



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

2021/2022

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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 664,500 people Bedfordshire is one of England's smallest (yet most diverse), counties and faces complex crime challenges more usually seen in large metropolitan cities.

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 18 million passengers in 2019, up 8.6% on the previous year. 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. In the year to October 2021 the force recorded over 48,882 crimes (a decrease of 6.2 per cent), and answered more than 309,000 calls for service.

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.

We employ in the region of 1,384 Police Officers, 1,154 police staff and 52 Police Community Support Officers (PCSOs).

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.

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 2021-2022 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 OPCC and PCC fails in its oversight and governance to ensure delivery of the statutory responsibilities under the Police and Social Responsibility Act 2011 the functions will fail.

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 £127.430M, and the final outturn position for the Force and Office of the Police and Crime Commissioner (OPCC) is an underspend of £1.422M.

The latest estimated year-end revenue position reported in February 2022 was an underspend of £0.500M, this position has changed in the last two months of the year that has seen collaborated units deliver an underspend, an improved liability against insurance claims allowing us to reduce the amount we put into the insurance provision, more income from diversionary courses than anticipated and the OPCC reviewing their position against the use of the Community Safety Fund. The final figure is an under-spend of £1.422M, of which £0.135M relates to an over-spend for the PCC after using £0.195M from reserves and £1.557M is an under-spend incurred by the Force.

Revenue Expenditure was as follows:

	<u>£'M</u>
Net Expenditure before Reserve Transfers	126.203
Planned Transfers to / From Reserves	-0.195
Net Expenditure	<u>126.008</u>

Revenue Expenditure Met from Budgeted Grants:	<u>£'M</u>
Home Office Grant	73.229
11/12 Council Tax Freeze Grant	0.751
Taxbase Reduction Grant	0.843
Council Tax Benefit Subsidy Grant	3.886
Council Tax	48.721
	<u>127.430</u>

Net (Surplus) or Deficit for the year (Revenue Budget)	(1.422)
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The budget variances for the year arose in the following areas:

	<u>£'M</u>
Police Pay	0.145
Police Overtime	0.993
Staff Costs (inc Agency and Overtime)	0.425
Non-Staff Costs	0.101
Externally Funded & Income	2.024
Collaboration	-0.080
Grants	-7.069
Operation Costello	1.904
PCC's Office	0.547
PCC's Community Safety Fund	-0.217
PCC's Road Safety Reserve	-0.195
Total	-1.422

Transfers to/from other useable reserves comprised:

	£'M	£'M
Transfer to Regional Property Reserve	-0.010	
Transfer from Road Safety Reserve	0.195	
Transfer from Op Kenova Budget Reserve	1.090	
Budgeted Transfer to Police Fund	-1.081	
<i>Budgeted Transfers included in Outturn Reporting</i>		0.194
Transfers agreed after Reported Outturn		-1.422
Capital Funding - Force		2.100
Capital Funding - Regional		0.024
Net transfer to General Fund Reserves		-0.895
Transfer from Capital Grants Unapplied		0.095
Net transfer to Usable Reserves		-0.800

Capital Expenditure

Capital expenditure made by the PCC for Bedfordshire Group amounted to £18.231M this includes capital expenditure made on behalf of regional units for which Home Office Grants are provided. The force outturn position of £16.976M represents a reduction of £4.594 on the original programme of £21.570M. The variance on the programme of £4.594M can be segregated into three elements, schemes that have not yet started and are awaiting final sign off equating to £1.5M, delays to existing projects for which the payments will be made in future years, equating to £2.697M and is known as slippage. The remaining £0.397M is a net underspend on the remaining projects.

The financing of Capital Expenditure was as follows:

	£'M
Internal Borrowing	6.000
External Borrowing	8.000
Capital Receipts	0.030
Capital Grant	0.246
Direct Revenue Financing	0.600
Capital Expenditure Reserve	2.100
Total (as per approved capital programme)	16.976
Home Office Counter Terrorism Grant	1.172
Regional Organised Crime Unit Grant	0.015
Regional Organised Crime Unit Revenue Contributions	0.043
Regional Capital Reserve	0.024
Total Including Regional Commitments	18.231

Use of Reserves

The reduction in reserves identified above for funding capital and revenue expenditure results in a usable reserves balance of £11.660M, 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 £8.0M was undertaken in March 2022 in order to finance the new Custody building at Police Headquarters Kempston.

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.

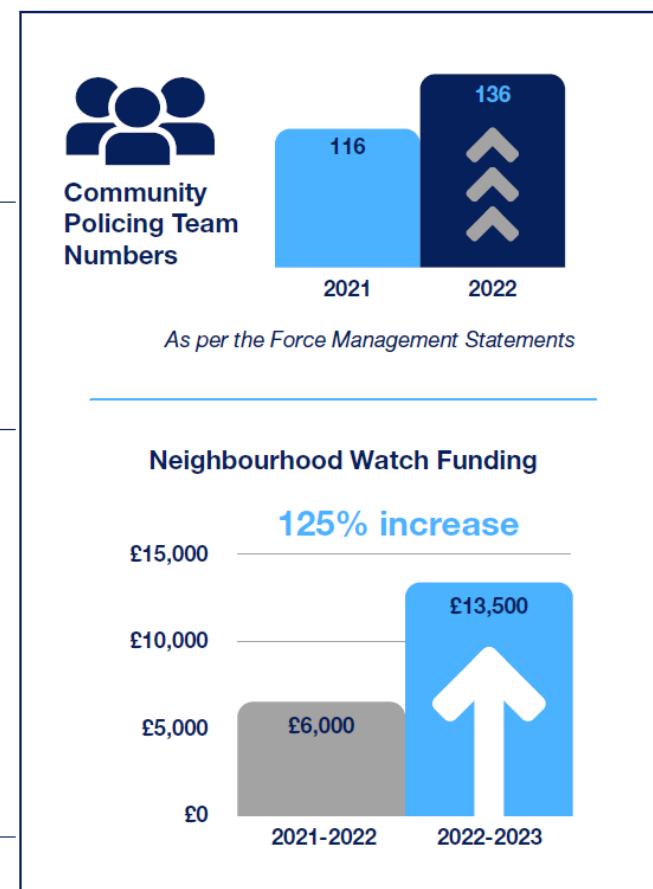
The force has been able to quickly adapt to increased homeworking through the use of ICT enhancements and investments which were in the capital program but brought forward due to the COVID pandemic as well as making fast paced changes in working practices to accommodate teams working remotely. This has meant the PCC has been able to protect a large number of the workforce from an increased risk of infection.

The PCC continues to ensure that the Estate remains fit for purpose, and at the end of financial year 21/22 work was completed on the replacement Custody building at the Headquarters site.

Non-Financial Performance

During May 2021 Festus Akinbusoye was elected as the Police and Crime Commissioner for Bedfordshire, his priorities identified above have been delivered as outlined in his Annual Report to the Police and Crime Panel, below is an extract of this report showing how key priorities have been met:

Annual Report 2021/2022 Summary	
<p>PRIORITY 1 Investment in community-based and community-led policing for urban and rural areas</p>	<ul style="list-style-type: none"> Ongoing scrutiny and oversight of the Community Policing Plan, ensuring that the Force's commitment to place record numbers of officers within this area is both achieved and maintained. Various community engagement and days of action completed. Increased funding has been provided to Neighbourhood Watch and other community watch schemes and direct funding has now begun to support the Community Safety Partnership (CSP) priorities that are in line with the Police and Crime Plan. Proof of concept of community public accessibility terminal delivered and ongoing development discussion and testing is in progress.
<p>PRIORITY 2 Recruitment and retention of police officers</p>	<ul style="list-style-type: none"> A close working relationship was developed with the Force estates team, which has led to an ongoing modernisation programme across the police estate. I regularly join officers on the front line across the county and engage with them, to listen and understand how they do their roles and what I can do, to positively support them in this. Standing agenda item around 'Culture and Wellbeing' introduced at the monthly Delivery and Beating Crime Board, this being the main board which holds the Chief Constable to account. I funded additional support and capacity to ensure that appropriate counselling support is available to police officers and staff. Ongoing scrutiny monitoring and publishing of information surrounding the components and various dynamics that will lead to the achievement of a more reflective workforce. I hold the leading role nationally within the Association of Police and Crime Commissioners (APCC) group to address Race Disparity issues within policing. Funded and supported the National Black Police Officer Association Annual Conference which was held in Bedfordshire.



<p>PRIORITY 3 Tackling the causes of crime and breaking the cycle of re-offending</p>	<p>Two successful placements of Interns, including individuals with special educational needs (SEN), with further placements planned throughout my term.</p> <ul style="list-style-type: none"> • Appointment of dedicated Early Intervention and Pathways Project Manager to coordinate and lead on my commitments around supporting young people and their careers. • I have invested £40,000 in acquiring additional Cyber triage capability. • I hosted the first ever Schools Parliamentary Debating competition. The final was held at Bedford Magistrates Court as two Bedfordshire schools battled in a real-life parliamentary setting for the Commissioner's Cup. • I have visited many of the schools within Bedfordshire and engaged directly with young people of various ages. It is my intention to visit every school within the County by the end of my term. • I have invested in excess of £250,000 across Bedfordshire to Improve Road Safety and reduce collisions and fatalities. • I have invested £45,000 on safe spaces for young people and also empowered them to decide where and how that money was spent. • My office secured nearly one million pounds of additional funding from the Home Office to support the Safer Streets initiative. • I set up activities during the summer period for young people to be invited in across the county. This will continue moving forward, with stronger links with the three local authorities. • I have launched the "Next Steps "programme which uses conditional cautions to support people out of drug and alcohol addiction in support of them moving away from a path of criminality. • My team has established a closer working relationship with the National Probation Service and is actively seeking opportunities to co-commission functions and services.
<p>PRIORITY 4 Placing residents and victims at centre of policing priorities</p>	<ul style="list-style-type: none"> • My team have, at my request, reviewed, and relaunched the service that was 'Signpost' as 'Bedfordshire Victim Care Services' (BVCS). • As part of the review and relaunch of BVCS, I have increased the crime types where support for victims can be offered such as fraud and Antisocial Behaviour (ASB). • My office led on a 12 week campaign to raise awareness of the obligations and expectations that the public are entitled to, under the Victim Code of Practice (VCOP). • The Victim Needs Analysis (VNA) continues to be monitored and progressed through the appropriate boards and partner meetings. • I have met with representatives from the majority of Parish and Town Councils across the county, either in person or online as well as attending various council led meetings. • My office, at my instruction, has reviewed the process of commissioning services utilising Ministry of Justice (MOJ) and other funds. I am confident that the revised commissioning approach will ensure that money is allocated to partners and services that will provide victim centric and focussed outcomes in line with the needs and deliverables of my Police and Crime Plan.
<p>PRIORITY 5 Multi-agency approach to community safety and crime reduction</p>	<ul style="list-style-type: none"> • I have continued funding for the Family Drugs and Alcohol Court (FDAC) moving to a three year funding term as believe this initiative is delivering, significant impact and benefits. • The new Criminal Justice Centre was delivered on time and on budget and is now fully functioning.
<p>PRIORITY 6 Transparency and open communication</p>	<ul style="list-style-type: none"> • I have ensured that my team are publishing and sharing more information than ever before, to enable the public to have greater access to information and details of activities of Bedfordshire Police. • Within the Delivery and Beating Crime Board I commenced streaming of a dedicated section of this meeting to strengthen openness, transparency and encourage participation with the public.
<p>PRIORITY 7 National contributions</p>	<ul style="list-style-type: none"> • I am the National Lead for the APCC for the prevention portfolio. • I have continued to lobby at the highest level within Central Government around the requirements for a fairer funding formula for Bedfordshire.

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 Delivery and Beating Crime 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 Commissioner's pledge to increase officers was made possible by the £6.9M increase in funding made available to the Police & Crime Commissioner through a combination of increased Police Grant, Council Tax increase of £15 per band D property and the continuation of the Uplift grant as part of the 2021/22 approved budget. The increased numbers in police officers assisted the Commissioner in delivering against his Police and Crime Plan. The medium-term financial plan covering the next four years, between 2022/23 and 2025/26, that is constantly being reviewed, does place reliance from 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. The grant total £3.6M in 2021/22. In addition to this, flowing from the national operation Venetic, the UK investigation into encrypted messaging platform EncroChat, the PCC also received a grant totalling £3.6M for the level of disproportionate expenditure incurred by Bedfordshire when compared with other Forces in England and Wales. Similar bids have been submitted for the new financial year, 2022/23 and continuation funding is expected at slightly lower levels as the Force is asked to contribute higher levels of matched funding.
- The 2022/23 budget has been built on the basis that we wish to avoid the use of reserves, this has been made possible by the increase in council tax and police grant.
- 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.

We have seen an increase in the main police grant of £3.969M for 2022/23. Most of this increase is attributed to the cost of the officers formally funded by uplift grant which can now be built into the base budget and the increase in national insurance rates from April 2022. Bedfordshire has been awarded £1.2M uplift grant in 2022/23 to fund the recruitment of 72 officers during the financial year being the final year of the Government's drive to recruit 20,000 officers nationally. We will see the continuation of the pension grant of £1.117M and legacy council tax grants of £4.637M. The tax base reduction grant awarded last year has been discontinued as expected as tax base levels have recovered from last year's slump brought about by Covid. The budget reflects the fact there was no pay award in September 2021 and it contains a contingency to fund a 3% pay award in September 2022.

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 £10 for a band D household. This combined with the collection fund surplus of £0.756M and the increase in main police grant, provides for an overall funding increase of £8.632M.

Based on the provisional financial settlement the estimated medium-term plan position is shown in the table below. During the run up to the budget many different scenarios have been tested with options around growth and savings incorporated into each of these. The improvement in the collection fund figures combined with the growth afforded by the OPCC's decision to increase Council Tax has meant that no significant savings have been required (savings have been netted off against growth figures) this year to produce a balanced budget. This is obviously in complete contrast to the position in previous years whereby significant savings have had to be made. Savings plans are in place for the following year and while we have shown the use of reserves to balance the budget in 2023/34, we will be working hard next year to reduce costs to an extent that the use of reserves is not required.

The provisional settlement contained total grant funding figures for the Police Service through to 2024/25 and we have estimated the impact of this for Bedfordshire Police in our medium-term plan. Assuming no changes to our funding position we estimate that we can produce a balanced budget to the 2024/25 financial year. This does rely on use of reserves during the plan that we have been able to build up in recent years. The Government has also 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.

	2022/23 Indicative	2023/24 Estimated	2024/25 Estimated	2025/26 Estimated
	£'000	£'000	£'000	£'000
Estimated draft budget (a)	136,062	144,022	146,604	151,382
Estimated funding (b)	136,062	140,902	146,006	148,752
Shortfall (a-b)	0	3,120	598	2,630
Savings	0	2,205		
Use of Budget Reserve		915	598	1,544
Budget Shortfall				1,086

The medium-term financial forecast is shown in the table above. Assuming no changes to our funding position we estimate that we can produce a balanced

budget to the 2025/26 financial year. However this does rely on use of reserves of £6.348M over the course of the plan.

Based on the final settlement and an increase of £10 in Council Tax in 2022/23 aligned with the award of Special Grant and the aspiration of increasing officers by 72 in the next Financial year the PCC's projected reserve balances are £4.081M in General Reserves. This balance is required to maintain a minimum level of 3% of annual budget. Balances in capital reserves of £5.671M and insurance reserves of £1.031M are estimated at the end of this Medium-Term Plan period.

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:

<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 21/22 no sponsorship was received as the organisation did not participate in any awards or events which are usually subject to sponsorship. Donations normally amount to small amounts of up to £5,000 per annum.
<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>	The PCC has secured an agreement to receive revenue from the Central Bedfordshire District Council Supplementary Planning Document linked to progression of new housing developments. As at March 2019 this generates around £50,000 per annum, available

for claiming against Bedfordshire Police infrastructure expenditure.

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.

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 2022.

The 2021/22 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2021/22 (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 2021/22 the costs of running the unit were £16.314M 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 2021/22 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 £1,434M 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 £1,393M. 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 2020/21

The balance sheet long term asset values have increased as the new custody building has been valued at approx. £20M and included in the land and buildings total. This was mainly financed by an increase in borrowing, £8M of which was done in 2019/20 and £8M in 2021/22.

The net cost of services has increased by £22.5M which is largely due to an increase in the pension current service cost shown within the Corporate reporting area. The current service has increased by £17.1M, this is an actuarial estimate which is further explained in the accounting policies (R – Pensions). Due to increased CPI the cost of providing pensions to current employees has increased. The remaining increase in net cost of service is as a result of growth to the number of police officers employed and a reduction in income from fees and charges.

Significant pensions actuarial losses in 20/21 are replaced in 2021/22 with actuarial gains recognised in the Comprehensive Income and Expenditure Statement for the Local Government Pension Scheme (LGPS) and for the Police Pension Scheme, the net result of these is shown under the heading Re-measurements of the net defined

benefit liability. These actuarial gains are informed by the actuarial valuations commissioned by the PCC and Chief Constable, a small change in financial estimates has a large impact on the pension liability as can be seen at Note 38 Pensions. The pension increase rate has moved from 2.4% to 3.0% for the Police Scheme and 2.85% to 3.15% for the LGPS scheme and this, as well as the salary increase rate, has given rise to actuarial losses. This is countered by the increased discount rates and increased asset returns for the LGPS. In the case of the LGPS these increases are significant enough to move the position to an actuarial gain of £36.0M

The net expenditure before accounting adjustments has increased by £8.1M to £126.2M in 2021/22, a large proportion of this is a direct impact of increasing front line officers and as a result of the increased capacity for investigations due to the special police grants provided in the year. This is detailed in the Financial Information section of this report and is analysed in Note 1 Expenditure and Funding Analysis.

Due to the national backlog on local government audits the government has set a backstop date for publication of audited accounts up to and including Financial Year 2022/23. This has resulted in the external auditors, BDO LLP, issuing a disclaimed opinion as the audit has only been performed in a limited capacity at the backstop date. The auditor is required to disclaim their opinion if they are unable to gather sufficient evidence to conclude whether the financial statements are free from material misstatement. The Financial Reporting Council has stated that local bodies should not be unfairly judged for a disclaimed opinion required in order to meet the backstop publication requirements.

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 2022 and its income and expenditure for the year then ended.



Philip Wells
Chief Finance Officer to the Police & Crime Commissioner for Bedfordshire
6 December 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
6 December 2024

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 2022, including plans for the financial year 2022/23.

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)

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 acting in the public interest at all times.

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 and Assistant Chief Officer, from within the Force, have regular monthly updates with PSD to consider conduct cases that are under investigation.

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 of Staff 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 (APAC²E) 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 new 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.

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 increase, 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 for which agendas and minutes are published on the PCC's website, 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 since his appointment in May 2021, through publication of the recording and minutes from the unrestricted section of the Beating Crime and Delivery Board.

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 PCC published his first Annual Report in July 2022. 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 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 also 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 en masse.

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 2021, the new PCC published his Police and Crime Plan in autumn 2021.

The Chief Constable's most recent Annual Delivery Plan, published in May 2022, 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, in May 2021, implemented a new Vision, Mission and Identity agenda for the Force with a clear focus in developing an inclusive culture.

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 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 Beating Crime and Delivery 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.

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 increase 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 Beating Crime and Delivery 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 PCC has 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. Victim Support services, brought in house under the previous PCC, provide support for victims of crime.

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 Beating Crime and Delivery 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. A recording of the open part of these monthly boards is published after the meetings. 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 particular 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 Beating Crime and Delivery Board.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Assistant Chief Officer (also the Chief Constables Chief Finance Officer). The Chief Internal Auditor provides a regular update to the JAC and also 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 Framework of Corporate Governance 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 with regard to 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 three-year Police and Crime Plan that sets out the PCC's policing and crime objectives (the term of the Plan has been, as a one off, due to COVID-19 delaying the PCC elections, reduced to three years rather than the normal four);
- 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 2021/22 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 2021/22 Annual Report in July 2022, giving an outline of progress made against the PCC's strategic objectives from his Police and Crime Plan.
- During the autumn of 2021 the PCC worked closely with the Chief Constable to update the MTFP (2022/23 to 2025/26). The PCC presented the budget and council tax proposals for 2022/23 to the Police and Crime Panel on 1st February 2022. The Panel endorsed his £10 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 Beating Crime and Delivery Boards, 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 and performance. 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 2022/23 by the PCC in early 2022. 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, as 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 are able to 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 Corporate Governance Framework.

d) Internal audit

The annual report of the Chief Internal Auditor for 2021/22 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

The external audit of the 2020/21 statement of accounts was fully completed in March 2023. The external audit of the 2021/22 financial statements has only been completed in a limited capacity due to the local authority audit backlog which has meant that the external auditors can only provide a disclaimed opinion on the financial statements. This is not a reflection on the quality of the financial statements, auditors have been asked to refocus on recent accounts where assurance is most valuable by the government in order to clear the backlog.

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.

No graded judgement was given for Disrupting serious and organised crime. Of the 17 other police forces to have had their 2021/22 PEEL inspection reports published by July 2022, only three had a better overall set of graded judgements than Bedfordshire.

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.

As stated in the introduction, the response to COVID-19 required the Force to instigate emergency procedures – governed through a Gold Group command structure – to manage operational response, business continuity and risk across all functions. Due to the COVID-19 pandemic, between March and October 2020 HMICFRS suspended all in force inspection activity and suspended the requirement for forces to submit their force management statements. Publications were also 'paused' at this time. HMICFRS resumed their core programmes from early 2021 (PEEL, child protection, custody, and the joint inspection programme). Inspection visits, publications and Force submissions, including the Force Management Statement all resumed.

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

The Force submitted its 2022 Force Management Statement to HMICFRS in April 2022. This comprised: a strategic assessment of current and future demand; 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 risk registers for the PCC and Chief Constable are reviewed at every JAC meeting and are reviewed regularly by the Chief of Staff for the PCC or the Force Executive Board.

h) Health and Safety and Environmental Management

An internal audit of Health and Safety across Bedfordshire, Cambridgeshire and Hertfordshire during autumn 2019/20 provided no assurance. The follow-up (and most recent) internal audit of Health and Safety during autumn 2020 gave substantial assurance, showing that the previous weaknesses in control had been eradicated. The Follow Up audit contained no high or medium priority recommendations. All priority actions from the 2019 audit have been closed. Positive assurances have been received subsequently from specific H&S audits.

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.

Health & Safety considerations, requirements and issues were incorporated into the COVID-19 command structure.

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 Beating Crime and Delivery 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 nine times in 2021/22. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2020/21 year; scrutiny and consideration of the PCC's 2021/22 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 lead force status for Joint Protective Services the PCC's Chief of Staff and Director of Operations 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 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

COVID-19

The operational focus and working practices of Bedfordshire Police were significantly affected by the Coronavirus pandemic. Bedfordshire Police successfully maintained business continuity as far as possible having implemented a number of specific

measures. New ways of working enabled continued delivery across critical service areas. Evaluation of new working practices showed some significant long-term opportunities for the force to evolve from the pandemic and deliver a more efficient, agile and technology enabled service.

To maintain and improve service during Coronavirus, and to prepare for the future the Force focused on the following:

- **Gold Group:** Chaired by the Chief Superintendent of Local Policing to monitor the Force response to the pandemic and set the direction of ongoing activities. The Gold Group initially met weekly, reducing frequency to fortnightly and then monthly as the Pandemic impacts stabilised and then reduced. The Gold Group stopped meeting in spring 2022. The Group discussed: service area updates from departmental heads; business continuity testing and planning; Force wide demand modelling; updates from the Strategic Coordinating Group (SCG); updates from Tactical Coordination Group (TCG); and other emerging issues. The Force wide demand modelling was developed for the Board to highlight the biggest risk areas, to inform contingency planning. The approach was shared nationally and has been adapted as post-Pandemic business usual as, reporting monthly to the Force's Learning, Demand and Futures Board.
- **Evolution Group:** Recognising the opportunities for improved working practices arising from Coronavirus, the force established an Evolution Board, Chaired by the Director of Strategic Service Improvement with its aim to progress learning and innovation from the response to the pandemic, provide modelling and governance proposals for a return to the new normal whilst ensuring the wellbeing of the force. The Group commenced at the start of the Pandemic and stopped meeting in 2021. Over 100 opportunities were identified and reviewed for progress, with benefits tracked where appropriate, including the Smart working programme moving to an agile workforce.
- **Technology:** The force delivered the roll-out out Microsoft Teams to enable training, meetings and conferences to take place remotely. Laptop computers and mobile telephones were issued to staff on both short and long-term arrangements to maximise our available workforce during periods of self-isolation and minimise risk to vulnerable members of the workforce. Use of technology reduced travel for officers and staff, reducing costs and reducing the environmental impact. Video conferencing technology provided continuing and enhanced service to victims and witnesses and management of offenders.
- **Partnerships:** Joined-up working continued throughout the pandemic to deliver shared goals around crime, disorder and public health. The Bedfordshire Local Resilience Forum provided strong service, with some local arrangements and practices being shared nationally.
- **HMICFRS Policing in the Pandemic report:** The Force was inspected during 2020 on its response to Covid-19 and the thematic report was published in April 2021. During the course of the inspection, Bedfordshire Police received positive feedback from inspectors, complementing the approach to policing during the pandemic and our plans for the future.

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.

As mentioned above the financial statements for 2021/22 will receive a disclaimed audit opinion due to the limited work the auditors are able to perform on the accounts in order to meet the backstop publication deadlines set by the government.

The PCC has received Home Office Special Police Grant funding for Operation Boson since 2018/19 and Operation Costello since 2020/21. The Force was awarded a £3.6M for each operation in 2021/22. These substantial ongoing awards underline the acceptance that Bedfordshire Police has been, and continues to be, inappropriately funded to tackle the exceptional demands it faces in relation to gun, gang and knife crime and organised crime groups. Continuation funding has been awarded in 2022/23 and is anticipated in 2023/24.

The recent dispute with London Luton Airport about the level of cover provided at the Airport has now been resolved and outstanding invoices are expected to be paid in full. The cover at the airport will be lower than originally budgeted for causing a budget pressure for the Force.

Out of the 8 Bedfordshire only internal audit reports issued during the year 4 received substantial assurance and 3 received reasonable assurance. The only audit that received partial assurance (Attendance & Absence Management) had 1 high and 2 medium management actions, all of which have now been completed. Of the 4 collaborated audits that took place, 3 received a positive level of assurance and 1 (ICT Distribution of Assets) received a partial assurance. The recommendations flowing from this report are being managed by Hertfordshire Constabulary.

Following a full review of the internal control environment by the incoming Chief Executive an irregularity of expenditure was highlighted. Upon further review the Chief Executive highlighted a specific issue of suspected fraud amounting to approximately £260K, which continues to be investigated. This specific incident was uncovered in December 2021 and centred around segregation of duties in the grant commissioning process. A complete stop to that process was put in place at that time and an internal audit was undertaken to review the awards of funding to organisations in the county provided via the PCC's Community Safety Fund and Ministry of Justice funds, the audit covered commissioning of grants during 2021/22 and 22/23. The audit found that the PCC could only take partial assurance that the controls used to manage the process were adequate and recommended several actions required to strengthen the control framework. The audit determined that there was a risk of grants being provided that do not assist the PCC in actioning their own objectives and delivery of the Police and Crime plan, the key findings are:

- Lack of detailed guidance for staff to follow – A Commissioning Strategy was not introduced until December 2021
- No declarations of interest were required from staff involved in the decision-making process.
- Lack of reporting and oversight including lack of evaluation of grant returns with no performance measures being requested.
- Information not being retained to support the decision to reject or accept an application.
- Financial monitoring was not effective enough to ensure that funds could be monitored and tracked – the methods used did not give enough clarity to ensure that funds were not over committed.

The PCC has now formally documented the process for Commissioning and implemented a new structure and team with specified responsibilities for Commissioning – all recommendations in the audit have been implemented, including declarations of interest for all staff involved in the process and a more stringent and independent process for assessing and reporting applications.

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.

In July 2022 the Chief Constable announced that he would be stepping down from the role, with his last day in force will in September. A formal selection process for his successor is being established by the Police and Crime Commissioner.

In any event the governance arrangements of the PCC and the Chief Constable will remain under review at least annually over forthcoming financial years.



John Tizard
PCC for Bedfordshire
6 December 2024



Philip Wells
Chief Finance Officer
6 December 2024

Comprehensive Income and Expenditure Statement
The Police and Crime Commissioner for Bedfordshire Group

2020/21				2021/22			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
74,183	-543	73,640	Policing	80,520	-452	80,068	
51,148	-19,900	31,248	Collaborated Units	50,956	-19,268	31,688	
55,548	-21,112	34,436	Corporate / Support Services	68,343	-19,205	49,138	
4,187	-2,532	1,655	Office of the Police & Crime Commissioner	4,878	-2,302	2,576	
185,066	-44,087	140,979	Cost of Services	204,697	-41,227	163,470	
		-12,598	Other Operating Income & Expenditure			-10,679	10
		28,743	Financing & Investment Income & Expenditure			29,012	11
		-122,142	Taxation & Non-Specific Grant Income			-131,562	12
		34,982	Deficit on Provision of Services			50,241	
		198	(Surplus) or deficit on revaluation of non-current assets			-1,713	
		165,765	Re-measurements of the net defined benefit liability			-38,829	
		165,963	Other Comprehensive Income & Expenditure			-40,542	
		200,945	Total Comprehensive Expenditure			9,699	

The Police and Crime Commissioner for Bedfordshire

2020/21				2021/22					
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	
73,640	0	0	0	Policing	80,179	0	-111	-111	
48,697	0	-17,449	-17,449	Collaborated Units	49,391	0	-17,703	-17,703	
41,654	4,935	-12,153	-7,218	Corporate & Support Services	55,022	5,143	-11,027	-5,884	
0	4,187	-2,532	1,655	Office of the Police & Crime Commissioner	0	4,878	-2,302	2,576	
163,991	9,122	-32,134	-23,012	Cost of Services	184,592	10,021	-31,143	-21,122	
			-12,598	Other Operating Income & Expenditure				-10,679	10
			1,193	Financing & Investment Income & Expenditure				558	11
			-122,142	Taxation & Non-Specific Grant Income				-131,562	12
			156,447	PCC Funding for Financial Resources Consumed				162,848	5
			-112	(Surplus) or Deficit on Provision of Services				43	
			198	(Surplus) or Deficit on revaluation of non-current assets				-1,713	
			851	Re-measurements of the net defined benefit liability				-366	
			1,049	Other Comprehensive Income & Expenditure				-2,079	
			937	Total Comprehensive Income & Expenditure				-2,036	

Movement in Reserves Statement for the Year Ended 31 March 2022 - Group

The Group	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 st April 2021	-12,454	0	-6	-12,460	1,396,250	1,383,790
<u>Movement In Reserves during 2021/22</u>						
Total Comprehensive Expenditure	50,241	0	0	50,241	-40,542	9,699
Adjustments between accounting basis & funding basis under regulations	-49,346	0	-95	-49,441	49,441	0
Net (Increase)/Decrease	895	0	-95	800	8,899	9,699
Balance as at 31 st March 2022	-11,559	0	-101	-11,660	1,405,149	1,393,489

Movement in Reserves Statement for the Year Ended 31 March 2022 – Commissioner

The Commissioner	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 st April 2021	-12,453	0	-6	-12,460	-30,925	-43,385
<u>Movement In Reserves during 2021/22</u>						
Total Comprehensive Income & Expenditure	43	0	0	43	-2,079	-2,036
Adjustments between accounting basis & funding basis under regulations	852		-95	757	-757	0
Net (Increase)/Decrease	895	0	-95	800	-2,836	-2,036
Balance as at 31 st March 2022	-11,557	0	-101	-11,660	-33,762	-45,422

Movement in Reserves Statement for the Year Ended 31 March 2021 – Group

The Group	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 st April 2020	-9,912	-29	-6	-9,947	1,192,792	1,182,845
<u>Movement In Reserves during 2020/21</u>						
Total Comprehensive Expenditure	34,982	0	0	34,982	165,963	200,945
Adjustments between accounting basis & funding basis under regulations	-37,524	29	0	-37,495	37,495	0
Net (Increase)/Decrease	-2,542	29	0	-2,513	203,458	200,945
Balance as at 31 st March 2021	-12,454	0	-6	-12,460	1,396,250	1,383,790

Movement in Reserves Statement for the Year Ended 31 March 2021 – Commissioner

The Commissioner	General Fund Balance	Capital Receipts Reserve	Capital Grant Unapplied	Total Usable Reserves	Unusable Reserves	Total PCC Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 st April 2020	-9,912	-29	-6	-9,947	-34,374	-44,321
<u>Movement In Reserves during 2020/21</u>						
Total Comprehensive Income & Expenditure	-112	0	0	-112	1,048	937
Adjustments between accounting basis & funding basis under regulations	-2,430	29	0	-2,401	2,401	0
Net (Increase)/Decrease	-2,542	29	0	-2,513	3,450	937
Balance as at 31 st March 2021	-12,453	0	-6	-12,460	-30,925	-43,385

Balance Sheet

The PCC for Bedfordshire and Group

The Commissioner	The Group		The Commissioner	The Group	
As at 31 st March 2021	As at 31 st March 2021		As at 31 st March 2022	As at 31 st March 2022	
£'000	£'000		£'000	£'000	Notes
		Property Plant & Equipment			
40,979	40,979	- Land and Buildings	55,292	55,292	13
4,952	4,952	- Vehicles	5,439	5,439	13
8,409	8,409	- Furniture & Equipment	8,314	8,314	13
782	782	Intangible Assets	630	630	14
315	315	Investment Property	315	315	13
730	730	Surplus Assets	737	737	13
69	69	Long Term Debtors	40	40	
56,236	56,236	Total Long Term Assets	70,767	70,767	
6,000	6,000	Short Term Investments	2,000	2,000	15
0	64	Inventories	0	65	
17,606	25,553	Short Term Debtors	22,376	33,294	17
7,636	7,636	Cash & Cash Equivalents	1,846	1,846	18
31,242	39,253	Current Assets	26,222	37,205	
-8,829	-36,569	Short Term Creditors	-9,523	-38,917	22
-14,600	-	Intra-group Creditor*	-13,452	-	5
-23,429	-36,569	Current Liabilities	-22,975	-38,917	
0	-1,209	Provisions	0	-1,065	
-19,020	-19,020	Long Term Borrowing	-27,020	-27,020	15
0	0	Long Term Creditors	0	0	
-1,645	-1,422,481	Liability relating to Defined Benefit Pension Schemes	-1,574	-1,434,459	38
-20,665	-1,442,710	Long Term Liabilities	-28,594	-1,462,544	
43,384	-1,383,790	Net Assets	45,420	-1,393,489	
-12,460	-12,460	Usable Reserves	-11,660	-11,660	9
-30,924	1,396,250	Unusable Reserves	-33,760	1,405,149	23
-43,384	1,383,790	Total Reserves	-45,420	1,393,489	

*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.

I approve these financial statements



Philip Wells
Chief Finance Officer
6 December 2024

Cash Flow Statement

As at 31 st March 2021			As at 31 st March 2022		Notes
The Commissioner	The Group		The Commissioner	The Group	
£'000	£'000		£'000	£'000	
112	-34,982	Net surplus or (deficit) on the provision of services	-43	-50,241	24
4,115	39,209	Adjust net surplus or deficit on the provision of services for noncash movements	484	50,682	24
-1,587	-1,587	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-1,528	-1,528	24
2,640	2,640	Net cash flows from Operating Activities	-1,087	-1,087	
-12,113	-12,113	Investing Activities	-12,703	-12,703	25
8,000	8,000	Financing Activities	8,000	8,000	26
-1,473	-1,473	Net decrease in cash and cash equivalents	-5,790	-5,790	
9,109	9,109	Cash and cash equivalents at the beginning of the reporting period	7,636	7,636	18
7,636	7,636	Cash and cash equivalents at the end of the reporting period	1,846	1,846	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 excepted 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 excepted accounting practices is presented more fully in the Comprehensive Income & Expenditure Statement.

The Police and Crime Commissioner for Bedfordshire Group

2020/21				2021/22			
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	
73,676	-36	73,640	Policing	80,412	-344	80,068	
31,288	-40	31,248	Collaborated Units	31,732	-44	31,688	
11,469	22,967	34,436	Corporate & Support Services	11,750	37,388	49,138	
1,692	-37	1,655	Office of the Police & Crime Commissioner	2,308	268	2,576	
118,125	22,854	140,979	Cost of Services	126,202	37,268	163,470	
-120,667	14,670	-105,997	Other Income & Expenditure	-125,307	12,078	-113,229	
-2,542	37,524	34,982	(Surplus) or Deficit	895	49,346	50,241	
9,912			Opening General Fund Balance	12,454			
2,542			Less/ Plus Surplus or (Deficit) on General Fund Balance in Year.	-895			
12,454			Closing General Fund Balance as at 31 March	11,559			

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

2020/21				2021/22			
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	
0	0	0	Policing	-111	0	-111	
-17,449	0	-17,449	Collaborated Units	-17,703	0	-17,703	
-10,968	3,750	-7,218	Corporate & Support Services	-12,157	6,273	-5,884	
1,692	-37	1,655	Office of the Police & Crime Commissioner	2,308	268	2,576	
-26,725	3,713	-23,012	Cost of Services	-27,663	6,541	-21,122	
24,183	-1,283	22,900	Other Income & Expenditure	28,558	-7,392	21,166	
-2,542	2,430	-112	(Surplus) or Deficit on Provision of Services	895	-851	44	
9,912			Opening General Fund Balance	12,454			
2,542			Less/ Plus Surplus or (Deficit) on General Fund Balance in Year.	-895			
12,454			Closing General Fund Balance as at 31 March	11,559			

Notes to the Accounts Continued

Note 2 Accounting Policies

A. General

The Statement of Accounts summarises the transactions for the 2021/22 financial year and the position of the Group as at 31 March 2022. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, 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;
- Despite the impact of Covid-19 we managed revenue and capital resources within budget during 2021/22;
- 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. In the Annual Audit opinion for 2021/22 internal auditors RSM LLP have given an opinion that the organisation has an adequate and effective framework for risk management, governance and internal control; however work has identified further enhancements to the framework of risk management, governance and risk management, to ensure it remains adequate and effective.
- 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 2022/23 but has identified shortfalls in later years. Work is ongoing to update the draft budget for 2023/24 and medium term financial plan and regular updates will be provided to both the Force Executive and PCC in coming months;
- We have increased 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 2021/22 has not identified any significant areas weakness in governance or internal control that require immediate attention during 2022/23; and
- We will continue to report the financial implications of Covid-19 to Home Office as required and will seek financial reimbursement as appropriate.

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 March 2024

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 31st March 2022 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.

- (ii) Overtime paid to Police staff which has been claimed after the end of the financial year is not accrued;
- (ii) Electricity and similar quarterly payments are charged so that four payments appear in each year's accounts. Payments are not apportioned between financial years. For monthly accounts, twelve payments are charged during the year;
- (iii) Travel 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 38

(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 2020/21 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 2020/21.

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

Annual Improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes 4 changed standards:

- IFRS 1 (First time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
- IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

Changes to these accounting standards are included in the 2022/23 CIPFA Code of Practice and once adopted may require disclosure in 2022/23 depending on their impact.

Note 4: Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 29 November 2024. Events after the balance sheet date have been considered for inclusion in the accounts up to the authorised for issue date. No non-adjusting events have taken place as no events have occurred before this date which provided information about conditions existing at 31st March 2022.

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>	2021/22	2020/21
	£'000	£'000
Net Cost of Services (Chief Constable)	184,592	163,991
Financing & Investment Income & Expenditure	28,454	27,550
Actuarial (gain) / loss on pension assets / liabilities	-38,463	164,914
<u>Adjust for Movement in Unusable Reserves:</u>		
Pensions Reserve	-12,049	-197,435
Accumulated Absences Reserve	314	-2,573
Total Funding Transfer	162,848	156,447

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 22 £'000	31 March 21 £'000
Chief Constable's Creditors & Receipts in Advance	23,369	21,402
Chief Constable's Provisions	1,065	1,209
Chief Constable's Current assets (excluding PCC Debtor)	-10,983	-8,011
Total Owing to Commissioner	13,452	14,600

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 & Expenditure Statement – 2020/21</i>			
PCC Funding for Resources Consumed	-156,447	156,447	0
<i>Comprehensive Income & Expenditure Statement – 2021/22</i>			
PCC Funding for Resources Consumed	-162,848	162,848	0
<i>Balance Sheet – 2020/21</i>			
Intra Group Creditor / Debtor	14,600	-14,600	0
<i>Balance Sheet – 2021/22</i>			
Intra Group Creditor / Debtor	13,452	-13,452	0

Note 6: Note to the Expenditure & Funding Analysis

Adjustments between Accounting and Funding Basis

Group – 2021/22	Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustment
Policing	-344	0	0	-344
Collaborated Units	-43	0	0	-43
Corporate & Support Services	4,188	32,383	816	37,387
Office of the Police & Crime Commissioner	-50	263	55	268
Cost of Services	3,751	32,646	871	37,268
Other Income & Expenditure from the Expenditure & Funding Analysis	-3,412	18,162	-2,671	12,079
Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	339	50,808	-1,800	49,347

Group – 2020/21	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustment
	£'000	£'000	£'000	£'000
Policing	-36	-	-	-36
Collaborated Units	-40	0	-	-40
Corporate & Support Services	3,828	17,732	1,408	22,968
Office of the Police & Crime Commissioner	-37	0	-	-37
Cost of Services	3,715	17,732	1,408	22,855
Other Income & Expenditure from the Expenditure & Funding Analysis	-2,055	14,806	1,918	14,669
Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	1,660	32,538	3,326	37,524

PCC – 2021/22	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	5,142	0	1130	6,272
Office of the Police & Crime Commissioner	-50	263	55	268
Cost of Services	5,092	263	1,185	6,540
Other Income & Expenditure from the Expenditure & Funding Analysis	-4,753	32	-2,671	-7,392
Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	339	295	-1,486	-852

PCC – 2020/21	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	4,934	0	-1,184	3,750
Office of the Police & Crime Commissioner	-37	0	0	-37
Cost of Services	4,897	0	-1,184	3,713
Other Income & Expenditure from the Expenditure & Funding Analysis	-3,237	17	1,937	-1,283
Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	1,660	17	753	2,430

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	2021/22	2020/21
Expenditure / Income	£'000	£'000
Expenditure		
Employee benefits expenses	200,327	179,751
Other services expenses	27,713	28,720
Depreciation, amortisation, impairment	5,143	4,934
Loss on disposal of assets	240	174
Interest payments	618	434
TOTAL EXPENDITURE	234,041	214,014
Income		
Fees, charges and other service income	-11,032	-13,428
Government grants and contributions	-122,547	-119,368
Income from council tax	-50,207	-46,208
Interest & Investment income	-14	-28
TOTAL INCOME	-183,800	-179,032
Surplus or Deficit on the Provision of Services	50,241	34,982

Police & Crime Commissioner	2021/22	2020/21
Expenditure / Income	£'000	£'000
Expenditure		
Employee benefits expenses	1,764	1,201
Other services expenses	3,146	3,748
Depreciation, amortisation, impairment	5,143	4,934
Loss on disposal of assets	240	174
Interest payments	618	434
Funding made to Chief Constable	162,848	156,446
TOTAL EXPENDITURE	173,759	166,937
Income		
Fees, charges and other service income	-948	-1,445
Government grants and contributions	-122,547	-119,368
Income from council tax	-50,207	-46,208
Interest & Investment income	-14	-28
TOTAL INCOME	-173,716	-167,049
Surplus or Deficit on the Provision of Services	43	-112

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.

2021/2022 – Usable Reserves	General Fund	Capital Receipt Reserve	Capital Grant Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustments Account:				
<i><u>Reversal of items debited/credited to the Comprehensive Income & Expenditure Statement</u></i>				
Charges for depreciation, impairment & amortisation of non- current assets	-5,142	0	0	5,142
Revaluation gains / losses on Property, Plant and Equipment	0	0	0	0
Capital grants & contributions applied to capital financing	1,528	0	-95	-1,433
Amounts of non- current assets written off on disposal as part of the gain/loss on disposal to Comprehensive Income & Expenditure Statement	-240	0	0	240
<i><u>Insertion of items not debited / credited to the Comprehensive Income & Expenditure Statement</u></i>				
Statutory Provision for the financing of capital investment	748	0	0	-748
Capital expenditure charged against the Police Fund	2,767	0	0	-2,767
Adjustments involving the Capital Receipts Reserve:				
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
Adjustments involving the Collection Fund Adjustment Account:				
Amount which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated in accordance with statutory requirements	1,486	0	0	-1,486
Adjustments involving the pensions reserves:				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-495			495
Employer's pension contributions and direct payments to pensioners	200			-200
TOTAL ADJUSTMENTS – COMMISSIONER	852	0	-95	-757
Adjustments involving the Compensated Absences Adjustment Account for the Chief Constable:				
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	314	0	0	-314
Adjustments involving the pensions reserves for the Chief Constable:				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-84,829			84,829
Employer's pension contributions and direct payments to pensioners	34,317			-34,317
TOTAL ADJUSTMENTS – CHIEF CONSTABLE	-50,198	0	0	50,198

TOTAL ADJUSTMENTS - GROUP	-49,346	0	-95	49,441
2020/2021 – Usable Reserves	General Fund	Capital Receipt Reserve	Capital Grant Unapplied Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustments Account:				
<i>Reversal of items debited/credited to the Comprehensive Income & Expenditure Statement</i>				
Charges for depreciation, impairment & amortisation of non- current assets	-4,933	0	0	4,933
Revaluation gains / losses on Property, Plant and Equipment	0	0	0	0
Capital grants & contributions applied to capital financing	1,294	0	0	-1,294
Amounts of non- current assets written off on disposal as part of the gain/loss on disposal to Comprehensive Income & Expenditure Statement	-497	0	0	497
<i>Insertion of items not debited / credited to the Comprehensive Income & Expenditure Statement</i>				
Statutory Provision for the financing of capital investment	577	0	0	-577
Capital expenditure charged against the Police Fund	1,575	0	0	-1,575
Adjustments involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited to the Comprehensive Income & Expenditure Statement	323	-323	0	0
Use of capital receipts reserve to finance new capital expenditure	0	323	0	-323
Transfer from Deferred Capital Receipts Reserve on Receipt of Cash		29		-29
Adjustments involving the Collection Fund Adjustment Account:				
Amount which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated in accordance with statutory requirements	-753	0	0	753
Adjustments involving the pensions reserves:				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-196	0	0	195
Employer's pension contributions and direct payments to pensioners	178			-178
TOTAL ADJUSTMENTS – COMMISSIONER	-2,430	29	0	2,401
Adjustments involving the Compensated Absences Adjustment Account for the Chief Constable:				
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	-2,573	0	0	2,573
Adjustments involving the pensions reserves for the Chief Constable:				
Reversal of items relating to post-employment benefits debited or credited to the Provision of Services in the Comprehensive Income & Expenditure Statement	-67,379	0	0	67,379
Employer's pension contributions and direct payments to pensioners	34,858	0	0	-34,858
TOTAL ADJUSTMENTS – CHIEF CONSTABLE	-35,094	0	0	35,094
TOTAL ADJUSTMENTS - GROUP	-37,524	29	0	37,495

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 2020	Transfer Out 2020/21	Transfer In 2020/21	Balance at 31 March 2021	Transfer Out 2021/22	Transfer In 2021/22	Balance at 31 March 2022	Purpose of the Earmarked Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Devolved Budget Reserves	-18	18	-2,733	-2,733	2,100	-1,111	-1,744	This reserve contains under spending which has been earmarked for use in the following year.
Budget Reserve	-3,251	196	0	-3,055		0	-3,055	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	-935	935	0	0	0	-250	-250	To hold capital receipts until they are used to finance capital expenditure.
Regional Organised Crime	0	0	-40	-40	40	0	0	This reserve contains underspending which is for use within the Regional Organised Crime area
Road Safety Reserve	-864	110	0	-754	195	-101	-660	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	0	0	-1,654	-1,654	1,090	0	-564	Holds the balance of income provided for Operation Kenova on behalf of Police Service Northern Ireland.
Sixhills Sink Fund	-710	710	-85	-85	25	-11	-71	This reserve holds regional funds held for the purposes of property maintenance of the shared property.
Earmarked Reserves	-6,910	1,969	-4,512	-9,452	3,450	-1,473	-7,475	
Police Fund	-3,000	0	0	-3,000	0	-1,081	-4,081	
General Fund Balance	-9,910	1,969	-4,512	-12,452	3,450	-2,554	-11,557	
Capital Grants Unapplied	-6	0	0	-6	0	-95	-101	
Capital Receipts Reserve	-30	353	-323	0	30	-30	0	
Total Usable Reserves	-9,947	2,322	-4,835	-12,460	3,480	-2,679	-11,660	

Note 10: Other Operating Income and Expenditure

The PCC for Bedfordshire 2020/21	The Group 2020/21		The PCC for Bedfordshire 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
197	197	<i>Loss on Disposal of Non-Current Assets – Vehicles</i>	240	240
-23	-23	<i>Gain / Loss on Disposal / Reclassification of Non-Current Assets – Buildings</i>	0	0
-12,772	-12,772	<i>Pension Top Up Grant Received from Home Office</i>	-10,918	-10,918
-12,598	-12,598	Total	-10,678	-10,678

Note 11: Financing and Investment Income and Expenditure

The PCC for Bedfordshire 2020/21	The Group 2020/21		The PCC for Bedfordshire 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
434	434	<i>Interest Payable</i>	619	619
788	777	<i>Impairment Allowance</i>	-55	-47
0	25,370	<i>Pensions Interest Cost and Expected Return on Pension Assets – Police Pensions</i>	0	24,920
-18	-18	<i>Income from Investment Property</i>	-24	-24
17	2,208	<i>Pensions Interest Cost and Expected Return on Pension Assets – LGPS</i>	32	3,558
-28	-28	<i>Interest Receivable</i>	-14	-14
1,193	28,743	Total	558	29,012

Note 12: Taxation and Non-Specific Grant Income

The PCC for Bedfordshire 2020/21	The Group 2020/21		The PCC for Bedfordshire 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
-46,208	-46,208	<i>Council Tax Income</i>	-50,207	-50,207
-1,116	-1,116	<i>Pension Grant</i>	-1,116	-1,116
-25,060	-25,060	<i>Formula Funding</i>	-26,401	-26,401
-3,886	-3,886	<i>Council Tax Subsidy</i>	-3,886	-3,886
-751	-751	<i>Council Tax Freeze Grant</i>	-751	-751
-43,827	-43,827	<i>Non Ring-fenced Government Grants</i>	-46,828	-46,828
-1,294	-1,294	<i>Capital Grants and Contributions</i>	-1,528	-1,528
0	0	<i>Taxbase Reduction Grant</i>	-844	-844
-122,142	-122,142	Total	-131,562	-131,562

Note 13: Property, Plant and Equipment

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

(i) Movements on Balances

2021/22

	Tangible Assets			
	Land & Buildings	Vehicles	Furniture & Equip	Total
	£'000	£'000	£'000	£'000
Book Value as at 1 st April 2021	43,605	9,307	13,971	66,883
Impairment Losses recognised in Revaluation Reserve	1,713	0	0	1,713
Impairment Losses reversed in Surplus / Deficit on Provision of Service	103	0	0	103
Additions	14,030	1,595	2,450	18,075
Disposals	0	-853	0	-853
Written Out	0	0	-1,188	-1,188
Gross Book Value as at 31 st March 2022	59,451	10,049	15,233	84,733
Depreciation and Impairment as at 1 st April 2021	-2,626	-4,355	-5,562	-12,543
Depreciation for year	-1,533	-868	-2,546	-4,947
Disposals	0	613	0	613
Written Out on Reval / Disposal	0	0	1,188	1,888
Depreciation and Impairment as at 31 st March 2022	-4,159	-4,610	-6,920	-15,689
Net Book Value as at 31 st March 2021	40,979	4,952	8,409	54,340
Net Book Value as at 31 st March 2022	55,292	5,439	8,313	69,044

Comparative Movements in 2020/21

	Tangible Assets			
	Land & Buildings	Vehicles	Furniture & Equip	Total
	£'000	£'000	£'000	£'000
Book Value as at 1st April 2020	34,821	8,643	14,701	58,165
Revaluation In Year	0	0	0	0
Impairment Losses recognised in Revaluation Reserve	-237	0	0	-237
Impairment Losses reversed in Surplus / Deficit on Provision of Service	191	0	0	191
Additions	8,830	1,388	2,251	12,469
Disposals	0	-724	0	-724
Written Out	0	0	-2,981	-2,981
Reclassification of Asset	0	0	0	0
Gross Book Value as at 31st March 2021	43,605	9,307	13,971	66,883
Depreciation and Impairment as at 1st April 2020	-1,072	-3,997	-6,205	-11,274
Depreciation for year	-1,554	-885	-2,338	-4,777
Disposals	0	527	0	527
Written Out on Reval / Disposal	0	0	2,981	2,981
Depreciation and Impairment as at 31st March 2021	-2,626	-4,355	-5,562	-12,543
Net Book Value as at 31st March 2020	33,750	4,645	8,496	46,891
Net Book Value as at 31st March 2021	40,979	4,952	8,409	54,340

Investment Property

During 2021/22 the Former Leagrave Police Station remained an investment property.

	£'000
Gross Book Value as at 31st March 2021	315
Revaluation Gains / (Losses)	0
Disposal / Reclassification	0
Additions & Subsequent Expenditure	0
Gross Book Value as at 31st March 2022	315

Surplus Property

During 2021/22 the Greyfriars premises remained surplus property

	£'000
Gross Book Value as at 31 st March 2021	730
Revaluation Gains / (Losses)	7
Gross Book Value as at 31 st March 2022	737

(ii) Capital Commitments

At 31st March 2022 the PCC for Bedfordshire has authorised expenditure in 2022/23 and in future years of £29.637M under its Capital Programme, of which £0.759M had been contractually committed on the following projects:

	2021/22 £M	2020/21 £M
HQ Site Development	0	11.364
Firing Range Upgrades	0.180	0
Lysander House Fit Out Costs	0.360	0
Luton Police Station Refurbishment	0.219	0
TOTAL	0.759	11.364

(iii) Revaluation Assumptions

The PCC for Bedfordshire's operational freehold properties were valued at 31st March 2022 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 75 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 £0.307M is charged to the Comprehensive Income & Expenditure Statement in 2021/22

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:

	2020/21	2021/22
	£'000	£'000
Historical Cost	2,003	1,894
Accumulated Amortisation	-1,114	-1,112
Net carrying amount at start of year	889	782
Additions – Purchases	231	155
Assets re-classified	0	0
Amortisation for the period	-338	-307
Net carrying amount at end of year	782	630
Comprising:		
Gross carrying amounts	1,894	1,665
Accumulated amortisation	-1,112	-1,035

Assets and depreciation written out in the year amounted to £0.384M.

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 2021		31 March 2021		31 March 2022		31 March 2022	
	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	4,449	69	3,484	0	7,070	40	4,003
<u>Investments:</u>								
Amortised Cost	0	0	0	6,000	0	0	0	2,000
<u>Cash</u>								
Amortised Cost	0	0	0	7,636	0	0	0	1,846
Total Financial Assets	0	4,449	69	17,120	0	7,070	40	7,849
Non Financial Assets	0	18,098	0	14,122	0	17,300	0	18,373
Total	0	22,547	69	31,242	0	24,370	40	26,222
Financial Liabilities	31 March 2021		31 March 2021		31 March 2022		31 March 2022	
	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	17,584	0	3,886	0	19,468	0	2,812
<u>Borrowings:</u>								
Amortised Cost	0	0	19,020	0	0	0	27,020	0
Total Financial Liabilities	0	17,584	19,020	3,886	0	19,468	27,020	2,812
Non Financial liabilities	0	10,156	0	19,543	0	9,926	0	20,163
Total	0	27,740	19,020	23,429	0	29,394	27,020	22,975

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 2021/22 and all remain at amortised cost.

Income and Expense Gains and Losses

All interest income and expenditure relates to the Commissioners accounts.

	2020/21			2021/22		
	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	228	0	228	619	0	619
Interest Expense - Accrued	206	0	206	0	0	0
Total expense in surplus or deficit on the provision of services	434	0	434	619	0	619
Interest Income	0	-28	-28	0	-14	-14
Total income in surplus or deficit on the provision of services	0	-28	-28	0	-14	-14
Net (gain) / loss for the year	434	-28	406	619	-14	605

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 31st 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 2022		31 March 2021		31 March 2022		31 March 2021	
	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>	27,020	25,277	19,020	21,427	0	0	0	0
Creditors	2,812	2,812	3,886	3,886	19,468	19,468	17,584	17,584
<i>Loans and Receivables:</i>								
Short-Term Investments	2,000	2,000	6,000	6,000	0	0	0	0
Debtors	4,003	4,003	3,484	3,484	7,070	7,070	4,449	4,449
Instant Access Bank Deposit Accounts	1,791	1,791	7,581	7,581	0	0	0	0
Imprest & Cash	55	55	55	55	0	0	0	0

The differences between carrying amount and fair value for PWLB borrowing is due to the PCC for Bedfordshire's portfolio of loans being taken out at higher interest rates than those available in the market at 31 March 2022. 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 2021/22 of £28M 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 2022 that this was likely to crystallise. As at 31st March 2022 £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 2021	31 March 2022
	£'000	£'000
Less than 30 days	978	102
30-60 days	53	152
60-90 days	158	163
Over 90 days	505	1,954
Total	1,694	2,371

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 2022	Historical experience of default	Estimated maximum exposure to default and non- collectability
	£'000	%	£'000
Deposits with banks and financial institutions	3,791	-	-
Customers	2,371	0.80	745

The expected credit losses included in the accounts of £0.745M are calculated according to expectations and communications in respect of individual balances owing at 31st March 2022 and the majority relates to the impact of the COVID pandemic on partnership agreements.

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 2021	Analysis of PWLB Loans by Maturity	31 March 2022
£'000		£'000
2,020	Less than 10 years	2,720
3,700	Between 10 and 15 years	3,000
2,000	Between 15 and 20 years	2,000
2,500	Between 20 and 25 years	2,500
8,800	Over 25 Years	16,800
19,020	Total	27,020

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 2022. 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 2021			31 March 2022	
Commissioner	Group		Commissioner	Group
£'000	£'000		£'000	£'000
927	1,694	Trade Receivables	927	2,371
-788	-791	Less Expected Credit Losses	-733	-745
4,440	4,440	Council Tax	7,545	7,545
13,027	16,725	Other Receivables	14,636	20,576
0	3,485	Prepayments	1	3,547
17,606	25,553	Balance at 31st March	22,376	33,294

Note 18: Cash and Cash Equivalents

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

	As at 31st March 2021	As at 31st March 2022	Movement in the year
	£'000	£'000	£'000
Cash in hand	55	55	0
Bank current accounts	7,537	1,791	-5,746
Euro bank Account	44	0	-44
Total Group Cash and Cash Equivalents	7,636	1,846	-5,790

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 2022 the balance of these funds was £2.293 (£2.381M at 31 March 2021).

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 31st March 2022 this results in a depreciation reduction of £103K.
- 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 £20.739M instead of £25.277M.
- 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. Actuaries are used to make these judgements and provide the estimates of pension assets and liabilities, the details of which are detailed at note 38 along with a sensitivity analysis of the key assumptions used.

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 2021	The Group 31 March 2021		The Commissioner 31 March 2022	The Group 31 March 2022
£'000	£'000		£'000	£'000
1,323	2,450	Trade Payables	1,503	3,430
2,729	22,380	Other Payables - Capital & Revenue	1,441	22,183
0	338	Other Payables - Employees	0	476
3,435	3,435	Council Tax	4,985	4,985
1,342	1,629	Receipts In Advance	1,594	1,820
0	6,338	Short Term Accumulating Absences	0	6,023
8,829	36,569	Short Term Creditors 31st March	9,523	38,917
14,600	0	Amount owed to Chief Constable	13,452	0
23,429	36,569	Total Amounts Due within 1 Year	22,975	38,917

Note 23: Unusable Reserves

The Commissioner 31 March 2021	The Group 31 March 2021		The Commissioner 31 March 2022	The Group 31 March 2022
£'000	£'000		£'000	£'000
-1,835	-1,835	Revaluation Reserve	-3,479	-3,479
-31,002	-31,002	Capital Adjustment Account	-30,668	-30,668
1,645	180,501	Pensions Reserve – LGPS	1,574	161,789
0	1,241,980	Pensions Reserve – Police Pensions	0	1,272,670
337	337	Collection Fund Adjustment Account	-1,149	-1,149
-69	-69	Deferred Capital Receipts Reserve	-38	-38
0	6,338	Accumulated Absences Account	0	6,024
-30,924	1,396,250	Total Unusable Reserves	-33,760	1,405,149

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
- 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 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
-2,270	-2,270	Balance at 1st April	-1,835	-1,835
-249	-249	Upward revaluation of assets	-1,713	-1,713
133	133	Asset Disposal	0	0
447	447	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services - PPE	0	0
0	0	Downward revaluation of assets and impairment losses on reclassification.	0	0
103	103	Difference between fair value depreciation and historical cost depreciation	69	69
-1,835	-1,835	Balance at 31st March	-3,479	-3,479

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 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
-99	-99	Balance at 1st April	-69	-69
		Amount credited to reserve		
30	30	Amount released to finance capital	30	30
0	0	Discount Unwound / Revaluation following payments made	0	0
-69	-69	Balance at 31st March	-38	-38

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.

The Commissioner 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
-416	-416	Balance at 1 st April	337	337
753	753	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	-1,486	-1,486
337	337	Balance at 31 st March	-1,149	-1,149

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 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
-32,366	-32,366	Balance at 1 st April	-31,002	-31,002
-1,575	-1,575	Revenue Contributions Applied	-2,767	-2,767
-353	-353	Capital Receipts Applied	-30	-30
-1,294	-1,294	Government Grants Released	-1,433	-1,433
0	0	Contribution applied in year	0	0
-577	-577	MRP	-748	-748
4,830	4,830	Depreciation and Impairment	5,074	5,074
333	333	Non-current assets written off on disposal	240	240
-31,002	-31,002	Balance at 31 st March	-30,668	-30,668

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.

The Commissioner 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
0	3,765	Balance at 1 st April	0	6,338
0	-3,765	Cancellation of accrual made at the end of the preceding year	0	-6,338
0	6,338	Amounts accrued at the end of the current year	0	6,024
0	6,338	Balance at 31 st March	0	6,024

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 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
		Pension Reserve – Local Government Scheme		
777	97,278	Balance at 1 st April	1,645	180,501
851	77,218	Actuarial (gains) or losses on pensions assets and liabilities	-366	-36,019
195	13,484	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	495	25,144
-178	-7,479	Employer's pension contributions and direct payments to pensioners payable in the year	-200	-7,837
1,645	180,501	Balance at 31 st March	1,574	161,789

The Commissioner 2020/21	The Group 2020/21		The Commissioner 2021/22	The Group 2021/22
£'000	£'000		£'000	£'000
		Pension Reserve – Police Pension Scheme		
0	1,126,900	Balance at 1st April	0	1,241,980
0	88,547	Actuarial (gains) or losses on pensions assets and liabilities	0	-2,810
0	54,090	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	60,180
0	-27,557	Employer's pension contributions and direct payments to pensioners payable in the year	0	-26,680
0	1,241,980	Balance at 31st March	0	1,272,670

Note 24: Cash Flow Statement – Operating Activities

2020/21			2021/22	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
-112	34,982	Net (surplus) or deficit on the provision of services	43	50,241
0	-268	Contributions (to) / from provisions	0	144
-4,933	-4,933	Depreciation & Impairment	-5,142	-5,142
-17	-32,538	IAS 19 pension adjustments	-295	-50,808
-467	-467	Carrying Amount of non-current assets sold	-240	-240
0	4	Increase / (decrease) stock	0	1
1,721	1,178	Increase / (decrease) debtors	4,740	7,711
-3,768	-2,185	(Increase) / decrease creditors	-694	-2,348
3,349	0	(Increase) / decrease creditors – Inter Company	1,147	
-4,115	-39,209	Adjust net surplus or deficit on the provision of services for non-cash movement	-484	-50,682
293	293	Remove proceeds of sale of non-current assets included in investing activities	0	0
1,294	1,294	Remove Capital Grants included in investing activities	1,528	1,528
-2,640	-2,640	Net cash flows from operating activities	1,087	1,087

The cash flows for operating activities include the following items:

2020/21			2021/22	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
-28	-28	Interest Received	-14	-14
434	434	Interest Paid	619	619

Note 25: Cash Flow Statement – Investing Activities

2020/21			2021/22	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
12,700	12,700	Purchase of property, plant and equipment, and intangible assets	18,231	18,231
1,000	1,000	Purchase of short term investments	0	0
-293	-293	Proceeds from the sale of property, plant and equipment, and intangible assets	0	0
0	0	Proceeds from short-term investments	-4,000	-4,000
-1,294	-1,294	Other Receipts from Investing Activities	-1,528	-1,528
12,113	12,113	Net cash flows from investing activities	12,703	12,703

Note 26: Cash Flow Statement – Financing Activities

2020/21			2021/22	
The Commissioner	The Group		The Commissioner	The Group
£'000	£'000		£'000	£'000
-8,000	-8,000	Cash receipts of short and long term borrowing	-8,000	-8,000
0	0	Repayments of short and long term borrowing	0	0
-8,000	-8,000	Net cash flows from financing activities	-8,000	-8,000

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		The Chief Constable	The Commissioner
2020/21	2020/21	Remuneration Band £	2021/22	2021/22
180	1	50,000 to 54,999	199	3
98	1	55,000 to 59,999	128	1
43	0	60,000 to 64,999	60	1
15	0	65,000 to 69,999	14	0
5	0	70,000 to 74,999	12	0
5	0	75,000 to 79,999	9	0
1	0	80,000 to 84,999	1	0
5	1	85,000 to 89,999	4	0
3	0	90,000 to 94,999	3	0
0	0	95,000 to 99,999	1	0
1	0	100,000 to 104,999	0	1
0	0	105,000 to 109,999	1	0
356	3		432	6

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>The Group</i>				
>£100,000	1	0	1	£103,300
<i>The Commissioner</i>				
£60,000-£80,000		1	1	£72,300
Total	1	1	2	£175,600

In addition and as a result of collaboration agreements, Bedfordshire contributed towards exit packages for Hertfordshire and Cambridgeshire staff of £54K and £18K respectively, Hertfordshire and Cambridgeshire also contributed towards £89K of Bedfordshire exit packages. These were exit packages incurred in forming new collaborated units and funded by existing cost sharing principles.

Exit Packages 2020/21

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>The Group</i>				
<£20,000	2	0	2	£33,200
£20,000-£40,000	4	0	4	£126,400
£40,000-£60,000	0	0	0	-
£60,000-£80,000	1	0	1	£68,000
£80,000-£100,000	2	0	2	£165,600
>£100,000	2	0	2	£278,600
Total	11	0	11	£671,800

In addition and as a result of collaboration agreements, Bedfordshire contributed £89K towards exit packages for Hertfordshire staff and £50K towards Cambridgeshire staff exit packages, Hertfordshire and Cambridgeshire contributed £204K towards Bedfordshire staff 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
	£	£	£	£	£
The Commissioner					
The Police & Crime Commissioner – A (Note 1)	63,147	11,177	312	0	74,636
The Police & Crime Commissioner – B (Note 2)	6,910	1,223	0	0	8,133
The Chief Finance Officer to Police & Crime Commissioner	16,000	-	0	0	16,000
The Chief Constable					
Chief Constable – Garry Forsyth	174,337	51,120	101	7,069	232,627
Deputy Chief Constable	135,461	38,331	182	5,313	179,287
Assistant Chief Constable – A	129,595	36,958	328	5,197	172,078
Assistant Chief Constable – B	121,504	28,442	1,464	0	151,410
Assistant Chief Constable – C (note 3)	60,130	15,643	0	0	75,773
Assistant Chief Constable – D (note 4)	16,286	4,345	0	0	20,631
Chief Constable's Chief Finance Officer	134,925	22,389	0	6,021	163,335

Notes

Note 1: Role undertaken 13/05/21 to 31/03/22.

Note 2: Role undertaken 01/04/21 to 05/05/21.

Note 3: Role undertaken 13/09/21 to 31/03/22.

Note 4: Role undertaken 13/09/21 to 07/11/21.

Senior Officers and Relevant Police Officers Remuneration 2020/21

	Salary, fees and allowances	Employers Pension Contribution	Reimbursement of Expenses	Benefit in Kind	Total
	£	£	£	£	£
The Commissioner					
The Police & Crime Commissioner	71,400	14,524	0	0	85,924
The Chief Finance Officer to Police & Crime Commissioner - A (note 1)	4,693	889	0	97	5,679
The Chief Finance Officer to Police & Crime Commissioner - B (note 2)	5,161	139	0	0	5,301
The Chief Constable					
Chief Constable	172,661	50,601	113	2,601	225,976
Deputy Chief Constable	134,997	38,436	466	2,376	176,274
Assistant Chief Constable – A	128,384	36,583	96	2,784	167,846
Assistant Chief Constable – B (note 3)	55,463	15,024	36	0	70,523
Assistant Chief Constable – C (note 4)	113,593	28,153	903	0	142,649
Chief Constable's Chief Finance Officer (note 1)	129,388	24,512	0	2,687	156,587

Notes

Note 1: The Chief Finance Officer role was a joint one for the period 01/04/20 to 10/08/20, therefore the cost split between Chief Constable and Police & Crime Commissioner is estimated for this period.

Note 2: Role undertaken 05/12/20 to 31/03/21.

Note 3: Role undertaken 01/04/20 to 31/08/20.

Note 4: Role seconded to Cambs Constabulary until 05/05/20. The full year earnings are reported above of which £15,634 was recharged to Cambridgeshire.

Note 30: Audit Fees

External audits were provided by BDO LLP to both the PCC for Bedfordshire and to the Chief Constable. These fees are subject to change pending the outcome of PSAA fee variations and the effect of the backstop date as described in the Narrative Report on page 16.

2020/21		2021/22
£'000		£'000
23	Audit Fee Re Police & Crime Commissioner	23
11	Audit Fee Re Chief Constable	11
34	Total Audit Fees	34

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 £2.596M has been consolidated into the Chief Constable's Income and Expenditure statement. The government grants of £0.641M has been consolidated into the Income and Expenditure Statement for the PCC, and the PCC for Bedfordshire's share of the total assets purchased (£0.058M) 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:

2021/22	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grant	-626	-803	-1561	-1137	-888	-905	-690	-6,608
Capital Grant	-15	-19	-38	-27	-41	-21	-16	-177
Running Costs	2,596	3,331	3,603	4,718	3,381	3,754	2,861	24,244
Depreciation	61	63	54	101	36	79	64	459
Surplus / Deficit	2,017	2,572	2,059	3,655	2,488	2,908	2,220	17,918

2020/21	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Home Office Grant	-460	-583	-1,131	-831	-615	-668	-508	-4,796
Running Costs	2,258	2,857	2,898	4,073	2,721	3,274	2,495	20,576
Depreciation	52	50	32	83	11	64	53	345
Surplus / Deficit	1,850	2,324	1,799	3,325	2,117	2,670	2,040	16,125

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

31 March 2021		31 March 2022
£'000		£'000
104	Vehicles	104
44	Plant & Equipment	43
95	Land & Buildings	93
40	Cash	0
283	Net Assets	240
243	Capital Adjustment Account	240
40	Reserve	0
283	Equity	240

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 £0.967M.

Note 32: Collaborated Units

Beds 2020/21 £'000	Cambs 2020/21 £'000	Herts 2020/21 £'000	Total 2020/21 £'000		Beds 2021/22 £'000	Cambs 2021/22 £'000	Herts 2021/22 £'000	Total 2021/22 £'000
				Joint Protective Services				
3,467	3,110	3,686	10,263	Armed Policing Unit	3,502	3,149	3,700	10,351
812	998	1,353	3,163	Dogs	849	1,053	1,420	3,322
2,495	2,980	3,690	9,165	Major Crime Unit	2,265	2,728	3,364	8,357
313	396	565	1,274	Operational Planning & Public Order	286	366	519	1,171
258	327	466	1,051	Protective Services Command Team	330	423	599	1,352
94	119	169	382	Resilience	96	124	175	395
2,553	3,651	4,912	11,116	Roads Policing Unit	2,658	3,838	5,141	11,637
2,457	2,968	4,049	9,474	Scientific Services Unit	2,456	2,993	4,065	9,514
12,449	14,549	18,890	45,888	Total Joint Protective Services	12,442	14,674	18,983	46,099
				Operational Support				
285	180	514	979	Criminal Justice & Custody Management Team	312	183	566	1,061
586	742	1,057	2,385	Criminal Justice	542	695	984	2,221
114	221	180	515	Firearms & Explosives Licensing	102	196	160	458
-201	-251	-333	-785	Camera, Tickets, Collisions	-194	-246	-324	-764
3,711	4,696	6,695	15,102	ICT	4,226	5,423	7,681	17,330
288	364	519	1,171	Public Contact Senior Leader Team	-	-	-	-
4,783	5,952	8,632	19,367	Total Operational Support Expenditure	4,988	6,251	9,067	20,306
				Organisational Support				
415	525	748	1,688	Collaboration Team	423	543	769	1,735
3,963	5,015	7,148	16,126	HR / L&D	4,124	5,292	7,496	16,912
796	1,007	1,435	3,238	Information Management Department	810	1,039	1,472	3,321
1,249	1,279	1,873	4,401	Professional Standards Unit	1,419	1,466	2,139	5,024
205	260	370	835	Regional 7 Force Procurement	187	240	340	767
65	82	117	264	Uniform Stores Team	66	84	119	269
6,693	8,168	11,691	26,552	Total Organisational Support Expenditure	7,029	8,664	12,335	28,028
23,925	28,669	39,213	91,807	Total Net operating Costs	24,459	29,589	40,385	94,433

Note 33: Analysis of Government Grants

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

	<u>2021/22</u> £'000	<u>2020/21</u> £'000
Additional Funding - Recruitment and COVID**	0	1,515
Additional Surge Funding - COVID (Patrols)	0	793
COVID Grant - PPE	0	225
COVID Grant - Income Loss	120	1,359
COVID Grant - Income Loss Collaborated Units	0	425
COVID Grant - Supporting the Border	0	164
Counter Terrorism Policing Grant	16,314	15,888
Special Grant	7,212	4,803
Safer Streets	683	907
ROCU (Beds Share of Joint Regional Grant)	626	533
ROCU - Non Core Grants	112	85
Criminal Records Bureau Vetting	299	286
Violence Reduction Unit	976	910
Victim Services Grant (Ministry of Justice)	1,595	1,383
Victim Services Grant (NHS)	0	36
Immigration Crime Grant	83	0
Police Uplift Redistribution	73	0
Cyber Grant	209	254
Surge Fund	724	887
Uplift Fund**	902	0
Proceeds of Crime Grant	232	112
Other	114	98
Total Credited to Provision of Services	30,274	30,663
Pension Top Up Grant	10,918	12,772
Total Credited to Other Operating Income	10,918	12,772
Police Revenue Grant	47,944	44,943
Taxbase Reduction Grant	844	0
Council Tax Freeze Grant	751	751
Formula Funding	26,401	25,060
Council Tax Benefit Subsidy	3,886	3,886
Capital Expenditure Grant	1,528	1,294
Council Tax Precepts	50,207	46,208
Total Credited to Taxation & Non Specific Grant Income	131,561	122,142
Of which were Received In Advance	95	0

**For 2020/21 the Uplift Grant (provided for the increased officer numbers) was incorporated into a Recruitment and Covid Grant.

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 Assistant Chief Constable is a Trustee for the charity Embrace Child Victims of Crime (CVOC), the payments made to CVOC during the year were £139K (£166k in 2020/21), payments were commissioned by the PCC to assist the work done in supporting victims.

The Assistant Chief Constable is a Trustee for You Turn Futures, £259k was paid from the Chief Constables budgets to You Turn Futures during 21/22 for offender management, (£138K was paid to You Turn Futures in 2020/21).

From August 2020 the PCC's Chief Finance Officer is also Chief Finance Officer for Bedfordshire Fire & Rescue Service and £32K has been paid to the Fire Service for rental costs of sharing Fire Station premises during 2021/22 (£56K in 2020/21).

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.

Bedfordshire Police Partnership Trust has 10 trustees, 1 of which was the previous PCC for Bedfordshire. For this reason the Trust is deemed to be significantly influenced by the PCC for Bedfordshire during the financial year through its representation on the board of trustees and also shares a management structure with the OPCC from January 2020 onwards. The Partnership Trust owed the PCC for Bedfordshire £115K (£123K 2020/21) towards the total cost of staff provided to run the scheme which was outstanding at 31st March 2022, £6K was paid to the Trust during 2021/22 (£67K 2020/21). Payments of £123K were received from the Trust in 2021/22 (£112K 2020/21). These accounts are not consolidated with the Commissioners accounts due to immateriality of the assets and transactions.

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.

	2021/22	2020/21
	£'000	£'000
<u>Opening Capital Financing Requirement</u>	23,315	14,414
<u>Capital Investment</u>		
Property, Plant & Equipment	18,076	12,469
Intangible Assets	155	231
<u>Sources of Finance</u>		
Capital Receipts	-30	-353
Government Grants & Contributions	-1,433	-1,294
<i>Sums set aside from Revenue:</i>		
Direct Revenue Contributions	-2,767	-1,575
Minimum Revenue Provision	-748	-577
<u>Closing Capital Financing Requirement</u>	36,568	23,315
<u>Explanation of Movements in the Year</u>		
Increase (decrease) in underlying need to borrow		
- supported by government assistance	8,000	8,000
- unsupported by government assistance	5,253	901
Assets acquired under finance leases	0	0
Assets acquired under PFI contracts	0	0
<u>Increase / (decrease) in Capital Financing Requirement</u>	13,253	8,901

Note 36: Lease Rentals

The PCC for Bedfordshire rents several properties under the terms of operating leases. The costs of the operating leases 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 2021/22 was £0.610M (£0.673M for 2020/21).

At 31 March 2022 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
Land & Buildings	479	1,194	408	2,081

Note 37: Contingent Liabilities and Contingent Assets

Contingent Liability - Legal Claims

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

Aarons & Ors

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

Penningtons

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

Remedy

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

The main elements of the Act are:

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

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities - this figure will be determined by the Government Actuaries Department.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/24, although this timetable is subject to change. The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Contingent Asset - Bad Debt Recoverability

It has become probable that a debt fully impaired in 2020/21 will now be paid to the value of £0.732M as an agreement has now been reached with regard to the payment of the debt.

Note 38: 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.

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:

Police Pension Fund Accounting Statement

GROUP	Local Government Pension Scheme		Police Pension Scheme	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Net Total Cost of Service				
Current Service Costs	21,423	10,879	35,260	28,720
Past Service Costs/Gains	163	347	0	0
Losses/Gains on Curtailments & Settlements	0	50	0	0
Surplus or Deficit on the Provision of Services				
Interest Costs	6,984	5,557	24,920	25,370
Interest Income on plan assets	-3,426	-3,349	0	0
Other Comprehensive Income & Expenditure				
<u>Re-measurements:</u>				
Actuarial gains and losses arising on changes in demographic assumptions	0	-2,299	0	0
Actuarial gains / losses arising on changes in financial assumptions	-25,128	107,028	-16,900	136,860
Other actuarial gains (assets & liabilities)	0	0		
Other experience gains and losses	333	-1,888	14,090	-48,313
Return on plan assets (excl amount in net interest expense)*	-11,224	-25,623	0	0
Total Charge to the Comprehensive Income and Expenditure Statement	-10,875	90,702	57,370	142,637
Movement in Reserves Statement				
Reversal of net charges made for retirement benefits in accordance with IAS19*	-25,144	-13,484	-60,180	-54,090
Actual Amounts charged against the General Fund Balance for pensions in the year:				
Employers Contributions payable to the pension fund	7,837	7,479	25,033	26,076
Injury Award Benefits	0	0	1,647	1,481
*Admin Costs of £141K is included in Current Service Costs				

Police Pension Fund Accounting Statement

PCC	Local Government Pension Scheme	
	2021/22	2020/21
	£'000	£'000
Net Total Cost of Service		
Current Service Costs	463	178
Past Service Costs/Gains	0	0
Losses/Gains on Curtailments & Settlements	0	0
Surplus or Deficit on the Provision of Services		
Interest Costs	75	44
Interest Income on plan assets	-43	-27
Other Comprehensive Income & Expenditure		
<u>Re-measurements:</u>		
Actuarial gains and losses arising on changes in demographic assumptions	0	-19
Actuarial gains / losses arising on changes in financial assumptions	-261	1,030
Other actuarial gains (assets & liabilities)	0	0
Other experience gains and losses	25	46
Return on plan assets (excl amount in net interest expense)*	-130	-206
Total Charge to the Comprehensive Income and Expenditure Statement	129	1,046
Movement in Reserves Statement		
Reversal of net charges made for retirement benefits in accordance with IAS19*	-495	-195
Actual Amounts charged against the General Fund Balance for pensions in the year:		
Employers Contributions payable to the pension fund	200	178
* Admin cost of £1k 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	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Present value of the defined benefit obligation	357,662	354,890	1,272,670	1,241,980
Fair value of plan assets	-195,873	-174,389	-	-
Net liability arising from the defined benefit obligation	161,789	180,501	1,272,670	1,241,980

Police Pension Fund Accounting Statement

PCC	Funded Liabilities: Local Government Pension Scheme	
	2021/22	2020/21
	£'000	£'000
Present value of the defined benefit obligation	4,532	2,987
Fair value of plan assets	-2,958	-1,342
Net liability arising from the defined benefit obligation	1,574	1,645

Reconciliation of the movements in the fair value of scheme assets

GROUP	Local Government Pension Scheme	
	2021/22	2020/21
	£'000	£'000
1st April	174,389	139,844
Expected rate of return / Interest income	3,426	3,349
Re-measurement gains and losses:		
Return on plan assets, excluding the amount included in the net interest expense	11,224	25,623
Other	0	0
Settlements	0	142
Employer contributions	7,837	7,479
Contributions by scheme participants	2,625	2,380
Benefits paid	-3,628	-4,428
31st March	195,873	174,389

PCC	Local Government Pension Scheme	
	2021/22	2020/21
	£'000	£'000
1st April	1,342	978
Expected rate of return / Interest income	43	27
Re-measurement gains and losses:		
Return on plan assets, excluding the amount included in the net interest expense	130	206
Other	0	0
Employer contributions	200	178
Contributions by scheme participants	69	51
Benefits paid	1,174	-98
31st March	2,958	1,342

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	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
1st April	354,890	237,122	1,241,980	1,126,900
Current service cost	21,423	10,879	35,260	28,720
Interest cost	6,984	5,557	24,920	25,370
Contributions by scheme participants	2,625	2,380	6,131	5,839
Re-measurement (gains) and losses:				
▪ Actuarial gains / losses arising from changes in demographic assumptions	0	-2,299	0	0
▪ Actuarial gains / losses arising from changes in financial assumptions	-25,128	107,028	-16,900	136,860
▪ Other actuarial gains / losses	0	0	0	
▪ Other experience gains / losses	333	-1,888	14,090	-48,313
Benefits paid	-3,628	-4,428	-32,811	-33,396
Past service cost (including curtailments)	163	347	0	0
Losses / (gains) on settlements	0	192	0	0
31st March	357,662	354,890	1,272,670	1,241,980

PCC	Funded Liabilities: Local Government Pension Scheme	
	2021/22	2020/21
	£'000	£'000
1st April	2,987	1,755
Current service cost	463	178
Interest cost	75	44
Contributions by scheme participants	69	51
Re-measurement (gains) and losses:		
▪ Actuarial gains / losses arising from changes in demographic assumptions	0	-19
▪ Actuarial gains / losses arising from changes in financial assumptions	-236	1,030
Other actuarial gains / losses	0	0
Other experience gains / losses		46
Benefits paid	1,174	-98
Past service cost (including curtailments)	0	0
Losses / (gains) on settlements	0	0
31st March	4,532	2,987

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	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Opening Surplus (deficit)	-180,501	-97,278	-1,241,980	-1,126,900
Current Service Cost	-21,423	-10,879	-35,260	-28,720
Contributions by employer	7,837	7,479	26,680	27,557
Past Service Costs	-163	-347	0	0
Interest Cost	-6,984	-5,557	-24,920	-25,370
Expected Return on Assets	3,426	3,349	0	0
Gains & Losses on Settlements	0	-50	0	0
Re-measurement Gains / (losses)	36,019	-77,218	2,810	-88,547
31st March	-161,789	-180,501	-1,272,670	-1,241,980

PCC	Funded Liabilities: Local Government Pension Scheme	
	2021/22	2020/21
	£'000	£'000
Opening Surplus (deficit)	-1,645	-777
Current Service Cost	-463	-178
Contributions by employer	200	178
Past Service Costs	0	0
Interest Cost	-75	-44
Expected Return on Assets	43	27
Other Actuarial Gains / (losses)	0	0
Re-measurement Gains / (losses)	366	-851
31st March	-1,574	-1,645

Police Pension Fund Accounting Statement

Local Government Pension Scheme assets comprised:

2020/21			Asset Type	2021/22		
CC £'000	PCC £'000	Group £'000		CC £'000	PCC £'000	Group £'000
119,705	979	120,684	Equities	117,346	1,821	119,167
32,559	266	32,825	Bonds	47,634	739	48,373
15,997	131	16,128	Property	23,725	368	24,093
4,330	35	4,365	Cash	3,959	61	4,020
172,591	1,411	174,002	Total	192,664	2,989	195,653

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 6.55%.

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

Asset breakdown		31 March 2022	
		% Quoted	% Unquoted
Index Linked Government Securities	UK	-	-
	Overseas	-	-
Corporate Bonds	UK	-	-
	Overseas	12%	-
Equities	UK	-	0%
	Overseas	-	7%
Property		-	8%
Absolute return portfolio		14%	-
Private Equity		-	2%
Infrastructure		-	5%
Unit trust		-	38%
Private Debt		-	1%
Multi-Asset Credit		-	11%
Cash/Temporary Investments		-	2%
Total		26%	74%

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. While bond yields continue to fall a larger proportion of assets have been invested in property or government securities, 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	
	2021/22	2020/21	2021/22	2020/21
	%	%	%	%
Long-term expected rate of return on assets in the scheme:				
Mortality Assumptions:				
Longevity at 65 for current pensioners				
- Men	22.0	21.9	22.1	22.0
- Women	24.4	24.3	23.8	23.7
Longevity at 65 for future pensioners				
- Men	22.9	22.8	23.8	23.7
- Women	26.0	26.0	25.4	25.3
Rate of inflation - CPI	3.15	2.85	3.00	2.40
Rate of increase in salaries	4.15	3.85	4.75	4.15
Rate of CARE revaluation			4.25	3.65
Rate of increase in pensions	3.15	2.85	3.00	2.40
Rate for discounting scheme Liabilities	2.55	2.05	2.65	2.00
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 there is no change to demographic assumptions as the Continuous Mortality Investigations' Model (CMI 2018) which was released in October 2019 is used both for the March 2021 valuation and the March 2022 valuation.

The LGPS actuaries have decided to use the CMI 2020 Model released in March 2021 with a 2020 weight parameter of 25%, this is the same as that used for the March 2021 demographic assumptions.

However the majority of the actuarial losses for 21/22 result from the change in financial assumptions, most significantly the increase in the pensions increase rate.

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
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	4,439	4,563	4,690
Projected service cost	398	414	431
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	4,568	4,563	4,558
Projected service cost	414	414	414
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	4,684	4,563	4,445
Projected service cost	431	414	398
Adjustment to life expectancy assumptions	+1 Year	None	- 1 Year
Present value of total obligation	4,736	4,563	4,396
Projected service cost	432	414	397

Sensitivity Analysis for the Police Scheme:

	Police Pension Scheme	
	Approx. Increase to Employer Liability	
	%	£'000
Change in assumptions at 31 March 2022		
0.5% decrease in Real Discount Rate	10.0%	127,000
1 year increase in member life expectancy	3.5%	43,000
0.5% increase in the Salary Increase Rate	1.0%	13,000
0.5% increase in the Pension Increase Rate	9.5%	118,000

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 £1,434M 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 £1,393M. 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.
- 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:

2020/21			2021/22	
£'000	£'000		£'000	£'000
		Contributions receivable		
		- From Employer		
-13,304		Normal	-14,280	
0		Early Retirements for Ill-Health	0	
-5,722		- From members of the Pension Scheme	-6,030	
	-19,026			-20,310
		Transfers in		
	-263	- Individual Transfers in from Other Schemes		-101
		Benefits Payable		
25,609		- Pensions	26,279	
6,186		- Commutations and Lump Sums	4,950	
	31,795			31,229
		Payments to and on Account of Leavers		
	145	- Individual Transfers out to Other Schemes		0
	121	-Pension Refunds		100
	12,772	Sub-Total: Net amount receivable for the year before top-up grant		10,918
	-12,772	Top-Up Grant Receivable from Police Fund		-10,918
	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.

2020/21			2021/22	
£'000	£'000		£'000	£'000
0		Unpaid Pension Benefits	0	
0		Amount Owing from the general fund	0	
	0	Net Current Assets and Liabilities		0

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 2021/22 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

Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of the Police and Crime Commissioner for Bedfordshire and the group. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements of the Police and Crime Commissioner for Bedfordshire and the Chief Constable for Bedfordshire Police (together comprising "the group") for the year ended 31 March 2022 which comprise the Police and Crime Commissioner for Bedfordshire and the group Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Police Pension Fund Accounting Statement and notes to the financial statements including material accounting information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Police and Crime Commissioner for Bedfordshire to publish audited financial statements for the year ended 31 March 2022 by 13 December 2024 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. The conditions created by backstop arrangements have resulted in us not being able to obtain all the necessary audit evidence upon which to form an opinion since there was insufficient time to perform all necessary audit procedures by the backstop date.

Consequently, we have not performed any work in respect of any audit area. As a result, we are unable to conclude that the Police and Crime Commissioner for Bedfordshire's and group's financial statements for the year ended 31 March 2022 as a whole are free from material misstatement. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

Other information

The Chief Finance Officer is responsible for the other information. The other information includes all other information included in the Statement of Accounts, other than the financial statements for Police and Crime Commissioner for Bedfordshire and the group and our auditor's report thereon. The Code of Audit Practice 2024 requires auditors to report on whether other information published together with the financial statements is consistent with the financial statements. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have been unable to form an opinion on whether the other information published together with the financial statements is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

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

We have nothing to report in this regard.

Other matters on which we report by exception

We are required to report to you if:

- we have been unable to satisfy ourselves that the Annual Governance Statement complies with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit;
- we make a written recommendation to the Police and Crime Commissioner for Bedfordshire under section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters, except that because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have been unable to satisfy ourselves that the Annual Governance Statement complies with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

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

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Police and Crime Commissioner for Bedfordshire's and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and

Crime Commissioner for Bedfordshire's or group without the transfer of its services to another public sector entity.

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Police and Crime Commissioner for Bedfordshire's and group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Police and Crime Commissioner for Bedfordshire and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We are required under section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner for Bedfordshire has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner for Bedfordshire's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Auditor's other responsibilities

As set out in the Other matters on which we report by exception section of our report there are certain other matters which we are required to report by exception

Certificate

We certify that we have completed the audit of the accounts of the Police and Crime Commissioner for Bedfordshire in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the Police and Crime Commissioner for Bedfordshire, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner for Bedfordshire those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and

Crime Commissioner for Bedfordshire, as a body, for our audit work, for this report,
or for the opinions we have formed.

Rachel Brittain, Key Audit Partner

For and on behalf of BDO LLP, Local Auditor

6 December 2024