



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

2022/2023

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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 2022 the force recorded 52, 581 crimes (an increase of 7.1 per cent), and answered more than 322,000 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 1,438 Police Officers, 1,233 police staff and 36 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 2022-2023 are as follows:

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

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

- If financial resources are insufficient to meet the policing needs of Bedfordshire, then the PCC may fail to provide sufficient funding to the Chief Constable to deliver an efficient and effective policing provision.
- If the PCC fails to effectively commission support services and monitor commissioned services for victims of crime then the PCC may fail to deliver against the priority of 'Placing residents and victims at centre of policing priorities'.
- If relationships with main stream media are poorly managed and or social media accounts are not used appropriately this could lead to complaints and damage the reputation of the PCC/OPCC/Force and misinformation being shared with the community.
- If outcomes of external scrutiny damage the OPCC/Force reputation public confidence may fall.

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

Financial Performance

The revenue budget was set at £136.062M, and the final outturn position for the Force and Office of the Police and Crime Commissioner (OPCC) is an underspend of £0.961M.

The latest estimated year-end revenue position reported in February 2022 was an underspend of £0.542M. While there have been some offsetting variances the position has changed in a positive way in the last two months of the year, firstly, the additional uplift grant that we applied for has been achieved. We were awarded additional grant equating to £0.320M on the basis that we could exceed our uplift recruitment targets by 16, this was achieved but we had not factored this into our budget monitors as we knew this would be extremely challenging to achieve and credit should go to the People & Workforce Development team for reaching this target. For the second year running we have also seen an improved liability against insurance claims allowing us to reduce the amount we put into the insurance provision. The final figure is an under-spend of £0.961M, of which £0.204M relates to an over-spend for the PCC after using £0.189M from reserves and £0.757M is an under-spend incurred by the Force.

Revenue Expenditure was as follows:

| | |
|--|-----------------------|
| | <u>£'M</u> |
| Net Expenditure before Reserve Transfers | 135.268 |
| Planned Transfers to / From Reserves | -0.168 |
| Net Expenditure | <u>135.100</u> |

Revenue Expenditure Met from Budgeted Grants:

| | |
|-----------------------------------|-----------------------|
| | <u>£'M</u> |
| Home Office Grant | 77.198 |
| 11/12 Council Tax Freeze Grant | 0.751 |
| Council Tax Benefit Subsidy Grant | 3.886 |
| Council Tax | 54.227 |
| | <u>136.062</u> |

| | |
|---|----------------|
| Net (Surplus) or Deficit for the year (Revenue Budget) | (0.961) |
|---|----------------|

The budget variances for the year arose in the following areas:

| | <u>£'M</u> |
|---------------------------------------|---------------|
| Police Pay | 0.047 |
| Police Overtime | 1.747 |
| Staff Costs (inc Agency and Overtime) | -0.001 |
| Non-Staff Costs | -0.283 |
| Externally Funded & Income | 0.069 |
| Collaboration | -0.218 |
| Grants | -7.371 |
| Operation Costello | 3.652 |
| PCC's Office | -0.025 |
| PCC's Community Safety Fund | -0.179 |
| Contribution to Reserves | 1.601 |
| Total | -0.961 |

Transfers to/from other useable reserves comprised:

| | <u>£'M</u> | <u>£'M</u> |
|--|------------|---------------------|
| Transfer to Capital Reserve | -0.250 | |
| Transfer from Road Safety Reserve | 0.189 | |
| Budgeted Contribution from Reserves | 0.345 | |
| Budgeted Transfer to Police Fund | -0.117 | |
| <i>Budgeted Transfers included in Outturn Reporting</i> | | <i>0.168</i> |
| Transfer Funding Op Kenova | | 0.400 |
| Transfer to Regional Property Reserve | | -0.010 |
| Transfers agreed after Reported Outturn | | -0.961 |
| Capital Funding - Force | | 0.500 |
| Capital Funding - Regional | | 0.004 |
| Net transfer from General Fund Reserves | | 0.100 |
| Transfer to Capital Grants Unapplied | | -1.092 |
| Net transfer to Usable Reserves | | -1.192 |

Capital Expenditure

Capital expenditure made by the PCC for Bedfordshire Group amounted to £7.158M this includes capital expenditure made on behalf of regional units for which Home Office Grants are provided. Overall capital programme is £1.947M lower than the original programme due to slippage in other parts of the Estates Programme along with underspends for ICT and equipment and to a lesser extent slippage within the ICT programme.

The financing of Capital Expenditure was as follows:

| | £'M |
|---|--------------|
| Internal Borrowing | 0.522 |
| External Borrowing | 4.000 |
| Capital Receipts | 0.104 |
| Capital Grant | 0.145 |
| Direct Revenue Financing | 1.205 |
| Capital Expenditure Reserve | 0.500 |
| Total (as per approved capital programme) | 6.476 |
| Home Office Counter Terrorism Grant | 0.385 |
| Regional Organised Crime Unit Grant | 0.221 |
| Regional Organised Crime Unit Revenue Contributions | 0.072 |
| Regional Capital Reserve | 0.004 |
| Total Including Regional Commitments | 7.158 |

Use of Reserves

The reduction in reserves identified above for funding capital and revenue expenditure results in a usable reserves balance of £12.752M, 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 £10.0M was undertaken during 2022/23 in order to finance some of the capital expenditure incurred in 21/22 as well as finance the 22/23 capital funding shortfall shown above, now that capital grant is no longer part of the finance settlement.

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.

We are set to become the first force in the county to introduce a specially designed 'bot' into our webchat to field away demand from the Force Control Room and improve the service we provide to the public. Work is ongoing with Amazon Web Services looking at ways to improve both how we work and how effective we are for the public.

The PCC continues to ensure that the Estate remains fit for purpose and the financial year 22/23 brought the first year of the custody operations from the new purpose built building.

Non-Financial Performance

Police and Crime Commissioner for Bedfordshire, Festus Akinbusoye, has delivered on his priorities identified above as outlined in his Annual Report to the Police and Crime Panel.

| Annual Report 2022/2023 Summary | |
|---|---|
| <p>PRIORITY 1 Investment in community-based and community-led policing for urban and rural areas</p> | <ul style="list-style-type: none"> Various community engagement has been completed. Continued to fund Neighbourhood Watch and other community watch schemes that is in line with the Police and Crime Plan. My office organised another joint event, chaired by the Deputy Police and Crime Commissioner, alongside the National Farmers Union (NFU) to discuss rural crime. My office has been working with colleagues from both within Policing and our wider statutory authorities to ensure that a greater understanding of the importance of Community Triggers. |
| <p>PRIORITY 2 Recruitment and retention of police officers</p> | <ul style="list-style-type: none"> Bedfordshire Police and I announced that we exceeded the three-year target to recruit more than 650 additional officers. The ten-year Estates Strategy has been created jointly by my office, Bedfordshire Police and external specialists. I have again commissioned £20,000 to ensure that appropriate counselling support was available to police officers and staff. I continue to regularly discuss 'Culture and Wellbeing' with the Chief Constable and senior team allowing the Chief Constable to respond directly to me and provide details and updates of action and activity undertaken in this important area of business. |
| <p>PRIORITY 3 Tackling the causes of crime and breaking the cycle of re-offending</p> | <ul style="list-style-type: none"> At my request, the Violence and Exploitation Reduction Unit (VERU) launched a 12-month pilot in June 2022 to support schools deal with persistent absenteeism. I set another record investment for victim support services, more than £2.6 million is being put into victim support and other services. I hosted the second Annual Youth Conference with even more students in attendance. I launched the second Annual Schools' Debating Competition. the finalists of this year's competition competed in the prestigious Grand Committee Room at the Houses of Parliament. My office worked in partnership with local authorities in Bedfordshire to support their Holiday Activities and Food (HAF) programmes. I have commissioned the ongoing work of Roads Victim Trust for a further 12 months for the amount of £60,000. In a first for the county, my office collaborated with Crime Stoppers reaching into new audiences with a bus and audio campaign to highlight the support that is available to people affected by domestic abuse. I have attended 71 schools so far within my term to engage with young people across Bedfordshire. |



**PRIORITY 4
Placing residents and victims
at centre of policing priorities**

- I set another record investment for victim support services this year, more than £2.6 million is being put into victim support and other services utilising funds received from the Ministry of Justice (MOJ) the Home Office, and Community Safety Fund (CSF).
- In September 2022 at my request my office held a Business Conference.
- I ensured the Force published names of community officers on the website, to ensure that the public have this information.
- I launched a survey into the public experience about using the Force online reporting system.

**PRIORITY 5
Multi-agency approach to
community safety and crime
reduction**

- I have continued the three year funding the Family Drugs and Alcohol Court (FDAC) of £139,241.
- We have commissioned St Giles SOS+ to deliver Anti Bullying project called Rise Above.
- I instructed my office to progress a further Annual Rural Crime Conference in collaboration with the National Farmers Union and Bedfordshire Police.
- More than 40 councillors and council clerks attended the Annual Parish Conference to make their representations on behalf of local residents.
- I hosted the first-ever multi-faith conference in Bedfordshire with over 100 attendees from different faith groups.

**PRIORITY 6
Transparency and open
communication**

- I pledged as I took office to be as transparent as possible throughout my term to ensure the public are aware of what my office and I are doing to ensure we are accountable to the public. There are a number of actions that I requested my team to complete to ensure my transparency pledge is met – these can be seen in the report.
- I have continued to publish more information than is legally required.
- One to one meetings with the Chief Constable are recorded and published
- I regularly use social media to engage and inform residents.

**PRIORITY 7
National contributions**

- Early in my term I was appointed the National Lead for the 'Prevention' portfolio by the Association of Police and Crime Commissioners (APCC). I continue to steer this important piece of work.
- I continue to speak and maintain a dialogue with various senior individuals within Central Government to continue to reinforce the message about a fairer funding formula.
- I attended the Home Affairs Select Committee (HASC) to discuss Policing Priorities.
- I attended the APCC/National Police Chiefs' Council Partnership Summit.
- I have had the opportunity and pleasure to sit and have an open and wide-ranging conversation with Beth Rigby at Sky News.
- I was appointed as a Non-Executive Director of the College of Policing for a period of three years commencing on 20 March 2023.
- I had the Honour to be presented to His Majesty King Charles III. It was a privilege to answer his questions about my role as Bedfordshire Police and Crime Commissioner.
- It was an honour to cycle just over 200 miles in 3 days with the exceptional Bedfordshire Police team for the Police Unity Tour UK.
- I have been appointed by the Home Secretary to be a Non-Executive Director of the College of Policing for a period of three years commencing on 20 March 2023.

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 £8.6M increase in funding made available to the Police & Crime Commissioner through a combination of increased Police Grant, Council Tax increase of £10 per band D property and the continuation of the Uplift grant as part of the 2022/23 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 2023/24 and 2026/27, 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. In addition the force received Special Police Grant funding for Op Costello and similar bids have been submitted for the new financial year, 2023/24 and continuation funding is expected at slightly lower levels as the Force is asked to contribute higher levels of matched funding. There is an expectation that £7.2M will be received via special grant for Operation Boson and Costello when building the 2023/24 budget.
- The 2023/24 budget has been built on the basis that we wish to use £0.500M of reserves to maintain service levels.
- An increasing percentage of the annual budget is spent on areas of policing delivered by collaborated units. While this has provided savings for the Force and increased resilience, the priorities for Bedfordshire within those service areas that are collaborated have to be considered alongside those of Hertfordshire and Cambridgeshire Constabularies.

The budget for 2023/34 is based on a police grant of £77.5M, a marginal increase of £0.3M compared to last year. Bedfordshire has been awarded £2.5M uplift grant in 2022/24 while this has been increased by £1.3M it now incorporates the police pay grant awarded last year. We will see the continuation of the pension grant of £1.117M and legacy council tax grants of £4.637M. The budget reflects the higher than

anticipated pay award in September 2022 and it contains a contingency to fund a 2.5% pay award in September 2023.

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 £15 for a band D household.

In considering the 2023/24 budget the Commissioner has continued to utilise the maximum amount of funding he can generate allowing him to increase both officer and staff numbers to ensure a better service is provided to the public of Bedfordshire as set out in the Police & Crime Plan. This ambitious approach has only been possible using reserves in the forthcoming financial year and further work will be required to balance the budget over the period of the medium term. Currently the forecast has gaps within it that can be closed by additional savings and further use of reserves if necessary. The Government has committed to review the funding formula within the period covered by the medium-term plan so the figures used must only be considered as provisional.

| | Budget | Budget | Budget | Budget |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| | £'000 | £'000 | £'000 | £'000 |
| Budget b/f from previous year | 136,062 | 139,971 | 145,105 | 148,709 |
| Inflation (inc. pay awards) | 7,512 | 3,077 | 2,771 | 2,832 |
| Growth | 4,902 | 4,139 | 2,855 | 4,496 |
| (a) | 148,476 | 147,187 | 150,731 | 156,037 |
| Expected Funding (b) | 139,971 | 145,105 | 148,709 | 154,013 |
| Shortfall (a-b) | 8,505 | 2,082 | 2,022 | 2,024 |
| Discretionary Savings | -5,170 | -1,082 | -1,022 | -1,024 |
| Technical Adjustments | -2,835 | 0 | 0 | 0 |
| Use of Budget Reserves | -500 | | | |
| | -8,505 | -1,082 | -1,022 | -1,024 |
| Budget Shortfall/ (Surplus) | 0 | 1,000 | 1,000 | 1,000 |

Based on the final settlement and an increase of £10 in Council Tax in 2023/24 aligned with the award of Special Grant the PCC's expects to maintain a General Fund reserve balance of £4.198M. This balance is required to maintain a minimum level of 3% of annual budget.

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 22/23 sponsorship of £13,200 was received for force staff awards night and for a community cohesion event. |
| <i>Trading</i> | In favourable circumstances income can be generated by offering spare places on training courses, at a suitable charge, to members of other police forces or suitable organisations. No income is currently expected from such trading activities. |
| <i>Special Police Services</i> | <p>The provision of Special Police Services (SPS) at the request of any person under Section 25 of the Police Act 1996 (as amended) makes such services subject to payment of charges as determined by the PCC. SPS generally relate to policing a one-off event (for example a pop concert) or a series of events (for example football matches).</p> <p>The outcome from <i>Ipswich Town Football Club Company Limited and The English Football League v The Chief Constable of Suffolk Constabulary [2017] EWCA 1484 judgment</i>, reduced the ability of police force to supply SPS on public land, thus reducing income from SPS. Accompanied by a natural movement by customers away from engaging SPS from police forces, this will tend drive towards zero income over the long term.</p> |
| <i>Infrastructure development expenditure</i> | <p>The PCC has secured an agreement to receive revenue from the Central Bedfordshire District Council Supplementary Planning Document linked to progression of new housing developments. As at March 2021 this generates around £50,000 per annum, available for claiming against Bedfordshire Police infrastructure expenditure.</p> <p>The housing and infrastructure development agreements in Luton Borough and Bedford Borough have been established without PCC involvement, and thus there is no provision for claims against police infrastructure expenditure.</p> |

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 2023.

The 2022/23 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2022/23 (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 2022/23 the costs of running the unit were £20.243M 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 2022/23 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 £948M 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 £908M. 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 2021/22

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

Creditors and Debtors balances show a £5M grant due to be provided and distributed by Bedfordshire Police acting as an agent for the grant provider – therefore related income is not recognised as per accounting practices and creditors and debtors balances are higher than they were as at 31st March 2022.

The net cost of services has decreased by £0.369M even though policing costs have risen by £7.9M, this increase is countered by a decrease in the pension current service cost shown within the Corporate reporting area. The current service cost has decreased by £9.1M, this is an actuarial estimate which is further explained in the accounting policies (R – Pensions). Due to a decrease in the CPI assumptions the actuarial cost of providing pensions to current employees has decreased. The increased cost of policing is a direct result of the Uplift Programme which is the government's commitment to increasing officer numbers across the country.

The net expenditure before accounting adjustments has increased by £8.7M to £134.9M in 2022/23, 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.

Actuarial gains on the pension schemes in 21/22 are dwarfed by even larger actuarial gains in 2022/23 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 actuarial gains are largely as a result of the improved financial assumptions, pension and salary increase rates have reduced, however the biggest gain is seen from the increase in the discount rate which is tied into corporate bond rates which have seen an increase during 2022/23. Given the extent of the gains on the LGPS pension scheme assets in 22/23 this is likely to give rise to a non adjusting balance sheet event which would be incorporated into the 21/22 final accounts when published if this is deemed to be relevant and useful financial information to users of the accounts at the time of publication.

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 2023 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 2023, including plans for the financial year 2023/24.

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 Executive of the OPCC is also the designated statutory Monitoring Officer of the PCC's actions and decisions.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with good practice. Guidance originating from the College of Policing and NPCC is disseminated through the OPCC and/or the Office of the Chief Constable. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (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 (now replaced by the Performance & Governance Board) and one to one holding to account meetings with the Chief which are then made publicly available) for which agendas and minutes are published on the PCC's website (as well as the meeting itself made available through social media), supplemented by regular private liaison meetings between the PCC and Chief Constable. The PCC's transparency of holding the Chief Constable to account has been enhanced since his appointment in May 2021, through publication of the recording and minutes from the unrestricted section of the Beating Crime and Delivery Board (now Performance & Governance Board) and the sharing of the meeting itself on social media. These arrangements have been strengthened even further in 2023/24.

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

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

The PCC works with and part-funds local authority Community Safety Partnerships, Youth Offending Teams and Drug and Alcohol Teams across Bedfordshire to support crime reduction and community safety activities in their local areas. Such activities are aligned to the PCC's strategic priorities and key aims, as set out in his Police and Crime Plan, and are funded from the PCC's Community Safety Fund. Through working in partnership, these activities help the PCC to deliver his strategic objectives and 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 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 active partnerships between the public, statutory and voluntary agency partners and local policing teams. In addition, the Force has active social media outlets including Facebook and Twitter. The Beds Alert system also enables electronic public engagement.

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

The PCC's Police and Crime Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered. Following his election in May 2021, the new PCC published his Police and Crime Plan in autumn 2021.

The Chief Constable's most recent Annual Delivery Plan, published in April 2023, outlines the Force'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, upon his appointment in January 2023 updated the existing Force Vision with a clear focus on being innovative, victim focussed and inclusive.

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 of Chief Officers and the PCC from each Force area participating in the collaboration. There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including MASHs.

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

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

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

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

The Force planning cycle has four phases, scan, plan do & review and incorporates strategic assessments of demand, assets and intelligence, the Annual Delivery Plan, the annual Force Management Statement, financial plans and workforce plans. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (Force Executive), with regular updates provided to the PCC's 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. The current postholder, who is also the CFO for the Chief Constable was confirmed in post by the Police and Crime Panel in February 2023. Prior to this the CFO from Bedfordshire Fire and Rescue Service held the post. The Chief Internal Auditor provides a regular update to the JAC and 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 2022/23 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. The 2022/23 Annual Report will be reported to the Police and Crime Panel on 6th June 2023
- During the autumn of 2022 the PCC worked closely with the Chief Constable to update the MTFP (2023/24 to 2026/27). The PCC presented the budget and council tax proposals for 2023/24 to the Police and Crime Panel on 7th February 2023. The Panel endorsed his £15 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 (now replaced by the Performance & Governance Board), supplemented by regular private and

informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account.

b) The Force

The Force Executive Board meets monthly to govern and monitor Force strategy, policies 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 2023/24 by the PCC in early 2023. 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 for, governance, strategy, analysis, people and workforce 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. In addition, the JAC Members have at least one development day per annum to allow them to be provided with more detail on various aspects of the Force and OPCC.

d) Internal audit

The annual report of the Chief Internal Auditor for 2022/23 contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment for both the PCC and Chief Constable:

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

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

e) External audit

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

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.

f) Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

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

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

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

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

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

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

The Force submitted its 2023 Force Management Statement to HMICFRS in May 2023. 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 and as such has recently seconded a member of staff to the HMICFRS to pursue a nationally adopted approach.

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 Executive for the PCC or the Force Executive Board.

h) Health and Safety and Environmental Management

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

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

i) Ethics and Integrity

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

All complaints against the Chief Constable are reported to the PCC's 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 ten times in 2022/23. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2021/22 year; scrutiny and consideration of the PCC's 2023/24 budget and council tax precept proposals. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the Police and Crime Plan, strategic priorities and key aims, including the contribution made by other partner agencies, and on matters of topical interest to the Panel.

k) Collaboration and partnership working

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

With Bedfordshire having host force status for Joint Protective Services the PCC's Chief Executive 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 Deputy Chief Constable of Bedfordshire, exercises overall command of the regional crime and counter terrorism functions. The joint ACC also represents serious organised crime at the Eastern Region Governance Board and nationally with the National Crime Agency and other key stakeholders.

SIGNIFICANT GOVERNANCE ISSUES

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

- BDO provided an unqualified opinion on the 2020/21 Financial Statements despite a suspected fraud in that financial year. The weakness in Internal Control has been rectified and obtained positive audit assurance.
- The financial statements for 2021/22 and 2022/23 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 continues to receive Special Grants of £6.8M in 2022/23 for Operations Boson and Costello. However, these are time limited grants and whilst continuation funding has been agreed for 2023/24 and is expected in 2024/25 Bedfordshire Police continues to be, inappropriately funded to tackle the exceptional demands it faces in relation to gun, gang and knife crime and organised crime groups. These grants are likely to reduce over the forthcoming years placing additional funding pressures on the Force.
- Out of the 8 Bedfordshire only internal audit reports issued during the year 4 received substantial assurance and 2 received reasonable assurance. There were two audits that received partial assurance. Commissioning & Grants (OPCC) had 1 high and 5 medium management actions, all of which have now been completed as confirmed by the recent follow up audit. Victims Code of Practice Audit had 1 high and 4 medium management actions. All of these actions have been completed and reported by the Force to the PCCs Performance and Governance Board as well as the JAC. Of the 4 collaborated audits that took place, 3 received a positive level of assurance and 1 (BCH Procurement Follow Up) had made poor progress in implementing the management actions. The one management action directly relating to Bedfordshire Police has now been implemented.
- 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. Both the PCC and Chief Constable need to continue with their focus to enhance their 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.
- The Baroness Louise Casey's review, commissioned in the wake of Sarah Everard's murder and a further incident involving a serving Metropolitan Police officer, highlighted a number of significant concerns about the

Metropolitan Police's culture and standards. The review focussed on whether the Met's leadership, recruitment, vetting, training, culture and communications supported the standards the public expect, and raised recommendations of how high standards should be routinely met, and how high levels of public trust in the Met could be restored and maintained. As a result, the following national action on standards has been highlighted for all forces to address:

- Identifying wrongdoing.
- Strengthening vetting and misconduct investigations.
- Toughening sanctions.
- Police Race Action Plan; and
- Action on Violence Against Women and Girls.

Bedfordshire Police recognised the importance of an inclusive and open culture and commenced a journey to address some of the concerns raised by its workforce. The Internal Auditor states in their annual report that 'Bedfordshire Police has taken all of the above points extremely seriously and have addressed each point in full'. However, it is recognised that continuous work is required both linked to Baroness Casey's review and the desire with regards 'Improving policing for Black People in Bedfordshire'.



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

| 2021/22 | | | | 2022/23 | | | |
|-------------------|----------------|-----------------|---|-------------------|----------------|-----------------|-------|
| Gross Expenditure | Gross Income | Net Expenditure | | Gross Expenditure | Gross Income | Net Expenditure | Notes |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 | |
| 80,520 | -452 | 80,068 | Policing | 88,361 | -423 | 87,938 | |
| 50,956 | -19,268 | 31,688 | Collaborated Units | 57,552 | -24,780 | 32,772 | |
| 68,343 | -19,205 | 49,138 | Corporate / Support Services | 63,806 | -23,916 | 39,890 | |
| 4,878 | -2,302 | 2,576 | Office of the Police & Crime Commissioner | 5,022 | -2,522 | 2,501 | |
| 204,697 | -41,227 | 163,470 | Cost of Services | 214,742 | -51,641 | 163,101 | |
| | | -10,679 | Other Operating Income & Expenditure | | | -12,425 | 10 |
| | | 29,012 | Financing & Investment Income & Expenditure | | | 37,608 | 11 |
| | | -131,562 | Taxation & Non-Specific Grant Income | | | -137,986 | 12 |
| | | 50,241 | Deficit on Provision of Services | | | 50,298 | |
| | | -1,713 | (Surplus) or deficit on revaluation of non-current assets | | | -751 | |
| | | -38,829 | Re-measurements of the net defined benefit liability | | | -534,665 | |
| | | -40,542 | Other Comprehensive Income | | | -535,416 | |
| | | 9,699 | Total Comprehensive Income & Expenditure | | | -485,118 | |

The Police and Crime Commissioner for Bedfordshire

| 2021/22 | | | | 2022/23 | | | | | |
|---------------------------------|---------------------------------|----------------|-----------------|---|---------------------------------|---------------------------------|----------------|-----------------|-------|
| 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 | |
| 80,179 | 0 | -111 | -111 | Policing | 88,024 | 0 | -86 | -86 | |
| 49,391 | 0 | -17,703 | -17,703 | Collaborated Units | 54,781 | 0 | -22,009 | -22,009 | |
| 55,022 | 5,143 | -11,027 | -5,884 | Corporate & Support Services | 48,715 | 4,653 | -13,478 | -8,825 | |
| 0 | 4,878 | -2,302 | 2,576 | Office of the Police & Crime Commissioner | 0 | 5,022 | -2,522 | 2,501 | |
| 184,592 | 10,021 | -31,143 | -21,122 | Cost of Services | 191,521 | 9,675 | -38,095 | -28,419 | |
| | | | -10,679 | Other Operating Income & Expenditure | | | | -12,425 | 10 |
| | | | 558 | Financing & Investment Income & Expenditure | | | | -163 | 11 |
| | | | -131,562 | Taxation & Non-Specific Grant Income | | | | -137,986 | 12 |
| | | | 162,848 | PCC Funding for Financial Resources Consumed | | | | 180,728 | 5 |
| | | | 43 | Deficit on Provision of Services | | | | 1,735 | |
| | | | -1,713 | (Surplus) or Deficit on revaluation of non-current assets | | | | -751 | |
| | | | -366 | Re-measurements of the net defined benefit liability | | | | -1,701 | |
| | | | -2,079 | Other Comprehensive Income | | | | -2,452 | |
| | | | -2,036 | Total Comprehensive Income & Expenditure | | | | -718 | |

Movement in Reserves Statement for the Year Ended 31 March 2023 - 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 2022 | -11,559 | 0 | -101 | -11,660 | 1,405,149 | 1,393,489 |
| <u>Movement In Reserves during 2022/23</u> | | | | | | |
| Total Comprehensive Income & Expenditure | 50,298 | 0 | 0 | 50,298 | -535,416 | -485,118 |
| Adjustments between accounting basis & funding basis under regulations | -50,198 | 0 | -1,192 | -51,390 | 51,390 | 0 |
| Net (Increase)/Decrease | 100 | 0 | -1,192 | -1,092 | -484,026 | -485,118 |
| Balance as at 31 st March 2023 | -11,459 | 0 | -1,293 | -12,752 | 921,123 | 908,371 |

Movement in Reserves Statement for the Year Ended 31 March 2023 – 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 2022 | -11,557 | 0 | -101 | -11,660 | -33,762 | -45,422 |
| <u>Movement In Reserves during 2022/23</u> | | | | | | |
| Total Comprehensive Income & Expenditure | 1,734 | 0 | 0 | 1,734 | -2,452 | -718 |
| Adjustments between accounting basis & funding basis under regulations | -1,634 | | -1,192 | -2,828 | 2,828 | 0 |
| Net (Increase)/Decrease | 100 | 0 | -1,192 | -1,094 | 376 | -718 |
| Balance as at 31 st March 2023 | -11,456 | 0 | -1,293 | -12,754 | -33,387 | -46,139 |

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 Income & 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 | -12,454 | 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 | -11,559 | 0 | -101 | -11,660 | -33,762 | -45,422 |

Balance Sheet

The PCC for Bedfordshire and Group

| The Commissioner | The Group | | The Commissioner | The Group | |
|--------------------------------------|--------------------------------------|---|--------------------------------------|--------------------------------------|-------|
| As at 31 st March 2022 | As at 31 st March 2022 | | As at 31 st March 2023 | As at 31 st March 2023 | |
| £'000 | £'000 | | £'000 | £'000 | Notes |
| | | Property Plant & Equipment | | | |
| 55,292 | 55,292 | - Land and Buildings | 59,300 | 59,300 | 13 |
| 5,439 | 5,439 | - Vehicles | 5,224 | 5,224 | 13 |
| 8,314 | 8,314 | - Furniture & Equipment | 7,890 | 7,890 | 13 |
| 630 | 630 | Intangible Assets | 545 | 545 | 14 |
| 315 | 315 | Investment Property | 315 | 315 | 13 |
| 737 | 737 | Surplus Assets | 552 | 552 | 13 |
| 40 | 40 | Long Term Debtors | 9 | 9 | |
| 70,767 | 70,767 | Total Long Term Assets | 73,835 | 73,835 | |
| 2,000 | 2,000 | Short Term Investments | 2,000 | 2,000 | 15 |
| 0 | 65 | Inventories | - | 68 | |
| 22,376 | 33,294 | Short Term Debtors | 34,664 | 44,694 | 17 |
| 1,846 | 1,846 | Cash & Cash Equivalents | 6,654 | 6,654 | 18 |
| 26,222 | 37,205 | Current Assets | 43,318 | 53,416 | |
| -9,523 | -38,917 | Short Term Creditors | -17,003 | -50,192 | 22 |
| -13,452 | - | Intra-group Creditor* | -16,770 | - | 5 |
| -22,975 | -38,917 | Current Liabilities | -33,773 | -50,192 | |
| 0 | -1,065 | Provisions | - | -813 | |
| -27,020 | -27,020 | Long Term Borrowing | -37,020 | -37,020 | 15 |
| -1,574 | -1,434,459 | Liability relating to Defined Benefit Pension Schemes | -221 | -947,596 | 38 |
| -28,594 | -1,462,544 | Long Term Liabilities | -37,241 | -985,429 | |
| 45,420 | -1,393,489 | Net Assets / Liabilities | 46,139 | -908,370 | |
| -11,660 | -11,660 | Usable Reserves | -12,752 | -12,752 | 9 |
| -33,760 | 1,405,149 | Unusable Reserves | -33,387 | 921,122 | 23 |
| -45,420 | 1,393,489 | Total Reserves | - 46,139 | 908,370 | |

*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 2022 | | | As at 31 st March 2023 | | |
|--------------------------------------|---------------|--|--------------------------------------|--------------|-------|
| The Commissioner | The Group | | The Commissioner | The Group | |
| £'000 | £'000 | | £'000 | £'000 | Notes |
| -43 | -50,241 | Net (deficit) on the provision of services | -1,735 | -50,298 | 24 |
| 484 | 50,682 | Adjust net surplus or deficit on the provision of services for noncash movements | 3,700 | 52,264 | 24 |
| -1,528 | -1,528 | Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | -2,017 | -2,017 | 24 |
| -1,087 | -1,087 | Net cash flows from Operating Activities | -51 | -51 | |
| -12,703 | -12,703 | Investing Activities | -5,141 | -5,141 | 25 |
| 8,000 | 8,000 | Financing Activities | 10,000 | 10,000 | 26 |
| -5,790 | -5,790 | Net increase or (decrease) in cash and cash equivalents | 4,808 | 4,808 | |
| 7,636 | 7,636 | Cash and cash equivalents at the beginning of the reporting period | 1,846 | 1,846 | 18 |
| 1,846 | 1,846 | Cash and cash equivalents at the end of the reporting period | 6,654 | 6,654 | 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

| 2021/22 | | | | 2022/23 | | | |
|--|--|---|--|--|--|---|-------|
| 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 | |
| 80,412 | -344 | 80,068 | Policing | 87,938 | 0 | 87,938 | |
| 31,732 | -44 | 31,688 | Collaborated Units | 32,843 | -71 | 32,772 | |
| 11,750 | 37,388 | 49,138 | Corporate & Support Services | 12,258 | 27,632 | 39,890 | |
| 2,308 | 268 | 2,576 | Office of the Police & Crime Commissioner | 1,827 | 674 | 2,501 | |
| 126,202 | 37,268 | 163,470 | Cost of Services | 134,866 | 28,235 | 163,101 | |
| -125,307 | 12,078 | -113,229 | Other Income & Expenditure | -134,767 | 21,963 | -112,804 | |
| 895 | 49,346 | 50,241 | (Surplus) or Deficit | 100 | 50,198 | 50,297 | |
| 12,454 | | | Opening General Fund Balance | 11,559 | | | |
| -895 | | | Less/ Plus Surplus or (Deficit) on General Fund Balance in Year. | -100 | | | |
| 11,559 | | | Closing General Fund Balance as at 31 March | 11,459 | | | |

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

| 2021/22 | | | 2022/23 | | | | |
|--|--|---|--|--|--|---|-------|
| 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 | |
| -111 | 0 | -111 | Policing | -86 | 0 | -86 | |
| -17,703 | 0 | -17,703 | Collaborated Units | -22,009 | 0 | -22,009 | |
| -12,157 | 6,273 | -5,884 | Corporate & Support Services | -15,203 | 6,378 | -8,825 | |
| 2,308 | 268 | 2,576 | Office of the Police & Crime Commissioner | 1,827 | 674 | 2,501 | |
| -27,663 | 6,541 | -21,122 | Cost of Services | -35,471 | 7,052 | -28,419 | |
| 28,558 | -7,392 | 21,166 | Other Income & Expenditure | 35,571 | -5,418 | 30,153 | |
| 895 | -851 | 44 | (Surplus) or Deficit on Provision of Services | 101 | 1,634 | 1,734 | |
| 12,454 | | | Opening General Fund Balance | 11,559 | | | |
| -895 | | | Less/ Plus Surplus or (Deficit) on General Fund Balance in Year. | -101 | | | |
| 11,559 | | | Closing General Fund Balance as at 31 March | 11,458 | | | |

Notes to the Accounts Continued

Note 2 Accounting Policies

A. General

The Statement of Accounts summarises the transactions for the 2022/23 financial year and the position of the Group as at 31 March 2023. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS) which is recognised by statute as representing proper accounting practice. The Income and Expenditure Statement is presented as per the Service Reporting Code of Practice published annually by CIPFA.

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

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

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

- We have a history of strong and effective financial management;
- We have carried out a self-assessment against the new CIPFA Financial Management Code;
- We have once again managed revenue and capital resources within budget during 2022/23 and have done so during several difficult financial years.
- We have an efficient and effective internal audit service that reports jointly to the PCC CFO and the Force Assistant Chief Officer. Quarterly update reports are presented to the Joint Internal Audit Committee. We await our Annual Audit opinion for 2022/23 although we are expecting that the internal auditors, RSM Ltd, will report that the organisation has an adequate and effective framework for risk management, governance and internal control.
- We produce and publish a detailed annual financial strategy, capital strategy, reserves strategy and a treasury management strategy statement;
- We produce a 4 year medium term financial plan as well as a 4 year capital plan;
- We have an embedded Priority Based Budgeting model that allows service to move with the funding envelope;
- The medium term financial plan is fully balanced in 2023/24 via use of reserves but has identified shortfalls in later years. Work is ongoing to update the draft budget for 2024/25 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 2022/23 has not identified any significant areas weakness in governance or internal control that require immediate attention during 2022/23

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 November 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 2023 on the basis of current value as required by CIPFA. Investment properties are valued on the basis of fair value. These valuations have been prepared in accordance with the RICS Appraisal and Valuation Standards ('the red book') and undertaken by Gerald Eve LLP. Full revaluations are undertaken at three yearly intervals, with a yearly review of interim values.

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

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

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

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

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

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

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

E. Impairment of Non-Current Assets

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

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

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

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

F. Disposal of Non-Current Assets

When it becomes probable that the carrying value of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Subsequent gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

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

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

G. Depreciation

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

Depreciation is calculated on the following basis:

Buildings

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

Vehicles, Plant, Furniture and Equipment

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

Jointly Controlled Assets

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

Intangible Assets

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

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

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

H. Charges to Revenue for Non-Current Assets

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

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

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

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

I. Revenue Recognition

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

J. Debtors and Creditors

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

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

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

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

K. Funds Held on behalf of Third Parties

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

L. Provisions and Contingent Liabilities

Provisions are made when an event has taken place that gives the PCC for Bedfordshire group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the group becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

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

M. Reserves

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

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

N. Police Fund

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

O. Capital Receipts

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

P. Value Added Tax (VAT)

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

Q. Government Grant and Contributions

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

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

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

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

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

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

R. Pensions

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

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

This Scheme is 'unfunded'. The charge to the Accounts represents the applicable IAS19 charges as determined by the Actuary. The Code of Practice requires separate statements to be produced which are shown at Note 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 2022/23 this applies to:

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

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

W. Cash and Cash Equivalents

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

X. Leases

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

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

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

the risks and rewards of ownership from the lessor to the lessee. The PCC for Bedfordshire Group has assessed its leases and all leases are treated as operating leases during 2022/23.

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

Accounting Standards issued in the 2023/24 code but not yet adopted are listed below:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

Changes to these accounting standards are included in the 2023/24 CIPFA Code of Practice and once adopted may require disclosure in 2023/24 depending on their impact.

Note 4: Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Finance Officer on 31 May 2023. Events after the balance sheet date have been considered for inclusion in the accounts up to the authorised for issue date. Planning permission was granted for Greyfriars Police Station in April 2023 which gave rise to an increase in the value of the property, this is determined to be a non adjusting balance sheet event, as once planning permission was granted the buildings value increased from £552K to between £1M and £2M.

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> | 2022/23 | 2021/22 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Net Cost of Services (Chief Constable) | 191,521 | 184,592 |
| Financing & Investment Income & Expenditure | 37,771 | 28,454 |
| Actuarial (gain) on pension assets / liabilities | -532,964 | -38,463 |
| <u>Adjust for Movement in Unusable Reserves:</u> | | |
| Pensions Reserve | 485,510 | -12,049 |
| Accumulated Absences Reserve | -1,110 | 314 |
| Total Funding Transfer | 180,728 | 162,848 |

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 23 £'000 | 31 March 22 £'000 |
|---|----------------------|----------------------|
| Chief Constable's Creditors & Receipts in Advance | 26,064 | 23,369 |
| Chief Constable's Provisions | 813 | 1,065 |
| Chief Constable's Current assets (excluding PCC Debtor) | -10,107 | -10,983 |
| Total Owing to Commissioner | 16,770 | 13,452 |

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 – 2021/22</i> | | | |
| PCC Funding for Resources Consumed | -162,848 | 162,848 | 0 |
| <i>Comprehensive Income & Expenditure Statement – 2022/23</i> | | | |
| PCC Funding for Resources Consumed | -180,728 | 180,728 | 0 |
| <i>Balance Sheet – 2021/22</i> | | | |
| Intra Group Creditor / Debtor | 13,452 | -13,452 | 0 |
| <i>Balance Sheet – 2022/23</i> | | | |
| Intra Group Creditor / Debtor | 16,770 | -16,770 | 0 |

Note 6: Note to the Expenditure & Funding Analysis

Adjustments between Accounting and Funding Basis

| Group – 2022/23 | Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustment |
|--|--|--|----------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Policing | 0 | 0 | 0 | 0 |
| Collaborated Units | -71 | 0 | 0 | -71 |
| Corporate & Support Services | 2,671 | 22,417 | 2,544 | 27,632 |
| Office of the Police & Crime Commissioner | -50 | 0 | 724 | 674 |
| Cost of Services | 2,550 | 22,417 | 3,268 | 28,235 |
| Other Income & Expenditure from the Expenditure & Funding Analysis | -2,357 | 25,385 | -1,065 | 21,963 |
| Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services | 193 | 47,802 | 2,203 | 50,198 |

| Group – 2021/22 | Adjustment for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustment |
|--|---------------------------------------|--|----------------------|---------------------|
| | Policing | -344 | 0 | 0 |
| 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 |

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

| 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 | 1,130 | 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 |

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 accepted 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 | 2022/23 | 2021/22 |
|---|-----------------|-----------------|
| Expenditure / Income | £'000 | £'000 |
| Expenditure | | |
| Employee benefits expenses | 214,867 | 200,327 |
| Other services expenses | 33,037 | 27,713 |
| Depreciation, amortisation, impairment | 4,647 | 5,143 |
| Loss on disposal of assets | 26 | 240 |
| Interest payments | 864 | 618 |
| TOTAL EXPENDITURE | 253,441 | 234,041 |
| Income | | |
| Fees, charges and other service income | -16,874 | -11,032 |
| Government grants and contributions | -132,860 | -122,547 |
| Income from council tax | -53,091 | -50,207 |
| Interest & Investment income | -318 | -14 |
| TOTAL INCOME | -203,143 | -183,800 |
| Deficit on the Provision of Services | 50,298 | 50,241 |

| Police & Crime Commissioner | 2022/23 | 2021/22 |
|---|-----------------|-----------------|
| Expenditure / Income | £'000 | £'000 |
| Expenditure | | |
| Employee benefits expenses | 2,011 | 1,764 |
| Other services expenses | 3,055 | 3,146 |
| Depreciation, amortisation, impairment | 4,647 | 5,143 |
| Loss on disposal of assets | 26 | 240 |
| Interest payments | 864 | 618 |
| Funding made to Chief Constable | 180,728 | 162,848 |
| TOTAL EXPENDITURE | 191,331 | 173,759 |
| Income | | |
| Fees, charges and other service income | -3,327 | -948 |
| Government grants and contributions | -132,860 | -122,547 |
| Income from council tax | -53,091 | -50,207 |
| Interest & Investment income | -318 | -14 |
| TOTAL INCOME | -189,596 | -173,716 |
| Deficit on the Provision of Services | 1,735 | 43 |

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.

| 2022/2023 – 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 | -5,962 | 0 | 0 | 5,962 |
| Revaluation gains on Property, Plant and Equipment | 1,315 | 0 | 0 | -1,315 |
| Capital grants & contributions applied to capital financing | 1,944 | 0 | -1,192 | -752 |
| Amounts of non- current assets written off on disposal as part of the gain/loss on disposal to Comprehensive Income & Expenditure Statement | -91 | 0 | 0 | 91 |
| <i>Insertion of items not debited / credited to the Comprehensive Income & Expenditure Statement</i> | | | | |
| Statutory Provision for the financing of capital investment | 821 | 0 | 0 | -821 |
| Capital expenditure charged against the Police Fund | 1,780 | 0 | 0 | -1,780 |
| 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 | -1,093 | 0 | 0 | 1,093 |
| 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 | -532 | | | 532 |
| Employer's pension contributions and direct payments to pensioners | 184 | | | -184 |
| TOTAL ADJUSTMENTS – COMMISSIONER | -1,634 | 0 | -1,192 | 2,826 |
| 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 | -1,110 | 0 | 0 | 1,110 |
| 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 | -84,763 | | | 84,763 |
| Employer's pension contributions and direct payments to pensioners | 37,309 | | | -37,309 |
| TOTAL ADJUSTMENTS – CHIEF CONSTABLE | -48,564 | 0 | 0 | 48,564 |
| TOTAL ADJUSTMENTS - GROUP | -50,198 | 0 | -1,192 | 51,390 |

| 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>Reversal of items debited/credited to the Comprehensive Income & Expenditure Statement</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>Insertion of items not debited / credited to the Comprehensive Income & Expenditure Statement</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 |

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 2021 | Transfer Out 2021/22 | Transfer In 2021/22 | Balance at 31 March 2022 | Transfer Out 2022/23 | Transfer In 2022/23 | Balance at 31 March 2023 | Purpose of the Earmarked Reserve |
|------------------------------|--------------------------|----------------------|---------------------|--------------------------|----------------------|---------------------|--------------------------|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Devolved Budget Reserves | -2,733 | 2,100 | -1,111 | -1,744 | 346 | -961 | -2,359 | This reserve contains under spending which has been earmarked for use in the following year. |
| Budget Reserve | -3,055 | | 0 | -3,055 | 0 | 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 | 0 | 0 | -250 | -250 | 500 | -250 | 0 | To hold capital receipts until they are used to finance capital expenditure. |
| Regional Organised Crime | -40 | 40 | 0 | 0 | 0 | 0 | 0 | This reserve contains underspending which is for use within the Regional Organised Crime area |
| Road Safety Reserve | -754 | 195 | -101 | -660 | 189 | 0 | -471 | 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 | -1,654 | 1,090 | 0 | -564 | 400 | 0 | -164 | Holds the balance of income provided for Operation Kenova on behalf of Police Service Northern Ireland. |
| Sixhills Sink Fund | -85 | 25 | -11 | -71 | 4 | -11 | -78 | This reserve holds regional funds held for the purposes of property maintenance of the shared property. |
| Earmarked Reserves | -9,452 | 3,450 | -1,473 | -7,475 | 1,439 | -1,222 | -7,258 | |
| Police Fund | -3,000 | 0 | -1,081 | -4,081 | 0 | -117 | -4,198 | |
| General Fund Balance | -12,452 | 3,450 | -2,554 | -11,557 | 1,439 | -1,339 | -11,456 | |
| Capital Grants Unapplied | -6 | 0 | -95 | -101 | 752 | -1,944 | -1,293 | |
| Capital Receipts Reserve | 0 | 30 | -30 | 0 | 0 | 0 | 0 | |
| Total Usable Reserves | -12,460 | 3,480 | -2,679 | -11,660 | 2,191 | -3,283 | -12,752 | |

Note 10: Other Operating Income and Expenditure

| The PCC for Bedfordshire 2021/22 | The Group 2021/22 | | The PCC for Bedfordshire 2022/23 | The Group 2022/23 |
|--|----------------------|---|--|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 240 | 240 | <i>Loss on Disposal of Non-Current Assets – Vehicles</i> | 100 | 100 |
| 0 | 0 | <i>Gain on Disposal of Non-Current Assets – Land and Buildings</i> | -74 | -74 |
| 0 | 0 | <i>Gain / Loss on Disposal / Reclassification of Non-Current Assets – Buildings</i> | 0 | 0 |
| -10,918 | -10,918 | <i>Pension Top Up Grant Received from Home Office</i> | -12,451 | -12,451 |
| -10,678 | -10,678 | Total | -12,425 | -12,425 |

Note 11: Financing and Investment Income and Expenditure

| The PCC for Bedfordshire 2021/22 | The Group 2021/22 | | The PCC for Bedfordshire 2022/23 | The Group 2022/23 |
|--|----------------------|---|--|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 619 | 619 | <i>Interest Payable</i> | 864 | 864 |
| -55 | -47 | <i>Impairment Allowance</i> | -723 | -723 |
| 0 | 24,920 | <i>Pensions Interest Cost and Expected Return on Pension Assets – Police Pensions</i> | 0 | 33,720 |
| -24 | -24 | <i>Income from Investment Property</i> | -24 | -24 |
| 32 | 3,558 | <i>Pensions Interest Cost and Expected Return on Pension Assets – LGPS</i> | 38 | 4,089 |
| -14 | -14 | <i>Interest Receivable</i> | -318 | -318 |
| 558 | 29,012 | Total | -163 | 37,608 |

Note 12: Taxation and Non-Specific Grant Income

| The PCC for Bedfordshire 2021/22 | The Group 2021/22 | | The PCC for Bedfordshire 2022/23 | The Group 2022/23 |
|--|----------------------|--|--|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| -50,207 | -50,207 | <i>Council Tax Income</i> | -53,091 | -53,091 |
| -1,116 | -1,116 | <i>Pension Grant</i> | -1,116 | -1,116 |
| -26,401 | -26,401 | <i>Formula Funding</i> | -27,966 | -27,966 |
| -3,886 | -3,886 | <i>Council Tax Subsidy</i> | -3,886 | -3,886 |
| -751 | -751 | <i>Council Tax Freeze Grant</i> | -751 | -751 |
| -46,828 | -46,828 | <i>Non Ring-fenced Government Grants</i> | -49,232 | -49,232 |
| -1,528 | -1,528 | <i>Capital Grants and Contributions</i> | -1,944 | -1,944 |
| -844 | -844 | <i>Taxbase Reduction Grant</i> | 0 | 0 |
| -131,562 | -131,562 | Total | -137,986 | -137,986 |

Note 13: Property, Plant and Equipment

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

(i) Movements on Balances

2022/23

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

Comparative Movements in 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 | 527 |
| Written Out on Reval / Disposal | 0 | 0 | 1,188 | 2,981 |
| 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 |

Investment Property

During 2022/23 the Former Leagrave Police Station remained an investment property.

| | £'000 |
|--|-------|
| Gross Book Value as at 31 st March 2022 | 315 |
| Revaluation Gains / (Losses) | 0 |
| Disposal / Reclassification | 0 |
| Additions & Subsequent Expenditure | 0 |
| Gross Book Value as at 31 st March 2023 | 315 |

Surplus Property

During 2022/23 the Greyfriars premises remained surplus property

| | £'000 |
|--|-------|
| Gross Book Value as at 31 st March 2022 | 737 |
| Revaluation Gains / (Losses) | -178 |
| Depreciation | -8 |
| Gross Book Value as at 31 st March 2023 | 552 |

(ii) Capital Commitments

At 31st March 2022 the PCC for Bedfordshire has authorised expenditure in 2023/24 and in future years of £26.595M under its Capital Programme, of which £0.546M had been contractually committed on the following projects:

| | 2022/23 £M | 2021/22 £M |
|------------------------------------|---------------|---------------|
| Firing Range Upgrades | 0.200 | 0.180 |
| Window Replacement Project | 0.346 | 0.360 |
| Luton Police Station Refurbishment | 0 | 0.219 |
| TOTAL | 0.546 | 0.759 |

(iii) Revaluation Assumptions

The PCC for Bedfordshire's operational freehold properties were valued at 31st March 2023 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 £0.242M is charged to the Comprehensive Income & Expenditure Statement in 2022/23

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:

| | 2021/22 | 2022/23 |
|---|------------|------------|
| | £'000 | £'000 |
| Historical Cost | 1,894 | 1,665 |
| Accumulated Amortisation | -1,112 | -1,035 |
| Net carrying amount at start of year | 782 | 630 |
| Additions – Purchases | 155 | 157 |
| Assets re-classified | 0 | 0 |
| Amortisation for the period | -307 | -242 |
| Net carrying amount at end of year | 630 | 545 |
| Comprising: | | |
| Gross carrying amounts | 1,665 | 1,340 |
| Accumulated amortisation | -1,035 | -795 |

Assets and depreciation written out in the year amounted to £0.482M.

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 2022 | | 31 March 2022 | | 31 March 2023 | | 31 March 2023 | |
|------------------------------------|---------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|
| | 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 | 7,070 | 40 | 4,003 | 0 | 5,260 | 9 | 5,970 |
| <u>Investments:</u> | | | | | | | | |
| Amortised Cost | 0 | 0 | 0 | 2,000 | 0 | 0 | 0 | 2,000 |
| <u>Cash</u> | | | | | | | | |
| Amortised Cost | 0 | 0 | 0 | 1,846 | 0 | 0 | 0 | 6,654 |
| Total Financial Assets | 0 | 7,070 | 40 | 7,849 | 0 | 5,260 | 9 | 14,624 |
| Non Financial Assets | 0 | 17,300 | 0 | 18,373 | 0 | 21,540 | 0 | 28,694 |
| Total | 0 | 24,370 | 40 | 26,222 | 0 | 26,800 | 9 | 43,318 |
| Financial Liabilities | 31 March 2022 | | 31 March 2022 | | 31 March 2023 | | 31 March 2023 | |
| | 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 | 19,468 | 0 | 2,812 | 0 | 21,904 | 0 | 3,854 |
| <u>Borrowings:</u> | | | | | | | | |
| Amortised Cost | 0 | 0 | 27,020 | 0 | 0 | 0 | 37,020 | 0 |
| Total Financial Liabilities | 0 | 19,468 | 27,020 | 2,812 | 0 | 21,904 | 37,020 | 3,854 |
| Non Financial liabilities | 0 | 9,926 | 0 | 20,163 | 0 | 11,286 | 0 | 29,919 |
| Total | 0 | 29,394 | 27,020 | 22,975 | 0 | 33,190 | 37,020 | 33,773 |

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 2022/23 and all remain at amortised cost.

Income and Expense Gains and Losses

All interest income and expenditure relates to the Commissioners accounts.

| | 2021/22 | | | 2022/23 | | |
|---|--|------------------|------------|--|------------------|-------------|
| | 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 | 619 | 0 | 619 | 864 | 0 | 864 |
| Total expense in surplus or deficit on the provision of services | 619 | 0 | 619 | 864 | 0 | 864 |
| Interest Income | 0 | -14 | -14 | 0 | -318 | -318 |
| Total income in surplus or deficit on the provision of services | 0 | -14 | -14 | 0 | -318 | -318 |
| Net (gain) / loss for the year | 619 | -14 | 605 | 864 | -318 | 546 |

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 2023 | | 31 March 2022 | | 31 March 2023 | | 31 March 2022 | |
| | 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> | 37,020 | 24,902 | 27,020 | 25,277 | 0 | 0 | 0 | 0 |
| Creditors | 3,854 | 3,854 | 2,812 | 2,812 | 21,904 | 21,904 | 19,468 | 19,468 |
| <i>Loans and Receivables:</i> | | | | | | | | |
| Short-Term Investments | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |
| Debtors | 5,970 | 5,970 | 4,003 | 4,003 | 5,260 | 5,260 | 7,070 | 7,070 |
| Instant Access Bank Deposit Accounts | 6,589 | 6,589 | 1,791 | 1,791 | 0 | 0 | 0 | 0 |
| Imprest & Cash | 65 | 65 | 55 | 55 | 0 | 0 | 0 | 0 |

The differences between carrying amount and fair value for PWLB borrowing is due to several of the PCC for Bedfordshire's larger loans being taken out at lower interest rates than those available in the market at 31 March 2023. In arriving at the fair value of PWLB borrowing the current certainty rate for new borrowing from the PWLB is used to calculate the fair value of each loan. However there is no active market for these loans, Code guidance suggests that in these circumstances fair value should be measured from the PWLB perspective, assessing the price that they would be able to secure if they were to

sell the loans in an orderly market transaction. The valuation basis uses Level 2 Inputs – i.e. inputs other than quoted prices that are observable for the financial liability.

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

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

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

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

Overall Procedures for Managing Risk

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

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

These are required to be reported and approved at or before the PCC's annual council tax setting budget meeting or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the PCC's financial instrument exposure.

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

Credit Risk

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

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

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

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

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

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

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

| | 31 March 2023 | 31 March 2022 |
|-------------------|------------------|------------------|
| | £'000 | £'000 |
| Less than 30 days | 6,332 | 102 |
| 30-60 days | 80 | 152 |
| 60-90 days | 19 | 163 |
| Over 90 days | 1 | 1,954 |
| Total | 6,432 | 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 2023 | Historical experience of default | Estimated maximum exposure to default and non- collectability |
|---|----------------------------------|--|--|
| | £'000 | % | £'000 |
| Deposits with banks and financial institutions | 8,589 | - | - |
| Customers | 6,433 | 0.31 | 21 |

The expected credit losses included in the accounts of £0.021M are calculated according to expectations and communications in respect of individual balances owing at 31st March 2023.

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 2022 | Analysis of PWLB Loans by Maturity | 31 March 2023 |
|---------------|---------------------------------------|---------------|
| £'000 | | £'000 |
| 2,720 | Less than 10 years | 7,720 |
| 3,000 | Between 10 and 15 years | 4,000 |
| 2,000 | Between 15 and 20 years | 0 |
| 2,500 | Between 20 and 25 years | 2,500 |
| 16,800 | Over 25 Years | 22,800 |
| 27,020 | Total | 37,020 |

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 2022 | | | 31 March 2023 | |
|---------------|---------------|---|---------------|---------------|
| Commissioner | Group | | Commissioner | Group |
| £'000 | £'000 | | £'000 | £'000 |
| 927 | 2,371 | Trade Receivables | 5,170 | 6,433 |
| -733 | -745 | Less Expected Credit Losses | -19 | -21 |
| 7,545 | 7,545 | Council Tax | 7,545 | 7,545 |
| 14,636 | 20,576 | Other Receivables | 21,940 | 26,832 |
| 1 | 3,547 | Prepayments | 28 | 3,905 |
| 22,376 | 33,294 | Balance at 31st March | 34,663 | 44,694 |

Note 18: Cash and Cash Equivalents

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

| | As at 31st March 2022 | As at 31st March 2023 | Movement in the year |
|--|--------------------------|--------------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Cash in hand | 55 | 65 | 10 |
| Bank current accounts | 1,791 | 6,580 | 4,789 |
| Euro bank Account | 0 | 9 | 9 |
| Total Group Cash and Cash Equivalents | 1,846 | 6,654 | 4,808 |

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 2023 the balance of these funds was £2.126 (£2.293M at 31 March 2022).

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 2023 this results in a depreciation reduction of £100K.
- The fair value of loans is calculated using the discount rate (see Note 15 Financial Instruments). If the discount rate increased by 1% then fair value of loans would be £21.965M instead of £24.902M.
- Estimation of the net liability to pay pensions depends on a number of complex assumptions relating to the discount rate used, the rate at which salaries increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A sensitivity analysis is shown at note 38 and the risks of participating in a defined benefit pension scheme are provided by the actuaries and shown below:

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

Note 22: Creditors & Receipts in Advance

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

| The Commissioner 31 March 2022 | The Group 31 March 2022 | | The Commissioner 31 March 2023 | The Group 31 March 2023 |
|-----------------------------------|-------------------------------|---|-----------------------------------|-------------------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 1,503 | 3,430 | Trade Payables | 2,125 | 4,923 |
| 1,441 | 22,183 | Other Payables - Capital & Revenue | 6,929 | 29,604 |
| 0 | 476 | Other Payables - Employees | 0 | 448 |
| 4,985 | 4,985 | Council Tax | 6,078 | 6,078 |
| 1,594 | 1,820 | Receipts In Advance | 1,871 | 2,005 |
| 0 | 6,023 | Short Term Accumulating Absences | 0 | 7,134 |
| 9,523 | 38,917 | Short Term Creditors 31st March | 17,003 | 50,192 |
| 13,452 | 0 | Amount owed to Chief Constable | 16,770 | 0 |
| 22,975 | 38,917 | Total Amounts Due within 1 Year | 33,773 | 50,192 |

Note 23: Unusable Reserves

| The Commissioner 31 March 2022 | The Group 31 March 2022 | | The Commissioner 31 March 2023 | The Group 31 March 2023 |
|-----------------------------------|-------------------------------|------------------------------------|-----------------------------------|-------------------------------|
| £'000 | £'000 | | £'000 | £'000 |
| -3,479 | -3,479 | Revaluation Reserve | -4,132 | -4,132 |
| -30,668 | -30,668 | Capital Adjustment Account | -29,411 | -29,411 |
| 1,574 | 161,789 | Pensions Reserve – LGPS | 221 | 20,806 |
| 0 | 1,272,670 | Pensions Reserve – Police Pensions | 0 | 926,790 |
| -1,149 | -1,149 | Collection Fund Adjustment Account | -56 | -56 |
| -38 | -38 | Deferred Capital Receipts Reserve | -8 | -8 |
| 0 | 6,024 | Accumulated Absences Account | 0 | 7,134 |
| -33,760 | 1,405,149 | Total Unusable Reserves | -33,387 | 921,122 |

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 2021/22 | The Group 2021/22 | | The Commissioner 2022/23 | The Group 2022/23 |
|-----------------------------|----------------------|--|-----------------------------|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| -1,835 | -1,835 | Balance at 1 st April | -3,479 | -3,479 |
| -1,713 | -1,713 | Upward revaluation of assets | -1,015 | -1,015 |
| 0 | 0 | Asset Disposal | 0 | 0 |
| 0 | 0 | Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services - PPE | 264 | 264 |
| 0 | 0 | Downward revaluation of assets and impairment losses on reclassification. | 0 | 0 |
| 69 | 69 | Difference between fair value depreciation and historical cost depreciation | 98 | 98 |
| -3,479 | -3,479 | Balance at 31 st March | -4,132 | -4,132 |

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 2021/22 | The Group 2021/22 | | The Commissioner 2022/23 | The Group 2022/23 |
|-----------------------------|----------------------|--|-----------------------------|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| -69 | -69 | Balance at 1 st April | -38 | -38 |
| | | Amount credited to reserve | | |
| 30 | 30 | Amount released to finance capital | 30 | 30 |
| 0 | 0 | Discount Unwound / Revaluation following payments made | 0 | 0 |
| -38 | -38 | Balance at 31 st March | -8 | -8 |

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 2021/22 | The Group 2021/22 | | The Commissioner 2022/23 | The Group 2022/23 |
|-----------------------------|----------------------|--|-----------------------------|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 337 | 337 | Balance at 1 st April | -1,149 | -1,149 |
| -1,486 | -1,486 | 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 | 1,093 | 1,093 |
| -1,149 | -1,149 | Balance at 31 st March | -56 | -56 |

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 2021/22 | The Group 2021/22 | | The Commissioner 2022/23 | The Group 2022/23 |
|-----------------------------|----------------------|--|-----------------------------|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| -31,002 | -31,002 | Balance at 1 st April | -30,668 | -30,668 |
| -2,767 | -2,767 | Revenue Contributions Applied | -1,780 | -1,780 |
| -30 | -30 | Capital Receipts Applied | -30 | -30 |
| -1,433 | -1,433 | Government Grants Released | -826 | -826 |
| 0 | 0 | Contribution applied in year | 0 | 0 |
| -748 | -748 | MRP | -821 | -821 |
| 5,074 | 5,074 | Depreciation and Impairment | 4,549 | 4,549 |
| 240 | 240 | Non-current assets written off on disposal | 165 | 165 |
| -30,668 | -30,668 | Balance at 31 st March | -29,411 | -29,411 |

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 2021/22 | The Group 2021/22 | | The Commissioner 2022/23 | The Group 2022/23 |
|-----------------------------|----------------------|---|-----------------------------|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 0 | 6,338 | Balance at 1 st April | 0 | 6,024 |
| 0 | -6,338 | Cancellation of accrual made at the end of the preceding year | 0 | -6,024 |
| 0 | 6,024 | Amounts accrued at the end of the current year | 0 | 7,134 |
| 0 | 6,024 | Balance at 31 st March | 0 | 7,134 |

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 2021/22 | The Group 2021/22 | Pension Reserve – Local Government Scheme | The Commissioner 2022/23 | The Group 2022/23 |
|-----------------------------|----------------------|--|-----------------------------|----------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 1,645 | 180,501 | Balance at 1 st April | 1,574 | 161,789 |
| -366 | -36,019 | Actuarial (gains) or losses on pensions assets and liabilities | -1,938 | -154,347 |
| 495 | 25,144 | 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 | 769 | 21,676 |
| -200 | -7,837 | Employer's pension contributions and direct payments to pensioners payable in the year | -184 | -8,312 |
| 1,574 | 161,789 | Balance at 31 st March | 221 | 20,806 |

| The Commissioner 2021/22 | The Group 2021/22 | Pension Reserve – Police Pension Scheme | The Commissioner 2022/23 | The Group 2022/23 |
|--------------------------------|-------------------------|---|--------------------------------|-------------------------|
| £'000 | £'000 | | £'000 | £'000 |
| 0 | 1,241,980 | Balance at 1 st April | 0 | 1,272,670 |
| 0 | -2,810 | Actuarial (gains) or losses on pensions assets and liabilities | 0 | -378,519 |
| 0 | 60,180 | 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 | 61,820 |
| 0 | -26,680 | Employer's pension contributions and direct payments to pensioners payable in the year | 0 | -29,181 |
| 0 | 1,272,670 | Balance at 31 st March | 0 | 926,790 |

Note 24: Cash Flow Statement – Operating Activities

| 2021/22 | | | 2022/23 | |
|------------------|-----------|--|------------------|-----------|
| The Commissioner | The Group | | The Commissioner | The Group |
| £'000 | £'000 | | £'000 | £'000 |
| 43 | 50,241 | Net deficit on the provision of services | 1,735 | 50,298 |
| 0 | 144 | Contributions (to) / from provisions | 0 | 252 |
| -5,142 | -5,142 | Depreciation & Impairment | -4,647 | -4,647 |
| -295 | -50,808 | IAS 19 pension adjustments | -348 | -47,802 |
| -240 | -240 | Carrying Amount of non-current assets sold | -165 | -165 |
| 0 | 1 | Increase / (decrease) stock | 0 | 3 |
| 4,740 | 7,711 | Increase / (decrease) debtors | 12,258 | 11,370 |
| -694 | -2,348 | (Increase) / decrease creditors | -7,480 | -11,275 |
| 1,147 | 0 | (Increase) / decrease creditors – Inter Company | -3,318 | 0 |
| -484 | -50,682 | Adjust net surplus or deficit on the provision of services for non-cash movement | -3,700 | -52,264 |
| 0 | 0 | Remove proceeds of sale of non-current assets included in investing activities | 73 | 73 |
| 1,528 | 1,528 | Remove Capital Grants included in investing activities | 1,944 | 1,944 |
| 1,087 | 1,087 | Net cash flows from operating activities | 51 | 51 |

The cash flows for operating activities include the following items:

| 2021/22 | | | 2022/23 | |
|------------------|-----------|-------------------|------------------|-----------|
| The Commissioner | The Group | | The Commissioner | The Group |
| £'000 | £'000 | | £'000 | £'000 |
| -14 | -14 | Interest Received | -318 | -318 |
| 619 | 619 | Interest Paid | 864 | 864 |

Note 25: Cash Flow Statement – Investing Activities

| 2021/22 | | | 2022/23 | |
|------------------|-----------|--|------------------|--------------|
| The Commissioner | The Group | | The Commissioner | The Group |
| £'000 | £'000 | | £'000 | £'000 |
| 18,231 | 18,231 | Purchase of property, plant and equipment, and intangible assets | 7,158 | 7,158 |
| 0 | 0 | Purchase of short term investments | 0 | 0 |
| 0 | 0 | Proceeds from the sale of property, plant and equipment, and intangible assets | -73 | -73 |
| -4,000 | -4,000 | Proceeds from short-term investments | - | - |
| -1,528 | -1,528 | Other Receipts from Investing Activities | -1,944 | -1,944 |
| 12,703 | 12,703 | Net cash flows from investing activities | 5,141 | 5,141 |

Note 26: Cash Flow Statement – Financing Activities

| 2021/22 | | | 2022/23 | |
|------------------|-----------|---|------------------|----------------|
| The Commissioner | The Group | | The Commissioner | The Group |
| £'000 | £'000 | | £'000 | £'000 |
| -8,000 | -8,000 | Cash receipts of short and long term borrowing | -10,000 | -10,000 |
| 0 | 0 | Repayments of short and long term borrowing | 0 | 0 |
| -8,000 | -8,000 | Net cash flows from financing activities | -10,000 | -10,000 |

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 |
|---------------------|------------------|---------------------|---------------------|------------------|
| 2021/22 | 2021/22 | Remuneration Band £ | 2022/23 | 2022/23 |
| 199 | 3 | 50,000 to 54,999 | 243 | 1 |
| 128 | 1 | 55,000 to 59,999 | 150 | 0 |
| 60 | 1 | 60,000 to 64,999 | 102 | 1 |
| 14 | 0 | 65,000 to 69,999 | 25 | 1 |
| 12 | 0 | 70,000 to 74,999 | 11 | 2 |
| 9 | 0 | 75,000 to 79,999 | 13 | 0 |
| 1 | 0 | 80,000 to 84,999 | 6 | 0 |
| 4 | 0 | 85,000 to 89,999 | 3 | 0 |
| 3 | 0 | 90,000 to 94,999 | 2 | 0 |
| 1 | 0 | 95,000 to 99,999 | 3 | 0 |
| 0 | 1 | 100,000 to 104,999 | 0 | 1 |
| 1 | 0 | 105,000 to 109,999 | 0 | 0 |
| 432 | 6 | | 558 | 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> | | | | |
| £40,000-£60,000 | 3 | 0 | 3 | £146,200 |
| £20,000-£40,000 | 1 | 0 | 1 | £37,900 |
| <£20,000 | 2 | 0 | 2 | £10,200 |
| <i>The Commissioner</i> | | | | |
| - | - | - | - | - |
| Total | 6 | 0 | 6 | £194,300 |

In addition and as a result of collaboration agreements, Bedfordshire contributed towards exit packages for Hertfordshire and Cambridgeshire staff of £28K and £18K respectively, Hertfordshire and Cambridgeshire also contributed towards £3K of Bedfordshire exit packages. These were exit packages incurred in forming new collaborated units and funded by existing cost sharing principles.

Exit Packages 2021/22

| 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.

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 | 73,142 | 12,946 | 2,159 | 0 | 88,247 |
| The Deputy Police & Crime Commissioner (Note 8) | 12,017 | 835 | 0 | 0 | 12,852 |
| The Chief Finance Officer to Police & Crime Commissioner - A (Note 1) | 10,029 | 0 | 0 | 0 | 10,029 |
| The Chief Finance Officer to Police & Crime Commissioner - B (Note 2) | 6,033 | 1,000 | 0 | 126 | 7,158 |
| The Chief Constable | | | | | |
| Chief Constable – A (Note 3) | 133,826 | 38,835 | 0 | 1,619 | 174,280 |
| Chief Constable B (Note 4) | 86,416 | 25,196 | 174 | 1,141 | 112,927 |
| Deputy Chief Constable - A (Note 5) | 68,448 | 18,674 | 74 | 2,203 | 89,399 |
| Deputy Chief Constable - B (Note 6) | 21,190 | 5,908 | 0 | 0 | 27,098 |
| Assistant Chief Constable – A | 124,445 | 28,786 | 1,125 | 0 | 154,356 |
| Assistant Chief Constable – B | 113,066 | 28,786 | 0 | 0 | 141,852 |
| Assistant Chief Constable – C (Note 7) | 92,072 | 24,682 | 80 | 460 | 117,294 |
| Chief Constable's Chief Finance Officer | 138,749 | 22,994 | 0 | 2,892 | 164,635 |

Notes

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

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

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

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

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

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

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

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

Senior Officers and Relevant Police Officers Remuneration 2021/22

| | 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.

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 Annual Governance Statement on page 30.

| 2021/22 | | 2022/23 |
|-----------|--|-----------|
| £'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 £3.156M has been consolidated into the Chief Constable's Income and Expenditure statement. The government grants of £1.089M has been consolidated into the Income and Expenditure Statement for the PCC, and the PCC for Bedfordshire's share of the total assets purchased (£0.289M) 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:

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

| 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 |

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

| 31 March 2022 | | 31 March 2023 |
|------------------|----------------------------|------------------|
| £'000 | | £'000 |
| 104 | Vehicles | 140 |
| 43 | Plant & Equipment | 184 |
| 93 | Land & Buildings | 159 |
| 0 | Cash | 75 |
| 240 | Net Assets | 558 |
| 240 | Capital Adjustment Account | 483 |
| 0 | Reserve | 75 |
| 240 | Equity | 558 |

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 £0.780M.

Police Pension Fund Accounting Statement

Note 32: Collaborated Units

| Beds 2021/22 £'000 | Cambs 2021/22 £'000 | Herts 2021/22 £'000 | Total 2021/22 £'000 | | Beds 2022/23 £'000 | Cambs 2022/23 £'000 | Herts 2022/23 £'000 | Total 2022/23 £'000 |
|----------------------------------|---------------------------|---------------------------|---------------------------|---|--------------------------|---------------------------|---------------------------|---------------------------|
| Joint Protective Services | | | | | | | | |
| 3,502 | 3,149 | 3,700 | 10,351 | Armed Policing Units | 3,368 | 3,007 | 3,554 | 9,929 |
| 849 | 1,053 | 1,420 | 3,322 | Dog Units | 869 | 1,066 | 1,443 | 3,377 |
| 2,265 | 2,728 | 3,364 | 8,357 | Major Crime Unit | 2,419 | 2,884 | 3,567 | 8,870 |
| 286 | 366 | 519 | 1,171 | Operational Planning | 313 | 395 | 563 | 1,271 |
| 330 | 423 | 599 | 1,352 | Jps Command | 400 | 504 | 718 | 1,621 |
| 96 | 124 | 175 | 395 | Resilience | 102 | 128 | 183 | 413 |
| 2,658 | 3,838 | 5,141 | 11,637 | Roads Policing Unit | 2,808 | 4,007 | 5,386 | 12,201 |
| 2,456 | 2,993 | 4,065 | 9,514 | Scientific Services | 2,579 | 3,109 | 4,235 | 9,923 |
| 12,442 | 14,674 | 18,983 | 46,099 | Total Joint Protective Services | 12,857 | 15,100 | 19,648 | 47,604 |
| Operational Support | | | | | | | | |
| 312 | 183 | 566 | 1,061 | Cameras Tickets & Collisions | - | 50 | 62 | 195 |
| 542 | 695 | 984 | 2,221 | Custody & Criminal Justice Smt | 278 | 170 | 500 | 948 |
| 102 | 196 | 160 | 458 | Criminal Justice Unit | 518 | 654 | 931 | 2,103 |
| - | 194 | - | 764 | Firearms & Explosive Licenses | 149 | 289 | 235 | 673 |
| 4,226 | 5,423 | 7,681 | 17,330 | lct | 4,238 | 5,346 | 7,611 | 17,195 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | Delivery Management Office*** | 377 | 476 | 678 | 1,531 |
| 4,988 | 6,251 | 9,067 | 20,306 | Total Operational Support Expenditure | 5,511 | 6,872 | 9,871 | 22,254 |
| Organisational Support | | | | | | | | |
| (re-stated) 423 | (re-stated) 543 | (re-stated) 769 | (re-stated) 1,735 | Collaboration Team*** | - | - | - | - |
| 4,124 | 5,292 | 7,496 | 16,912 | Hr L&D | 4,572 | 5,768 | 8,212 | 18,552 |
| 810 | 1,039 | 1,472 | 3,321 | Information Management Depts | 901 | 1,136 | 1,617 | 3,654 |
| 1,419 | 1,466 | 2,139 | 5,024 | Professional Standards | 1,546 | 1,580 | 2,313 | 5,440 |
| 66 | 84 | 119 | 269 | Joint Uniform Stores | 71 | 90 | 128 | 288 |
| 6,842 | 8,424 | 11,995 | 27,261 | Total Organisational Support Expenditure | 7,090 | 8,574 | 12,270 | 27,934 |
| 24,272 | 29,349 | 40,045 | 93,666 | Total BCH Net Operating Costs | 25,458 | 30,545 | 41,789 | 97,792 |
| 187 | 240 | 340 | 767 | Joint Procurement Unit** | 129 | 243 | 460 | 832 |
| 24,459 | 29,589 | 40,385 | 94,433 | Total Net Operating Costs | 25,587 | 30,789 | 42,249 | 98,624 |

** 7F element Joint Procurement Unit

***Delivery Management Office - Recognised in Op Support from 22/23, previously part of Org Support during 21/22 known as Collaboration Team

Note 33: Analysis of Government Grants

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

| | <u>2022/23</u> £'000 | <u>2021/22</u> £'000 |
|---|-------------------------|-------------------------|
| Provision of National Communications Data Service* | 53 | 0 |
| National Economic Crime Centre - AGADE Funding | 99 | 0 |
| COVID Grant - Income Loss | 0 | 120 |
| Starboard Grant | 140 | 0 |
| EMSCP Grants | 63 | 0 |
| Counter Terrorism Policing Grant | 20,243 | 16,314 |
| Special Grant | 7,742 | 7,212 |
| Safer Streets | 382 | 683 |
| ROCU (Beds Share of Joint Regional Grant) | 868 | 626 |
| ROCU - Non Core Grants | 104 | 112 |
| Criminal Records Bureau Vetting | 324 | 299 |
| Violence Reduction Unit | 1,247 | 976 |
| Victim Services Grant (Ministry of Justice) | 1,844 | 1,595 |
| Immigration Crime Grant / Modern Day Slavery | 74 | 83 |
| Police Uplift Redistribution | 0 | 73 |
| Cyber Grant | 274 | 209 |
| Surge Fund | 587 | 724 |
| Uplift Fund | 1,217 | 902 |
| Proceeds of Crime Grant | 190 | 232 |
| Other | 63 | 114 |
| Total Credited to Provision of Services | 35,514 | 30,274 |
| Pension Top Up Grant | 12,451 | 10,918 |
| Total Credited to Other Operating Income | 12,451 | 10,918 |
| Police Revenue Grant | 50,348 | 47,944 |
| Taxbase Reductions Grant | 0 | 844 |
| Council Tax Freeze Grant | 751 | 751 |
| Formula Funding | 27,966 | 26,401 |
| Council Tax Benefit Subsidy | 3,886 | 3,886 |
| Capital Expenditure Grant | 1,944 | 1,528 |
| Council Tax Precepts | 53,091 | 50,207 |
| Total Credited to Taxation & Non Specific Grant Income | 137,986 | 131,561 |
| Of which were Received In Advance | 1,192 | 95 |

*For 2021/22 this grant was incorporated into the ROCU non core grants.

Note 34: Related Party Transactions

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

Other Public Bodies Subject to Common Control

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

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

Officers

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

The Chief Constable is a Trustee for You Turn Futures, £92K was paid from the Chief Constables budgets to You Turn Futures during 22/23 for offender management and £138K via the PCC's grant applications process, (£259K was paid to You Turn Futures in 2021/22).

Until October 2022 the PCC's Chief Finance Officer was also Chief Finance Officer for Bedfordshire Fire & Rescue Service and £38K has been paid to the Fire Service, in part for grant funding and in part for rental costs of sharing Fire Station premises during 2022/23 (£32K in 2021/22).

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 existed until 31st March 2023 and for 22/23 it 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 through the sharing of a management structure with the OPCC from January 2020 onwards. At the year end there was nothing owing between the Partnership Trust and the PCC for Bedfordshire (£115K 2021/22), £40K was paid to the Trust during 2022/23 (£6K 2021/22). Payments of £223K were received from the Trust in 2022/23 to settle the debt owing for staff costs incurred in 21/22 and for staff costs provided in 22/23 (£123K 2021/22). 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.

| | 2022/23 | 2021/22 |
|---|---------------|---------------|
| | £'000 | £'000 |
| <u>Opening Capital Financing Requirement</u> | 36,568 | 23,315 |
| <u>Capital Investment</u> | | |
| Property, Plant & Equipment | 7,158 | 18,076 |
| Intangible Assets | | 155 |
| <u>Sources of Finance</u> | | |
| Capital Receipts | -104 | -30 |
| Government Grants & Contributions | -752 | -1,433 |
| <i>Sums set aside from Revenue:</i> | | |
| Direct Revenue Contributions | -1,780 | -2,767 |
| Minimum Revenue Provision | -821 | -748 |
| <u>Closing Capital Financing Requirement</u> | 40,269 | 36,568 |
| <u>Explanation of Movements in the Year</u> | | |
| Increase (decrease) in underlying need to borrow | | |
| - supported by government assistance | | |
| Increase PWLB Borrowing | 10,000 | 8,000 |
| - unsupported by government assistance | | |
| Increase / (Decrease) Internal Borrowing | -6,299 | 5,253 |
| Assets acquired under finance leases | 0 | 0 |
| Assets acquired under PFI contracts | 0 | 0 |
| <u>Increase in Capital Financing Requirement</u> | 3,701 | 13,253 |

Note 36: Lease Rentals

The PCC for Bedfordshire rents several properties under the terms of operating leases. The majority of the operating lease costs are included in the Chief Constable's Comprehensive Income & Expenditure Statement to reflect the day-to-day direction and control exercised. The amount paid in 2022/23 was £0.582M (£0.610M for 2021/22).

At 31 March 2023 lease payments due under non-cancellable leases in future years were:

| | Less than 1 Year | Later than 1 Year and not Later than 5 Years | Later than 5 Years | Total |
|---------------------------------|---------------------|--|-----------------------|-------|
| | £'000 | £'000 | £'000 | £'000 |
| The Police & Crime Commissioner | 28 | 86 | 0 | 114 |
| The Chief Constable | 587 | 1,847 | 1,217 | 3,651 |

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 have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent. Therefore no liability in respect of compensation claims is recognised in these accounts.

Penningtons

As at 31 March 2023, 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.

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 | 2022/23 | 2021/22 | 2022/23 |
| | £'000 | £'000 | £'000 | £'000 |
| Net Total Cost of Service | | | | |
| Current Service Costs | 21,423 | 19,446 | 35,260 | 28,100 |
| Past Service Costs | 163 | 95 | 0 | 0 |
| Losses/Gains on Curtailments & Settlements | 0 | 0 | 0 | 0 |
| Surplus or Deficit on the Provision of Services | | | | |
| Interest Costs | 6,984 | 9,272 | 24,920 | 33,720 |
| Interest Income on plan assets | -3,426 | -5,183 | 0 | 0 |
| Other Comprehensive Income & Expenditure | | | | |
| <u>Re-measurements:</u> | | | | |
| Actuarial gains arising on changes in demographic assumptions | 0 | -6,166 | 0 | -22,420 |
| Actuarial gains arising on changes in financial assumptions | -25,128 | -179,943 | -16,900 | -439,140 |
| Other actuarial gains (assets & liabilities) | 0 | -1,954 | 0 | 0 |
| Other experience losses | 333 | 24,749 | 14,090 | 83,041 |
| Return on plan assets (excl amount in net interest expense)* | -11,224 | 7,013 | 0 | 0 |
| Total Charge to the Comprehensive Income and Expenditure Statement | -10,875 | -132,671 | 57,370 | -316,699 |
| Movement in Reserves Statement | | | | |
| Reversal of net charges made for retirement benefits in accordance with IAS19* | -25,144 | -23,630 | -60,180 | -61,820 |
| Actual Amounts charged against the General Fund Balance for pensions in the year: | | | | |
| Employers Contributions payable to the pension fund | 7,837 | 8,312 | 25,033 | 27,075 |
| Injury Award Benefits | 0 | 0 | 1,647 | 2,105 |
| *Admin Costs of £155K is included in Current Service Costs | | | | |

Police Pension Fund Accounting Statement

| PCC | Local Government Pension Scheme | |
|--|---------------------------------|---------------|
| | 2021/22 | 2022/23 |
| | £'000 | £'000 |
| Net Total Cost of Service | | |
| Current Service Costs | 463 | 496 |
| Past Service Costs | 0 | 0 |
| Losses/Gains on Curtailments & Settlements | 0 | 0 |
| Surplus or Deficit on the Provision of Services | | |
| Interest Costs | 75 | 118 |
| Interest Income on plan assets | -43 | -80 |
| Other Comprehensive Income & Expenditure | | |
| <u>Re-measurements:</u> | | |
| Actuarial gains arising on changes in demographic assumptions | 0 | -95 |
| Actuarial gains arising on changes in financial assumptions | -261 | -3,090 |
| Other actuarial gains (assets & liabilities) | 0 | 235 |
| Other experience gains and losses | 25 | 1,138 |
| Return on plan assets (excl amount in net interest expense)* | -130 | 109 |
| Total Charge to the Comprehensive Income and Expenditure Statement | 129 | -1,169 |
| Movement in Reserves Statement | | |
| Reversal of net charges made for retirement benefits in accordance with IAS19* | -495 | -534 |
| Actual Amounts charged against the General Fund Balance for pensions in the year: | | |
| Employers Contributions payable to the pension fund | 200 | 184 |
| * 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 | |
|--|---|----------------|---|------------------|
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | £'000 | £'000 | £'000 | £'000 |
| Present value of the defined benefit obligation | 222,876 | 357,662 | 926,790 | 1,272,670 |
| Fair value of plan assets | -202,070 | -195,873 | - | - |
| Net liability arising from the defined benefit obligation | 20,806 | 161,789 | 926,790 | 1,272,670 |

Police Pension Fund Accounting Statement

| PCC | Funded Liabilities: Local Government Pension Scheme | |
|--|---|--------------|
| | 2022/23 | 2021/22 |
| | £'000 | £'000 |
| Present value of the defined benefit obligation | 3,296 | 4,532 |
| Fair value of plan assets | -3,075 | -2,958 |
| Net liability arising from the defined benefit obligation | 221 | 1,574 |

Reconciliation of the movements in the fair value of scheme assets

| GROUP | Local Government Pension Scheme | |
|--|---------------------------------|----------------|
| | 2022/23 | 2021/22 |
| | £'000 | £'000 |
| 1st April | 195,873 | 174,389 |
| Expected rate of return / Interest income | 5,183 | 3,426 |
| Re-measurement gains and losses: | | |
| Return on plan assets, excluding the amount included in the net interest expense | -7,013 | 11,224 |
| Other | 1,954 | 0 |
| Settlements | 0 | 0 |
| Employer contributions | 8,157 | 7,837 |
| Contributions by scheme participants | 2,814 | 2,625 |
| Benefits paid | -4,898 | -3,628 |
| 31st March | 202,070 | 195,873 |

| PCC | Local Government Pension Scheme | |
|--|---------------------------------|--------------|
| | 2022/23 | 2021/22 |
| | £'000 | £'000 |
| 1st April | 2,958 | 1,342 |
| Expected rate of return / Interest income | 80 | 43 |
| Re-measurement gains and losses: | | |
| Return on plan assets, excluding the amount included in the net interest expense | -109 | 130 |
| Other | -235 | 0 |
| Employer contributions | 182 | 200 |
| Contributions by scheme participants | 78 | 69 |
| Benefits paid | 121 | 1,174 |
| 31st March | 3,075 | 2,958 |

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 | |
|--|---|----------------|---|------------------|
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | £'000 | £'000 | £'000 | £'000 |
| 1st April | 357,662 | 354,890 | 1,272,670 | 1,241,980 |
| Current service cost | 19,291 | 21,423 | 28,100 | 35,260 |
| Interest cost | 9,272 | 6,984 | 33,720 | 24,920 |
| Contributions by scheme participants | 2,814 | 2,625 | 6,331 | 6,131 |
| Re-measurement (gains) and losses: | | | | |
| ▪ Actuarial gains / losses arising from changes in demographic assumptions | -6,166 | 0 | -22,420 | 0 |
| ▪ Actuarial gains / losses arising from changes in financial assumptions | -179,943 | -25,128 | -439,140 | -16,900 |
| ▪ Other actuarial gains / losses | 0 | 0 | 0 | 0 |
| ▪ Other experience gains / losses | 24,749 | 333 | 83,041 | 14,090 |
| Benefits paid | -4,898 | -3,628 | -35,512 | -32,811 |
| Past service cost (including curtailments) | 95 | 163 | 0 | 0 |
| Losses / (gains) on settlements | 0 | 0 | 0 | 0 |
| 31st March | 222,876 | 357,662 | 926,790 | 1,272,670 |

| PCC | Funded Liabilities: Local Government Pension Scheme | |
|--|--|--------------|
| | 2022/23 | 2021/22 |
| | £'000 | £'000 |
| 1st April | 4,532 | 2,987 |
| Current service cost | 494 | 463 |
| Interest cost | 118 | 75 |
| Contributions by scheme participants | 78 | 69 |
| Re-measurement (gains) and losses: | | |
| ▪ Actuarial gains / losses arising from changes in demographic assumptions | -95 | 0 |
| ▪ Actuarial gains / losses arising from changes in financial assumptions | -3,090 | -236 |
| Other actuarial gains / losses | 0 | 0 |
| Other experience gains / losses | 1,138 | |
| Benefits paid | 121 | 1,174 |
| Past service cost (including curtailments) | 0 | 0 |
| Losses / (gains) on settlements | 0 | 0 |
| 31st March | 3,296 | 4,532 |

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 | |
|------------------------------------|---|-----------------|--|-------------------|
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | £'000 | £'000 | £'000 | £'000 |
| Opening Deficit | -161,789 | -180,501 | -1,272,670 | -1,241,980 |
| Current Service Cost | -19,446 | -21,423 | -28,100 | -35,260 |
| Contributions by employer | 8,312 | 7,837 | 29,181 | 26,680 |
| Past Service Costs | -95 | -163 | 0 | 0 |
| Interest Cost | -9,272 | -6,984 | -33,720 | -24,920 |
| Expected Return on Assets | 5,183 | 3,426 | 0 | 0 |
| Gains & Losses on Settlements | 0 | 0 | 0 | 0 |
| Re-measurement Gains / (losses) | 156,301 | 36,019 | 378,519 | 2,810 |
| 31st March | -20,806 | -161,789 | -926,790 | -1,272,670 |

| PCC | Funded Liabilities: Local Government Pension Scheme | |
|------------------------------------|---|---------------|
| | 2022/23 | 2021/22 |
| | £'000 | £'000 |
| Opening Deficit) | -1,574 | -1,645 |
| Current Service Cost | -496 | -463 |
| Contributions by employer | 184 | 200 |
| Past Service Costs | 0 | 0 |
| Interest Cost | -118 | -75 |
| Expected Return on Assets | 80 | 43 |
| Other Actuarial Gains / (losses) | 0 | 0 |
| Re-measurement Gains / (losses) | 1,703 | 366 |
| 31st March | -221 | -1,574 |

Police Pension Fund Accounting Statement

Local Government Pension Scheme assets comprised:

| 2021/22 | | | | 2022/23 | | |
|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| CC | PCC | Group | Asset Type | CC | PCC | Group |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| 117,346 | 1,821 | 119,167 | Equities | 128,109 | 1,972 | 130,081 |
| 47,634 | 739 | 48,373 | Bonds | 36,537 | 563 | 37,100 |
| 23,725 | 368 | 24,093 | Property | 26,779 | 412 | 27,191 |
| 3,959 | 61 | 4,020 | Cash | 8,440 | 130 | 8,570 |
| 192,664 | 2,989 | 195,653 | Total | 199,865 | 3,077 | 202,942 |

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 6.75%.

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

| Asset breakdown | | 28 February 2023 | |
|----------------------------|----------|------------------|------------|
| | | % Quoted | % Unquoted |
| Corporate Bonds | UK | - | - |
| | Overseas | 5% | - |
| Equities | UK | - | - |
| | Overseas | - | 8% |
| Property | | - | 6% |
| Absolute return portfolio | | 9% | - |
| Private Equity | | - | 2% |
| Infrastructure | | - | 7% |
| Unit trust | | - | 46% |
| Private Debt | | - | 2% |
| Multi-Asset Credit | | - | 11% |
| Cash/Temporary Investments | | - | 4% |
| Total | | 14% | 86% |

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 | |
|--|---------------------------------|---------|-----------------------|---------|
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | % | % | % | % |
| Long-term expected rate of return on assets in the scheme: | | | | |
| Mortality Assumptions: | | | | |
| Longevity at 65 for current pensioners | | | | |
| - Men | 21.4 | 22.0 | 21.9 | 22.1 |
| - Women | 24.2 | 24.4 | 23.3 | 23.8 |
| Longevity at 65 for future pensioners | | | | |
| - Men | 22.4 | 22.9 | 23.5 | 23.8 |
| - Women | 25.8 | 26.0 | 25.0 | 25.4 |
| Rate of inflation - CPI | 2.90 | 3.15 | 2.60 | 3.00 |
| Rate of increase in salaries | 3.90 | 4.15 | 3.85 | 4.75 |
| Rate of CARE revaluation | | | 3.85 | 4.25 |
| Rate of increase in pensions | 2.90 | 3.15 | 2.60 | 3.00 |
| Rate for discounting scheme Liabilities | 4.80 | 2.55 | 4.65 | 2.65 |
| Take-up of option to convert annual pension into retirement lump sum (pre April 08 service) | 50 | 50 | - | - |
| Take-up of option to convert annual pension into retirement lump sum (post April 08 service) | 75 | 75 | - | - |

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

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

The LGPS actuaries have decided to use the CMI 2021 Model released in March 2022 with a 2020 and 2021 weight parameter of 5%, this is consistent with those used for the most recent fund valuation carried out as at 31st March 2022. This gives rise to a valuation gain on £6.071M for the Group and £0.095M for the PCC.

However the majority of the actuarial gains for 22/23 result from the change in financial assumptions, most significantly the increase in the discount rate and decrease in the future inflation assumption.

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

| Sensitivity analysis | £000s | £000s | £000s | £000s | £000s |
|--|--------------|----------------|-------------|--------------|-----------------|
| Adjustment to discount rate | +0.5% | +0.1% | 0.0% | -0.1% | -0.5% |
| Present value of total obligation | 2,951 | 3,224 | 3,298 | 3,374 | 3,703 |
| Projected service cost | 138 | 165 | 172 | 180 | 213 |
| Adjustment to long term salary increase | +0.5% | +0.1% | 0.0% | -0.1% | -0.5% |
| Present value of total obligation | 3,319 | 3,302 | 3,298 | 3,294 | 3,277 |
| Projected service cost | 173 | 172 | 172 | 172 | 171 |
| Adjustment to pension increase and deferred revaluation | +0.5% | +0.1% | 0.0% | -0.1% | -0.5% |
| Present value of total obligation | 3,687 | 3,371 | 3,298 | 3,227 | 2,964 |
| Projected service cost | 214 | 180 | 172 | 165 | 137 |
| Adjustment to life expectancy assumptions | | +1 Year | None | | - 1 Year |
| Present value of total obligation | | 3,390 | 3,298 | | 3,208 |
| Projected service cost | | 179 | 172 | | 166 |

Sensitivity Analysis for the Police Scheme:

| | Police Pension Scheme | |
|---|--|--------|
| | Approx. Increase to Employer Liability | |
| | % | £'000 |
| Change in assumptions at 31 March 2023 | | |
| 0.5% decrease in Real Discount Rate | 8.0% | 73,000 |
| 1 year increase in member life expectancy | 2.5% | 23,000 |
| 0.5% increase in the Salary Increase Rate | 1.0% | 9,000 |
| 0.5% increase in the Pension Increase Rate | 8.0% | 74,000 |

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

Impact on Cash Flows

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

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

| 2021/22 | | | 2022/23 | |
|---------|---------|--|---------|---------|
| £'000 | £'000 | | £'000 | £'000 |
| | | Contributions receivable | | |
| | | - From Employer | | |
| -14,280 | | Normal | -15,108 | |
| 0 | | Early Retirements for Ill-Health | 0 | |
| -6,030 | | - From members of the Pension Scheme | -6,261 | |
| | -20,310 | | | -21,369 |
| | | Transfers in | | |
| | -101 | - Individual Transfers in from Other Schemes | | -127 |
| | | Benefits Payable | | |
| 26,279 | | - Pensions | 27,449 | |
| 4,950 | | - Commutations and Lump Sums | 6,329 | |
| | 31,229 | | | 33,778 |
| | | Payments to and on Account of Leavers | | |
| | 0 | - Individual Transfers out to Other Schemes | | 56 |
| | 100 | -Pension Refunds | | 113 |
| | 10,918 | Sub-Total: Net amount receivable for the year before top-up grant | | 12,451 |
| | -10,918 | Top-Up Grant Receivable from Police Fund | | -12,451 |
| | 0 | 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.

| 2021/22 | | | 2022/23 | |
|---------|-------|---|---------|----------|
| £'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 2022/23 include the following:

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

(ii) **Banking**

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

Glossary of Terms

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

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

ACTUARIAL GAINS AND LOSSES – For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because (a) events have not coincided with the actuarial assumptions made for the last valuation or (b) the actuarial assumptions have changed.

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

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

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

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

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

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

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

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

CURRENT SERVICE COST (PENSIONS) – The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

CURTAILMENT – For a defined benefit scheme, an event that reduced the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

DEBTOR – Money owed to the PCC for Bedfordshire.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS 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 2023 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 2022/23.

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 2023 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 2023 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 2023.

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 2022/23;
- 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 2022/23.

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 the arrangement 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