities**

2022/23			2023/24	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
-10,000	-10,000	Cash receipts of short and long term borrowing	-3,000	-3,000
0	0	Repayments of short and long term borrowing	461	461
-10,000	-10,000	<b>Net cash flows from financing activities</b>	<b>-2,539</b>	<b>-2,539</b>

**Note 27: Officer's Remuneration**

The number of employees whose remuneration, excluding pension contributions and redundancy payments, was £50,000 or more in bands of £5,000 as shown below.

The Chief Constable	The Commissioner	Remuneration Band £	The Chief Constable	The Commissioner
2022/23	2022/23		2023/24	2023/24
243	1	50,000 to 54,999	275	1
150	0	55,000 to 59,999	202	1
102	1	60,000 to 64,999	138	0
25	1	65,000 to 69,999	66	1
11	2	70,000 to 74,999	22	0
13	0	75,000 to 79,999	7	2
6	0	80,000 to 84,999	9	0
3	0	85,000 to 89,999	5	0
2	0	90,000 to 94,999	4	0
3	0	95,000 to 99,999	2	0
0	1	100,000 to 104,999	3	0
0	0	105,000 to 109,999	0	0
<b>558</b>	<b>6</b>		<b>733</b>	<b>5</b>

The employees in the bandings above do not include the remuneration of the posts of Senior Officers and Relevant Police Officers which are now separately disclosed below as required by the Accounts and Audit Regulations or the redundancy payments now disclosed separately.

**Note 28: Exit Packages**

All packages are disclosed as per the amounts of remuneration paid to the Chief Constable for Bedfordshire's employees regardless of whether they were funded by collaboration or not.

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages in each band	Total cost of exit packages in each band
<i><b>The Group</b></i>				
£40,000-£60,000	2	0	2	£90,400
£20,000-£40,000	3	2	5	£137,400
<£20,000	4	1	5	£50,600
<i><b>The Commissioner</b></i>				
-	-	-	-	-
<b>Total</b>	<b>9</b>	<b>3</b>	<b>12</b>	<b>£278,400</b>

In addition and as a result of collaboration agreements, Bedfordshire contributed towards exit packages for Hertfordshire and Cambridgeshire staff of £75K and 31K

respectively. These were exit packages incurred in forming new collaborated units and funded by existing cost sharing principles.

**Exit Packages 2022/23**

Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages in each band	Total cost of exit packages in each band
<b><i>The Group</i></b>				
£40,000-£60,000	3	0	3	£146,200
£20,000-£40,000	1	0	1	£37,900
<£20,000	2	0	2	£10,200
<b><i>The Commissioner</i></b>				
-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>£194,300</b>

In addition and as a result of collaboration agreements, Bedfordshire contributed towards exit packages for Hertfordshire and Cambridgeshire staff of £28K and £18K respectively, Hertfordshire and Cambridgeshire also contributed towards £3K of Bedfordshire exit packages.

**Note 29: Senior Officers and Relevant Police Officers Remuneration**

	Salary, fees and allowances	Employers Pension Contribution	Reimbursement of Expenses	Benefit in Kind	Total
	£	£	£	£	£
<b>The Commissioner</b>					
The Police & Crime Commissioner	73,300	13,414	288	0	87,002
The Deputy Police & Crime Commissioner	35,330	6,465	1,325	0	43,120
The Chief Executive	109,316	20,005	0	501	129,821
The Chief Finance Officer to Police & Crime Commissioner (Note 1)	17,252	2,778	0	286	20,316
<b>The Chief Constable</b>					
Chief Constable	193,565	53,883	100	4,392	251,939
Deputy Chief Constable	145,245	40,510	1,886	0	187,641
Assistant Chief Constable – A	127,211	31,447	0	0	158,659
Assistant Chief Constable – B (Note 2)	81,026	24,557	1,464	0	107,047
Assistant Chief Constable – C (Note 3)	96,875	29,311	936	0	127,122
Assistant Chief Constable – D (Note 4)	70,399	16,312	354	0	87,065
Chief Constable's Chief Finance Officer	155,264	25,003	0	2,573	182,841

**Notes**

Note 1: The CFO to the CC was also the CFO to the PCC - estimated allocation 90/10

Note 2: Role undertaken 08/08/23 to 31/03/24

Note 3: Role undertaken 30/05/23 to 31/03/24

Note 4: Role Undertaken 01/04/23 to 18/10/23

## Police Pension Fund Accounting Statement

### Senior Officers and Relevant Police Officers Remuneration 2022/23

	Salary, fees and allowances	Employers Pension Contribution	Reimbursement of Expenses	Benefit in Kind	Total
	£	£	£	£	£
<b>The Commissioner</b>					
The Police & Crime Commissioner	73,142	12,946	2,159	0	<b>88,247</b>
The Deputy Police & Crime Commissioner (Note 8)	12,017	835	0	0	<b>12,852</b>
The Chief Finance Officer to Police & Crime Commissioner - A (Note 1)	10,029	0	0	0	<b>10,029</b>
The Chief Finance Officer to Police & Crime Commissioner - B (Note 2)	6,033	1,000	0	126	<b>7,158</b>
<b>The Chief Constable</b>					
Chief Constable – A (Note 3)	133,826	38,835	0	1,619	<b>174,280</b>
Chief Constable B (Note 4)	86,416	25,196	174	1,141	<b>112,927</b>
Deputy Chief Constable - A (Note 5)	68,448	18,674	74	2,203	<b>89,399</b>
Deputy Chief Constable - B (Note 6)	21,190	5,908	0	0	<b>27,098</b>
Assistant Chief Constable – A	124,445	28,786	1,125	0	<b>154,357</b>
Assistant Chief Constable – B	113,066	28,786	0	0	<b>141,852</b>
Assistant Chief Constable – C (Note 7)	92,072	24,682	80	460	<b>117,294</b>
Chief Constable's Chief Finance Officer	138,749	22,994	0	2,892	<b>164,635</b>

#### Notes

Note 1: Role undertaken 1/04/22 to 31/10/22

Note 2: Role undertaken 1/11/22 to 31/03/23 when the CFO to the CC was also the CFO to the PCC

Note 3: Role undertaken 01/04/22 to 2/01/23

Note 4: Role undertaken 26/09/22 to 31/03/23

Note 5: Role Undertaken 01/04/22 to 25/09/22.

Note 6: Role undertaken from 06/02/23 to 31/03/23

Note 7: Role undertaken from 01/04/22 to 29/11/22

Note 8: Role undertaken from 07/11/22 to 31/03/23

#### Note 30: Audit Fees

External audits were provided by BDO LLP in 2022/23 and by KPMG in 2023/24 to both the PCC for Bedfordshire and to the Chief Constable.

2022/23		2023/24
£'000		£'000
23	Audit Fee Re Police & Crime Commissioner	87,037
11	Audit Fee Re Chief Constable	47,040
<b>34</b>	<b>Total Audit Fees</b>	<b>134,077</b>

**Note 31: Eastern Region Organised Crime Unit**

The Eastern Region Organised Crime Unit (ROCU) is a joint arrangement between 7 forces – Hertfordshire, Cambridgeshire, Essex, Suffolk, Norfolk, Kent and Bedfordshire to provide one serious and organised crime unit for the eastern region. ROCU is run by a management board where all forces are equally represented and decisions are made with the unanimous consent of all forces.

Expenditure of £3.475M has been consolidated into the Chief Constable’s Income and Expenditure statement. The government grants of £0.796M has been consolidated into the Income and Expenditure Statement for the PCC, and the PCC for Bedfordshire’s share of the total assets purchased (£0.104M) are included on the PCC’s balance sheet financed by a transfer from the revenue budget. The income and expenditure statement for the units is shown below:

2023/24	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grant	-789	-1002	-1979	-1430	-1347	-1127	-872	-8,547
Capital Grant	-7	-8	-17	-12	-18	-10	-7	-80
Running Costs	3,475	4,410	5,578	6,295	5,412	4,962	3,837	33,968
Depreciation	96	105	56	162	34	127	101	681
<b>Surplus / Deficit</b>	<b>2,775</b>	<b>3,505</b>	<b>3,637</b>	<b>5,015</b>	<b>4,080</b>	<b>3,952</b>	<b>3,059</b>	<b>26,022</b>

2022/23	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grant	-868	-1,095	-1,881	-1,559	-1,270	-1,236	-954	-8,864
Capital Grant	-221	-280	-81	-399	-74	-316	-243	-1,615
Running Costs	3,156	3,985	4,591	5,671	4,372	4,495	3,468	29,739
Depreciation	46	46	32	74	16	58	47	318
<b>Surplus / Deficit</b>	<b>2,112</b>	<b>2,655</b>	<b>2,661</b>	<b>3,788</b>	<b>3,044</b>	<b>3,001</b>	<b>2,317</b>	<b>19,579</b>

The following assets/liabilities included on the PCC for Bedfordshire’s balance sheet that relate to ROCU are as follows:

31 March 2023		31 March 2024
£'000		£'000
140	Vehicles	181
184	Plant & Equipment	150
159	Land & Buildings	157
75	Cash	16
<b>558</b>	<b>Net Assets</b>	<b>504</b>
483	Capital Adjustment Account	488
75	Reserve	16
<b>558</b>	<b>Equity</b>	<b>504</b>

## Police Pension Fund Accounting Statement

In addition there are two buildings purchased jointly by the forces for regional teams, the PCC for Bedfordshire's share of the total value is also included in the balance sheet at £0.910M.

### Note 32: Collaborated Units

	Beds 2022/23 £000	Cambs 2022/23 £000	Herts 2022/23 £000	Total 2022/23 £000		Beds 2023/24 £000	Cambs 2023/24 £000	Herts 2023/24 £000	Total 2023/24 £000
<b>Joint Protective Services</b>					<b>Joint Protective Services</b>				
Armed Policing Units	3,368	3,007	3,554	<b>9,929</b>	Armed Policing Units	3,812	3,412	4,038	<b>11,261</b>
Jps Command	400	504	718	<b>1,621</b>	Jps Command	453	575	820	<b>1,847</b>
Dog Units	869	1,066	1,443	<b>3,378</b>	Dog Units	938	1,156	1,568	<b>3,662</b>
Major Crime Unit	2,419	2,884	3,567	<b>8,870</b>	Major Crime Unit	2,609	3,122	3,868	<b>9,599</b>
Operational Planning	313	395	563	<b>1,271</b>	Operational Planning	309	392	560	<b>1,261</b>
Resilience	102	128	183	<b>413</b>	Resilience	95	120	172	<b>386</b>
Roads Policing Unit	2,808	4,007	5,386	<b>12,201</b>	Roads Policing Unit	2,843	4,076	5,487	<b>12,406</b>
Scientific Services	2,579	3,109	4,235	<b>9,923</b>	Scientific Services	3,386	4,057	5,420	<b>12,863</b>
<b>Total Joint Protective Services</b>	<b>12,857</b>	<b>15,100</b>	<b>19,648</b>	<b>47,605</b>	<b>Total Joint Protective Services</b>	<b>14,444</b>	<b>16,909</b>	<b>21,931</b>	<b>53,284</b>
<b>Operational Support</b>					<b>Operational Support</b>				
Custody & Criminal Justice Smt	278	170	500	<b>948</b>	Custody & Criminal Justice Smt	319	196	575	<b>1,090</b>
Criminal Justice Unit	518	654	931	<b>2,103</b>	Criminal Justice Unit	461	585	1,003	<b>2,049</b>
Delivery Management Office	377	476	678	<b>1,531</b>	Joint Strategy & Transformation	337	428	612	<b>1,377</b>
Cameras Tickets & Collisions	(49.9)	(62.5)	(83.0)	<b>(195.4)</b>	Cameras Tickets & Collisions	55	69	92	<b>217</b>
Firearms & Explosive Licenses	149	289	235	<b>673</b>	Firearms & Explosive Licenses	170	329	268	<b>767</b>
ICT***	4,238	5,346	7,611	<b>17,195</b>	ICT***	6,925	8,699	12,481	<b>28,105</b>
-	-	-	-	-	-	-	-	-	-
<b>Total Operational Support Expenditure</b>	<b>5,511</b>	<b>6,872</b>	<b>9,871</b>	<b>22,254</b>	<b>Total Operational Support Expenditure</b>	<b>8,267</b>	<b>10,306</b>	<b>15,031</b>	<b>33,605</b>
<b>Organisational Support</b>					<b>Organisational Support</b>				
Collaboration Team	-	-	-	-	- Corporate Comms	62	78	112	<b>251</b>
Hr L&D	4,572	5,768	8,212	<b>18,552</b>	Hr L&D	4,786	6,362	9,025	<b>20,174</b>
Information Management Depts	901	1,136	1,617	<b>3,654</b>	Information Management Depts	980	1,244	1,775	<b>4,000</b>
Professional Standards	1,546	1,580	2,313	<b>5,440</b>	Professional Standards	1,946	2,118	2,910	<b>6,974</b>
Joint Uniform Stores	71	90	128	<b>288</b>	Joint Uniform Stores	77	98	140	<b>315</b>
					Finance	31	171	56	<b>258</b>
					BCH Payroll	152	193	276	<b>622</b>
					Uplift Programme Board	42	53	75	<b>170</b>
					Police Transformation Fund	8	10	15	<b>34</b>
					BCH Implementation	26	33	-	<b>59</b>
<b>Total Organisational Support Expenditure</b>	<b>7,090</b>	<b>8,574</b>	<b>12,270</b>	<b>27,934</b>	<b>Total Organisational Support Expenditure</b>	<b>8,110</b>	<b>10,361</b>	<b>14,385</b>	<b>32,856</b>
<b>Total BCH Net Operating Costs</b>	<b>25,458</b>	<b>30,546</b>	<b>41,790</b>	<b>97,793</b>	<b>Total BCH Net Operating Costs</b>	<b>30,822</b>	<b>37,577</b>	<b>51,347</b>	<b>119,746</b>
Joint Procurement Unit*	129	243	460	<b>832</b>	Joint Procurement Unit*	255	238	471	<b>963</b>
					Pension Dep**	191	-	-	<b>191</b>
<b>Total Net Operating Costs</b>	<b>25,587</b>	<b>30,789</b>	<b>42,249</b>	<b>98,625</b>	<b>Total Net Operating Costs</b>	<b>31,267</b>	<b>37,814</b>	<b>51,818</b>	<b>120,900</b>

The Joint Procurement Unit\* is part of the 7F element.  
The Pension Dep\*\* in 23/24 relates to Beds McCloud.  
Prior to 2023/24 the ICT\*\*\* values were not reported as such and not included in the above table.  
The 2022/23 values are shown below in the total £9,505,043.



**Note 33: Analysis of Government Grants**

The PCC for Bedfordshire credited the following grants and contributions to their Comprehensive Income & Expenditure Statement:

	<u>2023/24</u> £'000	<u>2022/23</u> £'000
Provision of National Communications Data Service	28	53
National Economic Crime Centre	-	99
Rapid Video Response	165	-
Data Connectivity	500	-
Close Protection - Op Venice	118	-
National Law Enforcement Database	81	-
Starboard Grant	-	140
EMSCP Grants	-	63
Serious Violence Duty	128	-
Counter Terrorism Policing Grant	22,323	20,243
Special Grant	8,494	7,742
Safer Streets	749	382
ROCU (Beds Share of Regional Grant)	577	868
ROCU - Non Core Grants	212	104
National Serious & Organised Crime	1,900	-
Criminal Records Bureau Vetting	380	324
Violence Reduction Unit	1,226	1,247
Victim Services Grant (Ministry of Justice)	1,845	1,844
Immigration Crime / Modern Day Slavery	-	74
Invigor Funding	513	-
Cyber Grant	257	274
Surge Fund	696	587
Uplift Fund	4,617	1,217
Proceeds of Crime Grant	238	190
Other	58	63
<b>Total Credited to Provision of Services</b>	<b>45,105</b>	<b>35,514</b>
Pension Top Up Grant	10,647	12,451
<b>Total Credited to Other Operating Income</b>	<b>10,647</b>	<b>12,451</b>
Police Revenue Grant	49,404	49,232
Pension Grant	1,116	1,116
Council Tax Freeze Grant	751	751
Formula Funding	28,064	27,966
Council Tax Benefit Subsidy	3,886	3,886
Capital Expenditure Grant	2,002	1,944
Council Tax Precepts	57,636	53,091
<b>Total Credited to Taxation &amp; Non Specific Grant Income</b>	<b>142,859</b>	<b>137,986</b>
Of which were Received In Advance	1,129	1,192

### Note 34: Related Party Transactions

The Financial Reporting Standard on Related Party Disclosures (IAS 24) and the CIPFA Code of Practice require that material 'related party' transactions with the PCC for Bedfordshire/Force are disclosed in the Statement of Accounts.

#### Other Public Bodies Subject to Common Control

UK Government exercises some control over the general operations of the PCC for Bedfordshire Group and it is responsible for providing the statutory framework within which the group operates and provides the majority of its funding in the form of grants. Details of grants received from government departments are disclosed in the Comprehensive Income and Expenditure Account and in detail in Note 33.

Material transactions with other public bodies have been disclosed in other notes to the Accounts (see notes 32-38).

#### Officers

A review to determine related party transactions with the PCC for Bedfordshire Group involved all senior members of staff within the group.

The Chief Constable is a Trustee for You Turn Futures, £124K was paid from the Chief Constables budgets to You Turn Futures during 23/24 for offender management and £62K via the PCC's grant applications process, (£230K was paid to You Turn Futures in 2022/23).

#### Entities Controlled by or Significantly Influenced by the PCC for Bedfordshire.

The PCC for Bedfordshire empowers the Chief Constable as a separate entity via a scheme of governance and all contracts have been entered into in compliance with the Scheme of Governance. A full explanation of this relationship is set out in the Explanatory foreword.

**Note 35: Capital Expenditure & Capital Financing.**

The total capital expenditure incurred in the year is shown below along with the resources that have been used to finance it. Where capital expenditure is to be financed in future years as charges are applied to revenue as assets are used by the PCC for Bedfordshire, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the PCC for Bedfordshire that has yet to be financed.

	2023/24	2022/23
	£'000	£'000
<u>Opening Capital Financing Requirement</u>	40,269	36,568
<u>Capital Investment</u>		
Property, Plant & Equipment	8,381	7,158
Intangible Assets		
<u>Sources of Finance</u>		
Capital Receipts	-18	-104
Government Grants & Contributions	-3,132	-752
<i>Sums set aside from Revenue:</i>		
Direct Revenue Contributions	-427	-1,780
Minimum Revenue Provision	-1,119	-821
<b><u>Closing Capital Financing Requirement</u></b>	<b>43,955</b>	<b>40,269</b>
<u>Explanation of Movements in the Year</u>		
Increase (decrease) in underlying need to borrow		
- supported by government assistance		
Increase (Decrease) PWLB Borrowing	2,539	10,000
- unsupported by government assistance		
Increase (Decrease) Internal Borrowing	1,146	-6,299
Assets acquired under finance leases	0	0
Assets acquired under PFI contracts	0	0
<b><u>Increase / (decrease) in Capital Financing Requirement</u></b>	<b>3,685</b>	<b>3,701</b>

**Note 36: Lease Rentals**

The PCC for Bedfordshire rents several properties under the terms of operating leases. The majority of the operating lease costs are included in the Chief Constable's Comprehensive Income & Expenditure Statement to reflect the day-to-day direction and control exercised. The amount paid in 2023/24 was £0.772M (£0.582M for 2022/23).

**Police Pension Fund Accounting Statement**

At 31 March 2024 lease payments due under non-cancellable leases in future years were:

	Less than 1 Year	Later than 1 Year and not Later than 5 Years	Later than 5 Years	Total
	£'000	£'000	£'000	£'000
The Police & Crime Commissioner	28	57	0	85
The Chief Constable	676	2,775	811	4,262

**Note 37: Pensions (Comprising of the Police Pension Fund Accounting Statements)**

As part of the terms and conditions of employment of its officers and other employees, the Chief Constable for Bedfordshire offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Chief Constable has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The costs and liabilities associated with the retirement benefits for police officers are recorded in the Chief Constable's accounts, the corresponding negative pension reserve is held on the Chief Constable's balance sheet.

The Chief Constable for Bedfordshire participates in two pension schemes:

- The Local Government Pension Scheme (LGPS) for police staff, administered by Bedford Borough Council – this is a funded defined benefit final salary scheme, meaning that the PCC for Bedfordshire and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- The Police Pension Scheme for Police Officers – this is an unfunded defined benefit final salary scheme administered by the PCC for Bedfordshire Group, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than amounts payable, the police authority 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 police authority which then must repay the amount to central government.

Quoted securities held as assets in the LGPS defined benefit pension scheme are valued at bid price.

The costs of retirement benefits are recognised in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that the PCC for Bedfordshire is required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out through the Movement in Reserves Statement.

## Police Pension Fund Accounting Statement

Assets and liabilities of the Local Government Pension Scheme have been split between those attributable to the Chief Constable's employees and the Police & Crime Commissioners employees.

The transactions below are included in the Group Comprehensive Income and Expenditure Statement during the year:

GROUP	Local Government Pension Scheme		Police Pension Scheme	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
<b>Net Total Cost of Service</b>				
Current Service Costs	19,446	8,156	28,100	9,250
Past Service Costs/Gains	95	117	0	0
Losses/Gains on Curtailments & Settlements	0	0	0	0
<b>Surplus or Deficit on the Provision of Services</b>				
Interest Costs	9,272	10,664	33,720	42,650
Interest Income on plan assets	-5,183	-9,878	0	0
<b>Other Comprehensive Income &amp; Expenditure</b>				
<u>Re-measurements:</u>				
Actuarial gains and losses arising on changes in demographic assumptions	-6,166	-2,391	-22,420	0
Actuarial gains / losses arising on changes in financial assumptions	-179,943	-7,319	-439,140	-19,770
Other actuarial gains (assets & liabilities)	-1,954	0	0	0
Impact of Asset Ceiling	0	15,224	0	0
Other experience gains and losses	24,749	681	83,041	11,450
Return on plan assets (excl amount in net interest expense)*	7,013	-19,402	0	0
<b>Total Charge to the Comprehensive Income and Expenditure Statement</b>	<b>-132,671</b>	<b>-4,148</b>	<b>-316,699</b>	<b>43,580</b>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made for retirement benefits in accordance with IAS19*	-23,630	-9,059	-61,820	-51,900
<b>Actual Amounts charged against the General Fund Balance for pensions in the year:</b>				
Employers Contributions payable to the pension fund	8,312	8,962	27,075	26,888
Injury Award Benefits	0	0	2,105	2,081

\*Admin Costs of £264K is included in Current Service Costs

## Police Pension Fund Accounting Statement

PCC	Local Government Pension Scheme	
	2022/23	2023/24
	£'000	£'000
<b>Net Total Cost of Service</b>		
Current Service Costs	496	200
Past Service Costs/Gains	0	0
Losses/Gains on Curtailments & Settlements	0	0
<b>Surplus or Deficit on the Provision of Services</b>		
Interest Costs	118	159
Interest Income on plan assets	-80	-154
<b>Other Comprehensive Income &amp; Expenditure</b>		
<u>Re-measurements:</u>		
Actuarial gains and losses arising on changes in demographic assumptions	-95	-35
Actuarial gains / losses arising on changes in financial assumptions	-3,090	-164
Other actuarial gains (assets & liabilities)	235	0
Other experience gains and losses	1,138	19
Impact of Asset Ceiling	0	276
Return on plan assets (excl amount in net interest expense)*	109	-300
<b>Total Charge to the Comprehensive Income and Expenditure Statement</b>	<b>1,169</b>	<b>1</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made for retirement benefits in accordance with IAS19*	-534	-205
<b>Actual Amounts charged against the General Fund Balance for pensions in the year:</b>		
Employers Contributions payable to the pension fund	184	222
* Admin cost of £4K is included in Current Service costs		

### Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Group Balance Sheet arising from the obligation in respect of its defined benefit plans is as follows:

GROUP	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
Present value of the defined benefit obligation	229,304	222,876	941,400	926,790
Fair value of plan assets	-236,832	-202,070	-	-
Impact of Asset Ceiling	15,224	-	-	-
<b>Net liability arising from the defined benefit obligation</b>	<b>7,696</b>	<b>20,806</b>	<b>941,400</b>	<b>926,790</b>

## Police Pension Fund Accounting Statement

PCC	Funded Liabilities: Local Government Pension Scheme	
	2023/24	2022/23
	£'000	£'000
Present value of the defined benefit obligation	3,505	3,296
Fair value of plan assets	-3,781	-3,075
Impact of Asset Ceiling	276	
<b>Net liability arising from the defined benefit obligation</b>	<b>0</b>	<b>221</b>

### Reconciliation of the movements in the fair value of scheme assets

GROUP	Local Government Pension Scheme	
	2023/24	2022/23
	£'000	£'000
<b>1<sup>st</sup> April</b>	<b>202,070</b>	<b>195,873</b>
Expected rate of return / Interest income	9,878	5,183
Re-measurement gains and losses:		
Return on plan assets, excluding the amount included in the net interest expense	19,402	-7,013
Other	-264	1,799
Settlements	0	0
Employer contributions	8,962	8,312
Contributions by scheme participants	3,112	2,814
Benefits paid	-6,328	-4,898
<b>31<sup>st</sup> March</b>	<b>236,832</b>	<b>202,070</b>

PCC	Local Government Pension Scheme	
	2023/24	2022/23
	£'000	£'000
<b>1<sup>st</sup> April</b>	<b>3,075</b>	<b>2,958</b>
Expected rate of return / Interest income	154	80
Re-measurement gains and losses:		
Return on plan assets, excluding the amount included in the net interest expense	300	-109
Other	-4	-237
Employer contributions	222	184
Contributions by scheme participants	85	78
Benefits paid	-51	121
<b>31<sup>st</sup> March</b>	<b>3,781</b>	<b>3,075</b>

**Police Pension Fund Accounting Statement**

Reconciliation of present value of the scheme liabilities

GROUP	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
<b>1<sup>st</sup> April</b>	<b>222,876</b>	<b>357,662</b>	<b>926,790</b>	<b>1,272,670</b>
Current service cost	7,892	19,291	9,250	28,100
Interest cost	10,664	9,272	42,650	33,720
Contributions by scheme participants	3,112	2,814	7,036	6,331
Re-measurement (gains) and losses:				
▪ Actuarial gains / losses arising from changes in demographic assumptions	-2,391	-6,166	0	-22,420
▪ Actuarial gains / losses arising from changes in financial assumptions	-7,319	-179,943	-19,770	-439,140
▪ Other actuarial gains / losses	0	0	0	0
▪ Other experience gains / losses	681	24,749	11,450	83,041
Benefits paid	-6,328	-4,898	-36,006	-35,512
Past service cost (including curtailments)	117	95	0	0
Losses / (gains) on settlements	0	0	0	0
<b>31<sup>st</sup> March</b>	<b>229,304</b>	<b>222,876</b>	<b>941,400</b>	<b>926,790</b>

PCC	Funded Liabilities: Local Government Pension Scheme	
	2023/24	2022/23
	£'000	£'000
<b>1<sup>st</sup> April</b>	<b>3,296</b>	<b>4,532</b>
Current service cost	196	494
Interest cost	159	118
Contributions by scheme participants	85	78
Re-measurement (gains) and losses:		
▪ Actuarial gains / losses arising from changes in demographic assumptions	-35	-95
▪ Actuarial gains / losses arising from changes in financial assumptions	-164	-3,090
Other actuarial gains / losses	0	0
Other experience gains / losses	19	1,138
Benefits paid	-51	121
Past service cost (including curtailments)	0	0
Losses / (gains) on settlements	0	0
<b>31<sup>st</sup> March</b>	<b>3,505</b>	<b>3,296</b>



## Police Pension Fund Accounting Statement

### Reconciliation of the opening and closing surplus / (deficit)

GROUP	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
<b>Opening Surplus (deficit)</b>	<b>-20,806</b>	<b>-161,789</b>	<b>-926,790</b>	<b>-1,272,670</b>
Current Service Cost	-8,156	-19,446	-9,250	-28,100
Contributions by employer	8,962	8,312	28,970	29,181
Past Service Costs	-117	-95	0	0
Interest Cost	-10,664	-9,272	-42,650	-33,720
Expected Return on Assets	9,878	5,183	0	0
Gains & Losses on Settlements	0	0	0	0
Re-measurement Gains / (losses)	13,207	156,301	8,320	378,519
<b>31<sup>st</sup> March</b>	<b>-7,696</b>	<b>-20,806</b>	<b>941,400</b>	<b>-926,790</b>

PCC	Funded Liabilities: Local Government Pension Scheme	
	2023/24	2022/23
	£'000	£'000
<b>Opening Surplus (deficit)</b>	<b>-221</b>	<b>-1,574</b>
Current Service Cost	-200	-494
Contributions by employer	222	182
Past Service Costs	0	0
Interest Cost	-159	-118
Expected Return on Assets	154	80
Other Actuarial Gains / (losses)	0	-235
Re-measurement Gains / (losses)	204	1,938
<b>31<sup>st</sup> March</b>	<b>0</b>	<b>-221</b>

## Police Pension Fund Accounting Statement

Local Government Pension Scheme assets comprised:

2022/23				2023/24		
CC	PCC	Group		CC	PCC	Group
£'000	£'000	£'000	Asset Type	£'000	£'000	£'000
128,109	1,972	130,081	Equities	143,288	2,312	145,600
36,537	563	37,100	Bonds	42,498	686	43,184
26,779	412	27,191	Property	33,409	539	33,948
8,440	130	8,570	Cash	14,755	238	14,993
<b>199,865</b>	<b>3,077</b>	<b>202,942</b>	<b>Total</b>	<b>233,950</b>	<b>3,775</b>	<b>237,725</b>

The final asset allocation of the Fund assets is likely to be different from that shown due to estimation techniques. The overall Group share of the Fund assets is approximately 6.87%.

The table below shows the asset breakdown for the total fund:

Asset breakdown		31 March 2024	
		% Quoted	% Unquoted
Corporate Bonds	UK	-	-
	Overseas	5%	-
Equities	UK	-	-
	Overseas	-	8%
Property		-	5%
Absolute return portfolio		4%	-
Private Equity		-	2%
Infrastructure		-	9%
Unit trust		-	47%
Private Debt		-	3%
Multi-Asset Credit		-	10%
Climate Opportunities		-	0%
Cash/Temporary Investments		-	6%
<b>Total</b>		<b>9%</b>	<b>91%</b>

In relation to the LGPS the suitability of various types of investments has been considered as has the need to diversify investments to reduce the risk of being invested in too narrow a range, however a large proportion of assets relate to equities which have remained at a consistent level.

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Borough Council Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries. The Police Pension scheme liabilities have been assessed using the Government Actuary Department's IAS19 spreadsheet (GFS) which has been designed to satisfy the disclosure requirements contained within the CIPFA Code of Practice.

The significant assumptions used by the actuaries are:

	Local Government Pension Scheme		Police Pension Scheme	
	2023/24	2022/23	2023/24	2022/23
	%	%	%	%
Long-term expected rate of return on assets in the scheme:				
<b>Mortality Assumptions:</b>				
Longevity at 65 for current pensioners				
- Men	21.1	21.4	21.9	21.9
- Women	23.9	24.2	23.6	23.3
Longevity at 65 for future pensioners				
- Men	22.2	22.4	23.6	23.5
- Women	25.5	25.8	25.1	25.0
Rate of inflation - CPI	2.85	2.90	2.60	2.60
Rate of increase in salaries	3.85	3.90	3.85	3.85
Rate of CARE revaluation			3.85	3.85
Rate of increase in pensions	2.85	2.90	2.60	2.60
Rate for discounting scheme Liabilities	4.95	4.80	4.75	4.65
Take-up of option to convert annual pension into retirement lump sum (pre April 08 service)	50	50		-
Take-up of option to convert annual pension into retirement lump sum (post April 08 service)	75	75		-

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes in assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant, in reality changes in some assumptions may be interrelated.

For the Police Pension Scheme actuarial gains have resulted from updated demographic assumptions as the actuaries have used assumptions proposed in the 2020 valuation and ONS 2020.

The LGPS actuaries have adopted a set of demographic assumptions that are consistent with those used for the most recent fund valuation carried out as at 31 March 2022 except for an update of the CMU projection model to the CMI 2022 model. This gives rise to a valuation gain on £2.391M for the Group and £0.035M for the PCC.

The majority of the actuarial gains for 23/24 result from the expected return on assets, however the accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds.

Therefore an asset ceiling is applied and this moves the fund from a surplus to a deficit once more.

As can be seen from the sensitivity analysis a small change to the assumptions can have a big impact on the liability. The sensitivity analysis provided by the actuary in their report to for the Police & Crime Commissioner is given below:

Sensitivity analysis	£000s	£000s	£000s	£000s	£000s
<b>Adjustment to discount rate</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.5%</b>
Present value of total obligation	3,000	3,277	3,352	3,429	3,764
Projected service cost	137	163	170	177	210
<b>Adjustment to long term salary increase</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.5%</b>
Present value of total obligation	3,373	3,356	3,352	3,348	3,332
Projected service cost	171	170	170	170	169
<b>Adjustment to pension increase and deferred revaluation</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.5%</b>
Present value of total obligation	3,748	3,426	3,352	3,280	3,012
Projected service cost	211	178	170	163	136
<b>Adjustment to life expectancy assumptions</b>	<b>+1 Year</b>		<b>None</b>		<b>-1 Year</b>
Present value of total obligation	3,446		3,352		3,261
Projected service cost	176		170		164

**Sensitivity Analysis for the Police Scheme:**

	Police Pension Scheme	
	Approx. Increase to Employer Liability	
	%	£'000
<b>Change in assumptions at 31 March 2023</b>		
0.5% increase in Real Discount Rate	-8.0%	-75,000
1 year increase in member life expectancy	2.5%	23,000
0.5% increase in the Salary Increase Rate	1.0%	9,000
0.5% increase in the Pension Increase Rate	8.0%	76,000

The discount rate is based on high quality corporate bond yields of which there are very few in the market with a sufficiently long duration so an additional margin is added by the actuaries.

Impact on Cash Flows

The liabilities show the underlying commitments that the PCC for Bedfordshire Group has in the long-term to pay retirement benefits. The liability of £927M has a substantial impact on the net worth of the PCC for Bedfordshire Group as recorded in the balance sheet, resulting in a negative overall balance of £887M. However, statutory arrangements for funding the deficit mean that the financial position of the PCC for Bedfordshire Group remains healthy:

- The deficit of the LGPS will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

## Police Pension Fund Accounting Statement

- Finance is only required to be raised to cover police pensions when the pensions are actually paid.

### Police Pension Fund Accounting Statement

The accounting policies for the Police Pension fund are disclosed in the main accounting policies and the long term pension obligations are shown separately on the balance sheet.

The Police Pension fund financing arrangements require separate accounting statements for the police pension fund. These arrangements require the Chief Constable for Bedfordshire to credit the police pensions fund with officer and employer contributions, incoming transfers and other contributions specified by the regulations. Payments made from the account include pension payments, lump sums and transfers out to other schemes. There are no investment assets held and the fund is balanced to nil each year by receipt of a top-up grant from the Home Office to cover any deficit, or paying over any surplus to the Home Office.

Employees and employers contributions levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department.

There are three separate pension schemes, for which membership is based on length of service and age. Benefits and contributions rates vary for each scheme according to members personal circumstances and pay rates. The retirement age and benefits are different for each scheme. A Fund Account for all three schemes combined is shown below:

2022/23			2023/24	
£'000	£'000		£'000	£'000
		<b>Contributions receivable</b>		
		- From Employer		
-15,108		Normal	-16,573	
0		Early Retirements for Ill-Health	0	
-6,261		- From members of the Pension Scheme	-7,003	
	-21,369			-23,576
		<b>Transfers in</b>		
	-127	- Individual Transfers in from Other Schemes		-33
		<b>Benefits Payable</b>		
27,449		- Pensions	30,613	
6,329		- Commutations and Lump Sums	3,550	
	33,778			34,163
		<b>Payments to and on Account of Leavers</b>		
	56	- Individual Transfers out to Other Schemes		0
	113	-Pension Refunds		94
	12,451	<b>Sub-Total: Net amount receivable for the year before top-up grant</b>		10,647
	-12,451	Top-Up Grant Receivable from Police Fund		-10,647
	0	(Surplus) / Deficit for the year		0

**Police Pension Fund Accounting Statement**

The table below shows the Net Assets held by the Pension Fund, there are no net assets as all are held on the PCC Group Balance Sheet as all payments are made by the PCC Group.

2022/23			2023/24	
£'000	£'000		£'000	£'000
0		Unpaid Pension Benefits	0	
0		Amount Owing from the general fund	0	
	0	<b>Net Current Assets and Liabilities</b>		<b>0</b>

**External Advisers**

The specialist nature and complexity of certain financial activities make it prudent for the PCC for Bedfordshire to enhance the available internal expertise by using the services of external advisers.

External advisers have been appointed to provide additional advice and guidance in the following areas:

(i) **Financial Administration**

Financial services provided to the PCC for Bedfordshire Group during 2022/23 include the following:

- Internal Audit – RSM Risk Assurance Services LLP
- Tax – RSM
- Pensions - XPS
- Treasury Management Advice – Link Asset Services

(ii) **Banking**

Banking services and advice are provided by National Westminster Bank plc.

**Glossary of Terms**

**ACCRUAL** – A sum included in the final accounts to cover income or expenditure attributable to an accounting period for goods supplied and received or work done, but for which payment has not been received/made by the end of the period.

**ACTUARIAL VALUATION** – A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

**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 or (b) the actuarial assumptions have changed.

**AGENCY SERVICES** – The provision of services by one body (the agent) on behalf of another that is legally responsible for providing the service.

**BUDGET** – A statement of the PCC for Bedfordshire's forecast of net revenue and capital expenditure over a specified period of time.

**CAPITAL EXPENDITURE** – Spending on assets (e.g. land, buildings roads etc.) which adds to and not merely maintains the value of an existing non-current asset. Expenditure that does not fall within the definition must be charged to the Income and Expenditure Account.

**CAPITAL RECEIPTS** – The money from the sale of land or other assets. Capital receipts can be used to pay for new capital expenditure, within rules set down by the Government, or to repay outstanding loans. They cannot be used to finance revenue expenditure.

**CARRY FORWARDS** – Service under/overspendings that under the PCC for Bedfordshire's Devolved Budget Management Scheme, may be carried forward to the following year.

**CIPFA** – The Chartered Institute of Public Finance and Accountancy. This is the professional body responsible for accountants working in the public service. The Institute provides financial and statistical information on local government and public finance matters. CIPFA is a privately funded body with charitable status.

**CONTINGENT LIABILITY** – A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more future events not within the PCC for Bedfordshire's control.

**CREDITOR** – An amount owed by the PCC for Bedfordshire to suppliers for work done or goods received for which payment has not yet been made.

**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** – For a defined benefit scheme, an event that reduced 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.



**DEBTOR** – Money owed to the PCC for Bedfordshire.

**DEFINED BENEFIT SCHEME** – a pension scheme other than a defined contribution scheme. The scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

**DEPRECIATION** – The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

**DIRECT REVENUE FINANCING** – Resources provided from the PCC for Bedfordshire's revenue budget to finance the cost of capital projects.

**EARMARKED RESERVES** – Those elements of the Police Fund that have been set aside, "earmarked", for specific services.

**EMOLUMENTS** – All taxable sums paid to or received by an employee including the value of any benefits received other than in cash.

**FINANCIAL REGULATIONS** – A written code of procedures approved by the PCC for Bedfordshire, intended to provide a framework for proper financial management.

**FINANCIAL YEAR** – The period covered by a set of financial accounts - the Police Authority financial year commences 1 April and finishes 31 March the following year.

**FINANCIAL REPORTING STANDARDS (FRS)** – These standards are developed by the Accounting Standards Board and regulate the preparation and presentation of financial statements. Any material departures from these standards should be disclosed in notes to the accounts.

**GOVERNMENT GRANTS** – Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an Authority in return for past or future compliance with certain conditions relating to the activities of the PCC for Bedfordshire.

**GROSS EXPENDITURE** – The total cost of providing the PCC for Bedfordshire's services before taking into account income.

**IMPAIRMENT** – A reduction in the value of a non-current asset on the Balance Sheet due to lack of maintenance or change of use.

**INCOME** – Amounts due to an organisation that have been or are expected to be received.

**INTEREST INCOME** – The money earned from the investment of surplus cash.

**INVESTMENTS** – A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the PCC for Bedfordshire for 365 days or more. A short-term investment occurs when surplus funds are invested for 364 days or fewer.

**LIABILITIES** – Money owed to individuals or organisations that will be paid at some time in the future.

**MINIMUM REVENUE PROVISION (MRP)** – The minimum amount which must be charged each year to the PCC for Bedfordshire's Police Fund and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

**NATIONAL NON-DOMESTIC RATES (NNDR)** – A levy on businesses, based on a national rate in the pound set by the government, multiplied by the 'rateable value' of the premises they occupy. Collected by billing authorities in line with national criteria and then redistributed among all local authorities and police authorities on the basis of population.

**NET BOOK VALUE** – The amount at which non-current assets are included in the balance sheet, i.e. their historical cost less the cumulative amounts provided for depreciation.

**NON CURRENT ASSET** – An asset that has value beyond one financial year.

**OPERATIONAL ASSETS** – Non-current assets held and occupied, used or consumed by the Police Authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. All Police Authority non-current assets are classified as operational assets.

**PAST SERVICE COST** – For a defined benefit 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.

**POLICE FUND** – The main account of a Police Authority. Income from government grants and the Precept is paid into the fund and day-to-day spending on services is paid for from the fund. The year end balances on the fund are the general reserves (or balances) maintained as a matter of prudence.

**POLICE GRANT** – The term used to specify all government grants to the PCC for Bedfordshire other than revenue support grant.

**PRECEPTS** – The demands made by the PCC for Bedfordshire on the local councils to finance the PCC for Bedfordshire's expenditure.

**PROVISION** – An amount, set aside in the accounts, for liabilities that are likely to be incurred but the amounts or the dates on which they will arise are uncertain.

**PUBLIC WORKS LOAN BOARD (PWLb)** – A Government agency which provides longer term loans to Local Authorities at interest rates only slightly higher than those at which the Government itself can borrow.

**RELATED PARTY TRANSACTIONS** – The transfer of assets or liabilities or the performance of services, to or for a related party, irrespective of whether a charge is made.

**RESERVES** – These consist of Usable and Unusable Reserves. Usable Reserves are monies set aside by the PCC for Bedfordshire that do not fall within the definition of provisions. Unusable Reserves are created to absorb the timing differences of the accounting entries required by the CIPFA Code.

**REVENUE EXPENDITURE** – The day-to-day running costs incurred by an Authority in providing services.

**REVENUE SUPPORT GRANT (RSG)** – A grant paid by central government in aid of Authority services in general, as opposed to specific grants, which may only be used for a specific purpose.

**UNFUNDED PENSION SCHEME** – A scheme where the costs of pensions and other benefits, after accounting for employees' contributions in the year, are charged to the Income and Expenditure account e.g. Police Pension Scheme.

**USEFUL LIFE** – A term used to express the period over which the PCC for Bedfordshire will derive benefits from the use of a non-current asset. This is then used in calculating the depreciation charge for that asset.

**WORKS IN PROGRESS** – The cost of work done on an uncompleted project at the balance sheet date.

INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER  
FOR BEDFORDSHIRE

Audit Pending