



Statement of Accounts 2021–2022

**The Police and Crime Commissioner
for North Yorkshire**

DRAFT

CONTENTS

NYPFCC AND NYPFCC POLICE GROUP

Pages

Part One

Narrative Report

Part Two - Statement of Accounts

Statement of Responsibilities

Movement in Reserves Statements

Comprehensive Income and Expenditure Statements

Balance Sheets

Cash Flow Statements

Accounting Policies

Notes to the Accounts

Police Pension Fund Accounts

Notes to the Police Pension Fund Accounts

Independent Auditor's Report

Part Three

Glossary of Terms

Acronyms

DRAFT

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS for NYPFCC and NYPFCC Police Group

1. Introduction

The purpose of this Narrative Report is to provide a concise and easily understandable effective guide to the most significant matters reported in the accounts. The Narrative Report provides a brief explanation of the Police, Fire and Crime Commissioner for North Yorkshire's (NYPFCC) financial position and assists in the interpretation of the financial statements, including the Group Accounts. It provides a commentary on the major influences affecting the income and expenditure and cash flow, and information on the financial needs and resources of NYPFCC and the Group. It gives an indication, in broad terms, of where NYPFCC's money comes from, what it is spent on and the services it delivers.

These accounts are prepared based on the Police Reform and Social Responsibility Act 2011 (the Act) which created two "corporation sole" bodies - the Police, Fire and Crime Commissioner for North Yorkshire (NYPFCC) and the Chief Constable of North Yorkshire Police (CCNY). The primary statutory duty of the Police, Fire and Crime Commissioner is to ensure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1986.

The financial statements presented here represent accounts for NYPFCC and also for the NYPFCC Group (the Group). NYPFCC has been identified as the parent organisation of CCNY and the requirement to produce group accounts stems from the powers and responsibilities of NYPFCC under the Act.

The Group accounts for the year ended 31 March 2022 are presented in the format laid down in "The Code of Practice on Local Authority Accounting in the United Kingdom" (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The statements included in the accounts are as follows:

Statement of Responsibilities for the Statement of Accounts

This explains both NYPFCC's and the Chief Finance Officer's responsibilities in respect of the Statement of Accounts.

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 2 to the Accounts) and the Movement in Reserves Statement.

Balance Sheet

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

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

Accounting Policies

This explains the basis of the preparation of figures in the accounts. The accounts can only be properly appreciated if the policies that have been followed in dealing with material items are explained. Changes in policies from previous years have been clearly shown.

Police Pension Fund Account

This account summarises the income and expenditure related to the Police Pension Schemes. These statements are supported by various notes.

2. Summary of Financial Year 2021/22: Revenue

The Group incurred revenue expenditure during the year. Revenue expenditure is generally spent on items which are consumed within the financial year and is financed from Precepts, Government Grants and other income.

There is a direct relationship between the spend of revenue in the year and the Comprehensive Income and Expenditure Statement, however in the accounts a technical treatment is applied which makes a direct comparison to the in-year management position difficult. The summary that follows provides the detail on the outturn spend position compared to the budget. This gives a clearer assessment of performance in the year compared to the budget. The total revised budget for the year was based on the receipt of £185.8m, the table below shows the expenditure against that budget across those areas considered within the management accounts of the Group.

	Original Budget	Final Budget	Final Spend	(Under)/ Over Spend
	2021/22	2021/22	2021/22	2021/22
Funding	£000s	£000s	£000s	£000s
Funding for Net Budget Requirement	(170,048)	(170,048)	(170,048)	0
Specific Grants	(5,227)	(8,182)	(8,255)	(73)
Partnership Income/Fees and Charges	(7,266)	(7,554)	(8,303)	(749)
Total Funding	(182,541)	(185,784)	(186,606)	(822)
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,175	1,175	1,202	27
Commissioned Services	£000s	£000s	£000s	£000s
Total Commissioned Services	5,531	6,683	6,073	(610)
Corporate Costs	£000s	£000s	£000s	£000s
Total Corporate Costs	660	591	577	(13)
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	84,788	84,914	85,217	302
Police Overtime	2,312	3,270	3,661	391
PCSO Pay (incl Overtime)	7,672	7,782	7,521	(261)
Staff Pay (incl Overtime)	37,963	38,517	37,650	(867)
Pay Total	132,735	134,483	134,049	(434)
Non-Pay Budgets				
Other Non Salary	1,724	2,585	2,660	76
Injury and Medical Police Pensions	3,871	3,871	4,326	455
Premises	4,319	4,319	4,506	188
Supplies and Services	23,126	22,417	20,810	(1,607)
Transport	2,646	2,650	3,076	427
Non-Pay Total	35,686	35,841	35,379	(462)
Projects	1,368	2,593	2,593	0
Total Planned Force Expenditure	169,789	172,918	172,021	(897)
(Surplus)/Deficit before Reserves and Capital	£000s	£000s	£000s	£000s
Contribution to Capital Programme	5,679	5,194	4,920	(274)
Planned Transfers to/(from) Earmarked Reserves	(293)	(777)	(691)	86
Final/Forecast Over/(Under) Spend	(0)	0	(2,503)	(2,503)

During 2021/22 there was an overall underspend of £2,503k for the Group which has provided an opportunity to bolster reserves to mitigate current/future risks, provide for known one-off cost pressures and to reduce the need to borrow in future years to fund the capital expenditure of the organisation.

Non-Financial Performance

Following the Government's decision to postpone local elections in light of the Covid-19 pandemic, the Police and Crime Commissioner Elections took place in May 2021, which was a year later than previously planned. The PFCC that was elected in May 2021 subsequently resigned in October 2022 and the current PFCC, Zoë Metcalfe, was then elected following a new election.

As a result of this, the priorities in the Police and Crime Plan remain unchanged until 2022. The plan outlined four priorities: Caring about the Vulnerable; Ambitious Collaboration; Reinforcing Local Policing and Enhancing the Customer Experience.

The below provides an overview of some of the key work that has been delivered across the 4 Priority Areas within the Plan.

Priority 1 - Caring About the Vulnerable

We will have an in-depth understanding of how we can best protect the most vulnerable people in our society and will invest in services, skills and partner relationships to deliver the best possible outcomes.

Objective 1

A compassionate workforce with an excellent understanding of vulnerability in all its forms, which is better and more accurately recorded

The North Yorkshire Safeguarding Children Partnership has developed a new Threshold Guide which provides guidance and a framework for decision-making. This is to assist professionals across all agencies and organisations who support or work with children and young people with a decision about the safety and wellbeing of a child or young person. This aims to help provide the right help and how to make a good referral, at the right time from the right service and, importantly, from the right person.

In September 2021, NYP held the first Suicide Awareness and Prevention conference across NYP and NYFRS. The conference was live streamed, with six hubs across the county, allowing colleagues from both services to take part as a group and for other partners to attend. The aim of the conference was to break the stigma around suicide, encouraging people to talk, seek help and be able to spot signs in colleagues, friends, and family. Over 200 police and fire officers and staff attended the conference, which was supported by Samaritans and The Jordan Legacy, and as a result of the positive feedback, will become an annual event.

The domestic abuse charity SafeLives delivered in 2021, a series of training sessions to police officers and staff, in addition to some of the PFCC office staff, to make individuals think differently towards domestic abuse and ultimately improve the outcomes for victims and their families. This was much more than just a training course, but more a cultural change programme.

The recent legislative changes with the inception of the new Domestic Abuse Act 2021 saw the City of York Safeguarding Children Partnership and the City of York Council hold a Domestic Abuse Practice Week session in October 2021. Throughout this event, the Yorkshire, and Humber Multi-Agency Safeguarding Trainers Group (YHMAST) also hosted a Regional Domestic Abuse Webinar Series called 'Domestic Abuse from a Child's Perspective'.

In December 2021, North Yorkshire has been proactive in delivery of WAVE training provided to door staff to help them spot the signs of controlling and coercive behaviour and 'Ask for Angela' rolled out at licensed premises including pubs and bars in York and North Yorkshire supported by the partnership work along with training for bar staff enable individuals who feel vulnerable or at risk to "ask for Angela" and staff will intervene. In addition, Street Safe where individuals have reported feeling unsafe, are mapped across licensed premises to see if there is broader issue that needs addressing

Objective 2

An improved response and reduced harm to people at greater risk, including those who are vulnerable due to their mental ill-health, victims of hate crime, young people and older people. Harm will also be reduced by developing closer working practices between partners and improved sharing of relevant information.

Started in 2021, the OPFCC team developed a new Violence Against Women and Girls (VAWG) Strategy for North Yorkshire. This is being done in collaboration with local partners and women and girls in the local community across North Yorkshire. The strategy will be ambitious and challenge the police, Commissioner's office, and wider partners, to ensure women and girls, whether they are victims or not, feel safer in North Yorkshire and York. To inform the strategy the OPFCC also consulted with local women and girls who have direct experience of Violence Against Women and Girls through several focus groups and an online survey. The strategy will ensure that North Yorkshire Police and all partners have a strategic approach that holistically looks at all forms of crime that disproportionately affect women and girls.

Operation Attitude, is a force wide operation launched in July 2021, aimed at stopping those under the age of 18 turning to a life of crime. Specially trained officers act on intelligence about young people and visit their homes to speak to them and their parents, educating them around the dangers of drugs and the risks of getting involved in County Lines gangs - where drug dealers from urban areas exploit vulnerable people, including children, and force them to deal drugs in towns and cities away from home. Police work with partner agencies, such as York City Council, to provide further support and required referrals for the young person and their family.

In July 2021, IDAS (Independent Domestic Abuse Services) was commissioned to develop a 'Whole Family Approach' providing support services for children and young people affected by domestic abuse in North Yorkshire and the City of York. The aim is for children and young people to be and feel safer in their own home while providing tailored support directly to them and their parent/s or guardian/s. IDAS are working in collaboration with York St John University and other key stakeholders to significantly improve the overall evidence base of actual needs of children and young people living in households where domestic abuse occurs and identify the most effective interventions to meet these needs and inform future service development and strategic planning.

Objective 3

An improved response to the specific needs and vulnerabilities of communities that are hard to reach, either physically, such as isolated rural communities, or due to socioeconomic and other circumstances

Operation Dusk was launched in February 2022 by NYP as a response to the increased burglaries in the rural villages in the Selby district. As dark falls officers are taking to the roads across the district with a focus on remote villages. High visibility and plain clothed patrols are taking place with additional support from the force's Roads Policing Group and dog section. The operation has already seen success. With possible thieves been deterred, and incidents that have helped gather intelligence. Officers have also conducted several stops on vehicles which led to three being seized as the drivers failed to display insurance.

On 29th November 2021, a new Operating Model for the Rural Taskforce (RTF) was launched, to enhance the level of service provided to rural communities and to protect our wildlife, whilst targeting identified high harm offenders and Organised Crime Groups. The RTF also introduced a Tactical Advisor (TacAd) model, providing both a proactive and reactive advice with guidance to investigating officers across the force on wildlife and rural matters.

In the past year, the Commissioner secured almost £430,000 from Home Office Safer Streets Fund- the second round- to be invested in the Protect Your Home scheme that designed to serve residents in the Selby areas of Birkin, Camblesforth, Carlton, Fairburn, Hillam, Hirst Courtney and Monk Fryston. Over 700 homes have signed up to the scheme so far with 410 already having received upgrades to their security, including video doorbells, door and shed locks, while 40 farms have also benefited from increased protection. The project is in its final phase and is under evaluation.

Objective 4

Provide an exceptional service to victims and witnesses, offering them more specialist support throughout the criminal justice process, leading to better outcomes at court

North Yorkshire Police established a new dedicated Stalking Team during the year to better identify and address all forms of stalking at the earliest opportunity. The Team is comprised of a Detective Constable with extensive experience of investigating stalking offences and two Stalking Victim Support Officers who offer bespoke personal safety planning and implement specialist safeguarding measures as necessary to reduce further risk of harm. In January 2022, the Team was strengthened by a specialist Stalking Perpetrator Support Worker employed by Foundation UK as part of the commissioned +Choices: Support Services for Adult Perpetrators to specifically engage with perpetrators of stalking and support them to complete a bespoke behavioural change programme.

A multi-agency group was established in 2021 to discuss individuals who may be involved in sex work, survival sex or at risk of or victims of sexual exploitation. The group was formed following concerns raised by North Yorkshire Police that they had intelligence on individuals who would fall into this cohort and had other known vulnerabilities such as mental health issues, domestic abuse and substance misuse but there were no established pathways to share this information to better protect and safeguard these individuals. Two specialist outreach workers have been funded by the Office of the Police, Fire and Crime Commissioner who offer trauma-informed support, providing safety advice and information and invite women to local drop-ins and services where they can access further support. The support is tailored to each individual and can be practical, emotional or personal safety support/advice.

North Yorkshire Supporting Victims Team (SVT) continued receiving referrals from NYP, agencies and victims, including victims of fraud who are referred to the team via Action Fraud, a national helpline. Service levels have been maintained during the year, and the team continued to be home-based. Over the past year, the team received 3,3035 referrals, a 1% increase on the year before in line with the slight increase in general crime. SVT contacted 17,002 victims in 2021/22, with 3,807 contacted directly by phone.

The huge difference in referrals to IDAS is due to a change in process where all domestic abuse cases are now sent directly to Domestic Abuse Officers who refer the cases to IDAS after they have assessed them, rather than the SVT.

Priority 3 - Reinforcing Local Policing

Objective 1

A mobile workforce, enhanced with, and effectively using technology, that encourages a flexible, dynamic and innovative approach to delivering services locally. This objective will make local policing more productive and proactive, enabling them to be more visible with greater flexibility and capacity to respond to the public

The force continues to use Cloud Video Platform (CVP) technology for video remand hearings, for COVID19 positive or suspected COVID19 detainees, enabling them to participate in the criminal hearing. This includes remand, custody time limit and sentencing cases and currently equates to 2-3 cases per month. The force is awaiting national direction regarding a wider roll out of Video Enabled Justice and, if implemented, will increase resource demand within custody to administer the virtual hearing.

Two-way interface system (TWIF) was introduced to North Yorkshire Police and the Crown Prosecution Service in November 2021. The system connects the Police and CPS case management systems meaning they can interact with each other and improve the quality of cases and the efficiency of producing cases. TWIF aims to improve the exchange of information between services by reducing the administrative functions and workloads, making the process more efficient for both services. With the overall aim of, improving outcomes throughout the criminal justice journey and benefiting the community of North Yorkshire and York as investigations can be completed quicker, more effectively and enabling victims and witnesses to be updated regularly and more effectively.

North Yorkshire Police continued the use Video Recording Suites (VRI) in custody sites following the pandemic after it proved its important role to ensure victims and witnesses have full support, greater flexibility and are able to provide their best evidence. To facilitate this, the Knaresborough and Scarborough VRI suites were refurbished to create an environment that better serves victim's needs and helps them provide their best evidence. Technology provision was also improved for interviews to enable teams to better support victim and their parent/careers/guardians if applicable. Chronicle to cater for all Taser Officers was expanded during 2021 to provide a 'living record' across the force of all Taser Officers, their training records, expiry dates, and all taser devices, etc. Over the previous months Chronicle was being built with the details of all Specially Trained Officers, Taser Trainers and SPOCS. Once the system is online Taser officers will receive a personal Chronicle Card which will become their individual permit providing the authority to draw a taser.

Objective 2

Plan and prepare for changing and future demand, so that we improve our ability to deal with problems such as cyber enabled crime, fraud and the exploitation and abuse of children and adults

Online Abuse is expected to increase as nationally as new peer to peer sharing packages are introduced and more technology tools become available alongside investigations becoming more complex. The Online Abuse Team (OAT) is a subset of serious crime that enables a cradle to grave approach to be adopted when dealing with all child exploitation (CEOP) packages and internal proactive peer to peer sharing identification. This has streamlined the intelligence gathering, assessment and allocation of investigative packages including adoption of high-risk packages to provide an investigative service supported by Digital Forensics specialists. Additional investment of resource (uplift of two police officers) in 2022/23 has been made into online abuse investigation, alongside internal restructuring which supports meeting short term demand

Fraud was a Control Strategy priority for North Yorkshire Police over the previous two years and has created a focus on this previously partly hidden crime type. This has driven performance improvements, underlined that effective fraud policing requires a co-ordinated and collaborative approach. As society comes out of the current pandemic the actual levels of reported Fraud in the future are relatively uncertain, but it is likely that there will be a rise in fraud. Therefore, a new post of cyber-enabled fraud investigator will work on the interdependencies between the Economic Crime Unit and the cyber-teams, as vast majority of fraud has a significant cyber element, and this role will support any opportunities to co-ordinate activities.

Objective 3

A planned, co-ordinated and collaborative demand reduction/prevention strategy that addresses the causes of demand to prevent harm, will reduce crime and antisocial behaviour over the longer term

During the past year, the NYP prevention and intervention strategy has been introduced with a new approach developed through Early Action Together (EAT) programme and is focussed on solving local problems early before they escalate and create demand upon other parts of policing or partner agencies. It is acknowledged that whilst the investment in Prevention and Early intervention will drive down future demand, it will need to balance with those enforcement activities associated with crimes being committed, the impact of the prevention and early intervention on reporting of previously hidden crime and those non-recent crimes that are continuously coming to police notice. This is long term programme of change for the organisation and the vehicle for the delivery of that ambition - releasing capacity, creating opportunities, and equipping officers and staff with the necessary skills to drive this significant change in the way the police work.

Operation Choice was established in July 2021 and is a process designed for diverting children and young people in North Yorkshire, who are found in possession of drugs, into a course of police led educational sessions in lieu of traditional criminal justice disposals. In addition, further consideration will be given to referrals into drug service providers and commissioned diversion services. Studies have shown that to promote such a cycle of change in an individual using psycho active substances, up to 7 attempts can be required to initiate a response.

In August 2021 a pilot project ran focusing on engagement and early intervention of young people through Cops vs Kids online gaming and E-sports. This project acted as a gateway to vulnerable children and young people within the community to build bridges with them and police, build trust and to help develop mutual respect between officers and young people. The projects have been delivered in partnership with the British E-sport Association (BEA) and the Youth Justice Service. BEA provided the use of seven gaming PCs including the game 'Rocket League' and the Youth Justice Service provided use of their office at Moor Lane Youth Centre to Host the event.

Objective 4

Make effective use of the whole policing family to provide the most appropriate service when and where it is needed. From volunteer search and rescue organisations, local Neighbourhood Watches, to Special Constables, civilian staff, police officers and partner organisations, we have a family of highly dedicated people with our citizens' best interests at heart.

Once again, this year has proved challenging for "NYP Volunteer", but there have been many examples of amazing contributions that Special Constables and Volunteers have given. The rural watch volunteers of Settle, Ingletton and Bentham have given 970 hours over the year to help keep prevent rural crime. Four volunteers are part of a "rural watch Liaison volunteers' pilot", the aim of this is to support the local safer neighbourhood teams and rural task force with local intelligence and stronger collaboration with the local community.

The OPFCC Community has supported the Skipton Youth Voice Project, that led by the North Yorkshire Youth Commission, to give young people from under-represented groups, a voice on key issues important to them in their local community in Skipton, Craven. This peer-led project aims to enable young people from diverse backgrounds, with a wide range of life experiences, to come together, engage with other young people on these priorities and inform the work of the PFCC, North Yorkshire Police and partner agencies. The young people raised the following concerns which became the focus of the project: Cultural Divide; Racism and Stigma within the community; Relationship between community and police; and Lack of opportunities in their local area. Following the project report, the Commissioner made further visits to the community to understand these issues from the local women's group and the Commissioner, NYP and a number of partner agencies continue to support this work and address the recommendations made from this project.

Since October 2021 NYP has officers dedicated to dealing with instances of Pet Theft and supporting victims. Whilst instances of pet theft are rare in North Yorkshire (16 reports in 2021), NYP has implemented a pet theft lead and a small team of pet theft liaison officers who are working to ensure every officer recognises the need to offer the best possible support to victims of this type of crime. An organisation wide online training programme was launched to help achieve this aim and NYP also has a seat on the national working group led by Devon and Cornwall Police. In addition, a leaflet has been produced to assist officers in supporting pet owners to keep their furry friends safe, as well as providing up-to-date advice on what to do if your pet goes missing

Objective 5

Empower communities to engage more actively with the police service. A strong positive relationship between the people and the police helps reduce harm, crime and anti-social behaviour. Two-way communication and feedback improve community resilience, generates vital community-based intelligence and increases confidence

The Digital PCSO team is a team of five DPCSOs who are based across the force. They mix the 'traditional' uniformed side of being a Police Community Support Officer; patrolling and engaging with their community and supporting their local NPT's alongside using their digital skills to provide crime prevention advice and guidance to our online communities using platforms such as WhatsApp, Twitter and Facebook, and Community Messenger.

At the beginning of 2022, Project Servator marked the fifth anniversary of its deployments across North Yorkshire and the City of York. It is a policing tool aims at keeping our force area safe from harm from any type of criminality including terrorism, whilst providing a reassuring presence to the public and engaging with our local business community. The approach relies on unpredictable and highly visible police deployments, whilst at the same time, building a network of vigilance made up of business and community partners, and the general public. In September 2021, NYP launched a new mandatory training package (Disruptive Effects and See Check and Notify SCaN) for all officers and staff, to be completed within 6 months.

Priority 4 - Enhancing Customer Experience

Objective 1

Make policing more accessible by improving and widening the channels of communication by which the public can contact the police

The move of the Force's website content onto the national police web platform 'Single Online Home' (SOH) system in October 2021, although resulted in a significant level of demand for police to deal with but offered the public a consistent, easy-to-use way of engaging with their local police force digitally and of accessing police services and information online wherever they are in the county. This tool will help to create extra capacity and less waiting times for the public.

Objective 2

Effective learning from legitimate complaints, which improves the customer experience and increases confidence and trust in local policing

The Commissioners independent Complaints and Recognition Team has been in place since March 2020 and continues to be the main point of contact for dissatisfaction, recognition and reviews, working to service recover 'lower-level' complaints (expressions of dissatisfaction) where possible, and referring more serious complaints onto the Professional Standards Department (PSD). Where a complaint has been recorded under Schedule 3 to the Police Reform Act 2002, the complainant has a right to apply for a review of the outcome of the complaint and these are handled by the Commissioners Independent adjudicator. The Team engage with NYP and local managers sharing information and seeking best practice, identifying trends and learning to help improve the customer experience. More information are available @ the Governance Section (link).

Objective 3

More efficient and timely customer service, that is as simple, straightforward and transparent as possible. This is equally applicable to internal customers and partners, as to the public

Under Early Action Together, an Initial Enquiry Team has been developed and will go live in June 2022. This is designed to work alongside call takers and pick up incidents where it is appropriate to deal with them remotely and to enable police officers within the IET to resolve customer needs over the phone, commence a primary investigation or make an appointment for attendance by an officer, if required. This provides a responsive service to customers, reduces the need for call backs or unnecessary appointments and frees up operational front-line resources to deal with other demands and focus more on prevention and early intervention

Objective 4

A healthy, happy and confident workforce that better reflects the diversity of our community and can fulfil our priorities.

In 2020, NYP have created a Pledge which is to promote a happy, healthy, engaged and productive workforce and to support this there is an annual theme, and this year the focus is on "your mental health workout." The aim of this year's theme is to encourage the workforce to consider mental health in a similar way to physical health - every individual has psychological weak spots or injuries - just like physical muscles, when they get used, they may feel tender or uncomfortable.

NYP continue to develop leaders who understand how their personal leadership style impacts both positively and negatively on those around them and every individual within their sphere of influence. This is important not only in upskilling managers but also to ensure we have a diversity in leadership which people can associate with.

At present, the diversity can only be measured in terms of gender and race, further protected characteristics data is being collected on a voluntary as part of the Safe to Say programme of work that will enable a more enriched picture of workforce diversity. Further positive action is ongoing to improve race diversity in North Yorkshire Police's workforce. While females currently represent 47.2% of the workforce and within police staff roles.

The current recruitment of 20,000 officers into policing as a part of the government Uplifting Policing Programme (UPP) gives a unique opportunity to improve the diversity of policing locally, especially into firearms department, which have traditionally struggled to recruit a diverse workforce. Accordingly, dozens of extra police officers were hired in North Yorkshire over the last year as part of the Government's national recruitment drive. Home Office figures show that there were 1,563 police officers in North Yorkshire Police in December 2021, up from 1,511 a year before

3. Comprehensive Income and Expenditure Statement (CIES):

The figures for the year shown here can be reconciled to the CIES via the Movement on Reserves Statement. The technical treatment required means that the outturn presented in this Narrative Report and the movement on the General Fund Balances in the accounts are different. The Expenditure and Funding Analysis in Note 2 to the Accounts presents a reconciliation.

4. Summary of the Financial Year 2021/22: Capital Expenditure and Fixed Assets

Capital Expenditure is spent on items which provide value to the Group for more than one year and is financed from Government Grants, income realised from the sale of capital assets, revenue contributions, loans and reserves. The assets owned by the Group are a vital platform for the delivery of the Commissioners Police, Fire and Crime Plan, with the overall purpose of the capital plan being to provide sufficient funding to renew the asset base of the organisation, informed by condition deficiency surveys, 'fit for purpose' reviews, equipment replacement programmes, business continuity requirements and invest to save expenditure. Capital plans are maintained over a rolling five year period, and the revenue consequences, in terms of the savings that are expected to be delivered from the implementation of the plans and also the costs of borrowing to fund the Capital programme in future years have been incorporated into the Medium Term Financial Plan (MTFP).

The CIPFA Prudential Code of Practice is a key element in the system of capital finance. Under this system individual Police and Crime Commissioners are responsible for deciding the level of their affordable borrowing having regard to the Prudential Code. The Capital Plan and its financing are within prudential limits.

In setting the Capital programme for 2021/22 the former PFCC approved a programme of £6,805k. The finalisation of the 2020/21 position resulted in the carry forward of £4,024k of schemes from that year that were still required and due to be delivered in 2021/22.

During 2021/22 £234k of new Capital schemes were approved, which left an overall Capital Programme of £11,063k to be delivered in 2021/22.

In total however only £3,634k of spend occurred during the year. This equated to only 33% of the entire £11,063k overall Capital Budget for 2021/22 budget. In overall terms therefore £7,429k of budgets/schemes that were included within the overall 2021/22 capital budget was not spent in year.

On the back of this outturn, project managers and budget holders only put forward plans/proposals to carry forward £1,525k of their budgets into 2022/23. Leaving £5.9m of budgets unspent/un-needed or the schemes are now within the Change Pipeline and will be re-assessed for future delivery

The details of how the actual capital expenditure was financed in the year are set out in Note 20 (a) to the Accounts. Expenditure on Major Capital Schemes during the year is detailed in Note 20 (b) to the Accounts.

All properties have been revalued as at 31st March 2022 and details are provided in Note 20 (c) to the Accounts.

The depreciation and amortisation charges for the year, amounting to £5.0m (2020/21 £5.2m) have been charged to the Comprehensive Income and Expenditure Statement within Net Cost of Services.

The sale of surplus property continued in line with the Estates Strategy and contributed £2,616k capital receipts which will be used to fund the capital programme in future years. Capital receipts from the sale of vehicles contributed a further £116k.

5. Borrowing

The Group is proactive in managing its debt and overall funding and has recognised the need to borrow to invest in infrastructure and assets. The ongoing need to make investments to respond to national requirements continues as does the need to kit and equip officers and staff to enable them to be as effective and productive as possible. The Group has therefore adopted an approach of continuing with major investments and replacement projects as a long-term strategic view of policing delivery has been taken.

In line with the Treasury Management Strategy, care will be taken to ensure a balance of economic outlook, cash flow, reserve balances and affordability are taken into account for borrowing decisions.

The Group utilises capital grant, revenue budget contributions, reserves and borrowing to fund capital expenditure. The Medium Term Financial Plan, along with the funding strategy, considers all funding options and implications alongside the revenue impact for future years. These are then all taken into account as part of budget setting, which itself balances financing with performance outputs and investment in resources.

No external borrowing was taken out during the year with the overall level of borrowing for the Group remaining at £6m as set out in Note 25.

6. Pensions

As part of the terms and conditions of officers and employees, the Group offers retirement benefits in accordance with national agreements and schemes and participates in a number of pension schemes and is detailed in Note 28.

- Two Local Government Pension Schemes (LGPS) for police staff, administered by North Yorkshire County Council. These are funded defined benefit schemes, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets;
- Three Police Pension Schemes for police officers. These are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet the pension liabilities, but finance is only required to be raised to cover police pensions when the pensions are actually paid. Funding arrangements for the Police Pension Fund are detailed in the Police Pension Fund Accounts.

Although pension benefits will not actually be payable until employees retire, the Group has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement and details are provided in Statement of Accounts Note 28. The liabilities show the underlying commitments that the Group has in the long run to pay retirement benefits. The total liability has a substantial impact on the net worth of the Group as recorded in the Balance Sheet and results in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

7. Provisions and Contingencies

Details are provided in the Statement of Accounts Notes 27 and 29

8. Accounting Policies and presentation of the Accounts

The accounting policies adopted in the preparation of the accounts are set out formally in the Accounting Policies which follow. There have not been any significant changes in Accounting Policies during 2021/22.

9. Covid - 19

These accounts cover a period that incorporated a phased re-opening of the economy and the eventual removal of restrictions that had been placed on people over the previous 12+ months.

As expected a return to a more 'normal' way of living is having an impact on many aspects of public services, this aligned with financial pressures for both individuals and government is likely to be a key aspect of the landscape, within which we will operate, over the coming months and years.

Under Sections 25 and 26 of the Local Audit and Accountability Act 2014 (the Act) interested parties and local government electors have the right to inspect the Group's accounts and supporting documents, and to question the auditor, or make objections to the matters contained in them. The times at which the accounts are deposited for inspection are advertised on both the Commissioner's and the Chief Constable's websites.

Every effort has been made to ensure the accuracy of these accounts and compliance with accounting requirements.

The Group's external auditors are:

Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

Michael Porter
Chief Finance Officer for the Police, Fire and Crime Commissioner for North Yorkshire
Date: 29 July 2022

DRAFT

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS of NYPFCC and the NYPFCC Police Group

The Responsibilities of the Police, Fire and Crime Commissioner for North Yorkshire

The Police, Fire and Crime Commissioner is required to:

- Make arrangements for the proper administration of their financial affairs and to ensure that one of their officers has the responsibility for the administration of those affairs. In this Police, Fire and Crime Commissioner's Office, that Officer is the Police, Fire and Crime Commissioner's Chief Finance Officer;
- Manage their affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts

Zoe Metcalfe

Police, Fire and Crime Commissioner for North Yorkshire
Date: 29 July 2022

The Responsibilities of the Police, Fire and Crime Commissioner's Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Police, Fire and Crime Commissioner's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the 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 of Practice.

The Chief Finance Officer has also:

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

Certificate by the Police, Fire and Crime Commissioner's Chief Finance Officer

I certify that the Statement of Accounts has been prepared in accordance with proper accounting practice and presents a true and fair view of the financial position of the Police, Fire and Crime Commissioner for North Yorkshire and of the Group at 31 March 2022, and its income and expenditure for the year then ended.

M. Porter

Michael Porter

Chief Finance Officer for the Police, Fire and Crime Commissioner for North Yorkshire
Date: 29 July 2022

MOVEMENT IN RESERVES STATEMENT for the YEAR ENDED 31 March 2022 (Group)

	General Fund	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Note						
Balance at 1 April 2020	11,495	-	1,979	13,474	(1,660,352)	(1,646,878)
Total Comprehensive income and expenditure	(58,947)	-	-	(58,947)	(193,416)	(252,363)
Adjustments between accounting basis & funding basis under regulations	63,603	-	1,405	65,008	(65,008)	-
Net increase/(decrease) in year	4,656	-	1,405	6,061	(258,424)	(252,363)
Balance at 31 March 2021 Restated	16,151	-	3,384	19,535	(1,918,775)	(1,899,240)
Balance at 31 March 2021 Restated	16,151	-	3,384	19,535	(1,918,775)	(1,899,240)
Total Comprehensive income and expenditure	(68,558)	-	-	(68,558)	68,553	(5)
Adjustments between accounting basis & funding basis under regulations	71,810	-	2,615	74,426	(74,426)	-
Net increase/(decrease) in year	3,252	-	2,615	5,868	(5,873)	(5)
Balance at 31 March 2022	19,405	-	5,999	25,405	(1,924,648)	(1,899,245)
Reserves held for:						
Capital purposes	1,735	-	3,384	5,119		
Revenue purposes	14,416	-	-	14,416		
Total at 31 March 2021	16,151	-	3,384	19,535		
Capital purposes	4,964	-	5,999	10,964		
Revenue purposes	14,441	-	-	14,441		
Total at 31 March 2022	19,405	-	5,999	25,405		

An analysis of General Fund Reserves is provided in Note 4 and an analysis of Unusable Reserves is provided in Note 5 to the accounts.

MOVEMENT IN RESERVES STATEMENT for the YEAR ENDED 31 March 2022 (PFCC)

	General Fund	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020	11,495	-	1,979	13,474	30,877	44,351
Total Comprehensive income and expenditure	2,899	-	-	2,899	207	3,106
Adjustments between accounting basis & funding basis under regulations	1,757	-	1,405	3,162	(3,162)	-
Net increase/(decrease) before transfers to Earmarked Reserves	4,656	-	1,405	6,061	(2,955)	3,106
Balance at 31 March 2021 Restated	16,151	-	3,384	19,535	27,922	47,457
Balance at 31 March 2021 Restated	16,151	-	3,384	19,535	27,922	47,457
Total Comprehensive income and expenditure	3,787	-	-	3,787	1,278	5,065
Adjustments between accounting basis & funding basis under regulations	(535)	-	2,615	2,080	(2,080)	-
Net increase/(decrease) in year	3,252	-	2,615	5,867	(802)	5,065
Balance at 31 March 2022	19,405	-	5,999	25,404	27,120	52,522
Reserves held for:						
Capital purposes	1,735	-	3,384	5,119		
Revenue purposes	14,416	-	-	14,416		
Total at 31 March 2021	16,151	-	3,384	19,535		
Capital purposes	4,964	-	5,999	10,964		
Revenue purposes	14,441	-	-	14,441		
Total at 31 March 2022	19,405	-	5,999	25,405		

An analysis of General Fund Reserves is provided in Note 4 and an analysis of Unusable Reserves is provided in Note 5 to the accounts.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT for the Year Ended 31 March 2022 (Group)

		2021/22 Income/ Expenditure £'000	2020/21 Income/ Expenditure £'000
	Note		
Targeted Grants		(8,255)	(9,876)
Other Income		(8,866)	(8,967)
Salary Costs		167,499	154,158
Other non Salary employee costs		2,857	2,663
Police Injury Pension Costs		4,326	4,718
Premises Costs		4,489	4,659
Supplies and Services		20,406	20,661
Transport Costs		3,076	2,589
Financial Costs		4,906	4,910
Commissioned Services		6,639	5,933
Project Costs		2,593	1,370
Cost of Police Services		199,670	182,818
Corporate and Democratic Core		1,348	1,221
Non-Distributed Costs - Past Service Costs	28	85	15
Net Cost of Services		201,103	184,055
Other Operating Income and Expenditure	8	23,691	24,980
Financing and Investment Income and Expenditure	10a	38,962	37,991
Taxation and Non-Specific Grant Income	11	(195,201)	(188,081)
(Surplus) or deficit on the Provision of Services		68,558	58,945
Other Comprehensive Income & Expenditure			
(Surplus) Deficit on revaluation of non-current assets charged to revaluation reserve	5a	(786)	(199)
(Surplus) Deficit on remeasurements of defined benefit liability charged to pensions reserve	5c	(67,767)	193,617
Other Comprehensive (Income) and Expenditure		(68,553)	193,418
Total Comprehensive (Income) and Expenditure		5	252,363

A comparison between expenditure funded by government grants and precept and resources consumed in accordance with accepted accounting principles is provided in the Expenditure and Funding Analysis (Note 2)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT for the Year Ended 31 March 2021 (PFCC)

	Note	2021/22 Income/ Expenditure £'000	2020/21 Income/ Expenditure £'000
Targeted Grants		(8,255)	(9,876)
Other Income		(565)	(588)
Salary Costs		369	187
Other Non Salary Employee Costs		1	-
Financial Costs		4,506	4,906
Premises Cost		-	-
Supplies & Services		(6)	(11)
Commissioned Services		6,639	5,933
Recharges to CCNY for use of Long Term Assets		(4,507)	(4,906)
Cost of Police Services		(1,818)	(4,354)
Corporate and Democratic Core		1,346	1,221
Non-Distributed Costs - Past Service Costs	28	-	-
Intragroup Funding	7	168,086	163,081
Net Cost of Services		167,614	159,948
Other Operating Income and Expenditure	8	23,691	24,980
Financing and Investment Income and Expenditure	10a	106	132
Taxation and Non-Specific Grant Income	11	(195,201)	(188,081)
(Surplus) or deficit on the Provision of Services		(3,787)	(3,022)
Other Comprehensive Income and Expenditure			
(Surplus) or deficit on revaluation of non-current assets charged to revaluation reserve	5a	(786)	(199)
(Surplus) or deficit on remeasurements of defined benefit liability charged to pension reserve	5c	(492)	115
Other Comprehensive (Income) and Expenditure		(1,278)	(84)
Total Comprehensive (Income) and Expenditure		(5,065)	(3,106)

A comparison between expenditure funded by government grants and precept and resources consumed in accordance with accepted accounting principles is provided in the Expenditure and Funding Analysis (Note 2)

BALANCE SHEET as at 31 March 2022 (Group)

	Note	31 March 2022 £'000	31 March 2021 £'000
Long-Term Assets			
Property, Plant and Equipment	16	35,551	35,363
Investment Property	17	440	412
Intangible Assets	18	1,199	1,638
Assets under Construction	16	223	223
Total Long-Term Assets		37,413	37,636
Current Assets			
Assets Held for Sale	19	1,371	3,430
Inventories	22	561	507
Short-term Debtors	23	17,249	18,240
Cash and Cash Equivalents	24	20,990	12,523
Total Current Assets		40,171	34,700
Total Assets		77,584	72,336
Current Liabilities			
Cash and Cash Equivalents	24	(2,422)	(591)
Short-term Creditors	26	(15,454)	(17,311)
Short-term Provisions	27	(2,217)	(2,027)
Total Current Liabilities		(20,093)	(19,929)
Long-Term Liabilities			
Long-term Provisions	27	(1,116)	(1,353)
Pension Fund Liability	28	(1,949,615)	(1,944,294)
Other Long-term Liabilities	25	(6,000)	(6,000)
Total Long-Term Liabilities		(1,956,731)	(1,951,647)
Net Assets (Liabilities)		(1,899,245)	(1,899,240)
Reserves			
Usable Reserves			
General Fund Reserves	4	19,405	16,151
Capital Receipts Reserve		5,999	3,384
Total Usable Reserves		25,404	19,535
Unusable Reserves			
Revaluation Reserve	5	2,007	1,374
Capital Adjustment Account	5	25,266	27,759
Pensions Reserve	5	(1,949,615)	(1,944,294)
Collection Fund Adjustment Account	5	438	(510)
Accumulated Absences Account	5	(2,744)	(3,104)
Total Unusable Reserves		(1,924,648)	(1,918,775)
Total Reserves		(1,899,245)	(1,899,240)

BALANCE SHEET as at 31 March 2022 (PFCC)

	Note	31 March 2022 £'000	31 March 2021 £'000
Long-Term Assets			
Property, Plant and Equipment	16	35,551	35,363
Investment Property	17	440	412
Intangible Assets	18	1,199	1,638
Assets under Construction	16	223	223
Total Long-Term Assets		37,413	37,636
Current Assets			
Assets Held for Sale	19	1,371	3,430
Inventories	22	-	-
Short-term Debtors	23	17,249	18,240
Cash and Cash Equivalents	24	20,974	12,507
Total Current Assets		39,594	34,177
Total Assets		77,007	71,813
Current Liabilities			
Cash and Cash Equivalents	24	(2,422)	(591)
Short-term Creditors	26	(14,635)	(16,234)
Short-term Provisions	27	(794)	(767)
Total Current Liabilities		(17,851)	(17,592)
Long-Term Liabilities			
Long-term Provisions	27	(52)	(75)
Pension Fund Liability	28	(583)	(689)
Other Long-term Liabilities	25	(6,000)	(6,000)
Total Long-Term Liabilities		(6,635)	(6,764)
Net Assets (Liabilities)		52,522	47,457
Reserves			
Usable Reserves			
General Fund Reserves	4	19,405	16,151
Capital Receipts Reserve		5,999	3,384
Total Usable Reserves		25,404	19,535
Unusable Reserves			
Revaluation Reserve	5	2,007	1,374
Capital Adjustment Account	5	25,266	27,759
Pensions Reserve	5	(583)	(689)
Collection Fund Adjustment Account	5	438	(510)
Accumulated Absences Account	5	(8)	(11)
Total Unusable Reserves		27,119	27,922
Total Reserves		52,522	47,457

NET CASH FLOWS FROM FINANCING
for the YEAR ENDED 31 March 2022
for NYPFCC and the NYPFCC Group

	Note	2021/22 Group £'000	2021/22 PFCC £'000	2020/21 Group £'000	2020/21 PFCC £'000
Net deficit / (surplus) on the provision of services		68,558	(3,787)	58,945	(3,022)
<i>Adjustments to net deficit / (surplus) on the provision of services for non-cash movements:</i>					
(Increase) / decrease in provisions	27	46	(4)	284	82
Movement in pension liability	28	(73,088)	(386)	(61,268)	(198)
Depreciation, impairments and revaluations		(4,350)	(4,350)	(4,882)	(4,882)
Increase / (decrease) in debtors		(1,738)	(595)	5,585	5,430
(Increase) / decrease in provision for bad debts		(396)	(396)	(426)	(426)
(Increase) / decrease in creditors		2,998	1,601	(903)	525
Increase / (decrease) in inventories		54	-	174	-
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9	(2,352)	(2,352)	(812)	(812)
		(78,825)	(6,482)	(62,248)	(281)
<i>Adjustments for items included in the net deficit / (surplus) on the provisions of services that are investing and financing activities:</i>					
Proceeds of disposal of non-current assets	9	2,615	2,615	1,405	1,405
Net Cash Flows from Operating Activities		(7,654)	(7,655)	(1,899)	(1,899)
Net cash flows from Investing Activities	32	1,019	1,019	2,034	2,034
Net cash flows from Financing Activities	33	-	-	-	-
Net (increase) / decrease in cash and cash equivalents		(6,635)	(6,636)	135	135
Cash and cash equivalents at the beginning of the reporting period	24	11,933	11,917	12,068	12,052
Cash and cash equivalents at the end of the reporting period	24	18,568	18,552	11,933	11,917

ACCOUNTING POLICIES for the YEAR ENDED 31 March 2022 for NYPFCC and the NYPFCC Group

1. General Changes in Accounting Policy

These financial statements are prepared in accordance with the Accounts and Audit (England) Regulations 2015 and proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and the Service Reporting Code of Practice for Local Authorities 2021/22 (SeRCOP), supported by International Financial Reporting Standards (IFRS) and statutory guidance.

The accounts have been prepared on a going concern basis as there is a reasonable expectation that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. Assets are included using a historical cost convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

The principle accounting policies adopted are set out below.

2. Accounting Principles

Balance Sheet

All payments on behalf of the Group are made by NYPFCC from the Police Fund and all income and funding is received by NYPFCC on behalf of the Group. NYPFCC has the responsibility for managing the financial relationships with third parties and has legal responsibilities for discharging the contractual terms and conditions of suppliers.

Based on the statutory powers and responsibilities as designated by the Act, and the local agreements and practice in place, and taking account of the guidance included in the Code, it has been determined that substantially all the assets and reserves of the Group are recognised on the NYPFCC Balance Sheet. Each individual entity balance sheet includes the assets and liabilities arising from transactions included in the relevant CIES.

Comprehensive Income and Expenditure Statement (CIES)

Under the Act, CCNY is responsible to NYPFCC for the day to day provision of the policing functions, including the direction and control of police officers. With effect from 1st April 2019 staff providing Corporate Support Services (comprising Information Communications and Technology, Estates, Transport and Logistics, Corporate Communications, Legal Services and Finance) are also under the direction of CCNY.

Expenditure related to the provision of policing services by officers and staff under the direction and control of CCNY appears in the CCNY CIES. Remaining expenditure related to the provision of Projects and technical financial adjustments appears in the NYPFCC single entity CIES with effect from 1 April 2014, and is then recharged to CCNY, so that all of the Cost of Police services appears in the CCNY CIES. The Cost of Police Services is funded by a recharge to NYPFCC.

Income and funding directly controlled by NYPFCC is included in the NYPFCC single entity CIES.

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

Intra-Group Charges

NYPFCC makes charges to CCNY:

- for the use of Long-Term Assets, equivalent to the debits made to the NYPFCC CIES for the impairment, depreciation, amortisation and revaluation of the assets
- for the provision of Projects

CCNY makes charges to NYPFCC:

- for the cost of policing services

These charges are eliminated in the Group accounts.

3. Transition to International Financial Reporting Standards ("IFRS")

In 2010/11 accounts were presented in accordance with IFRS for the first time. Local authorities were required to account for the transition to IFRS in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards, except where interpretations or adaptations to fit local authorities are detailed in the Code.

The exemptions that are applicable to the Group in preparing financial statements are detailed below:

- The depreciated historical cost of an asset as at 1 April 2009 remained the depreciated historical cost of that asset as at 31 March 2009 under the Code of Practice on Local Authority Accounting in the United Kingdom 2009 - A Statement of Recommended Practice ("the SORP"), rather than requiring a retrospective review of the depreciation policy, measurement of useful life and residual cost;
- In adopting International Financial Reporting Interpretations Committee ("IFRIC") Interpretation 4 - Determining whether an Arrangement Contains a Lease, it has been determined whether an arrangement existing as at 1 April 2009 contained a lease on the basis of facts and circumstances existing at that date. Where it has been determined that an arrangement contains a lease, that lease has been accounted for retrospectively from the commencement of the lease;
- The requirements of the Code in relation to accounting for the depreciation of significant components of an asset and the de-recognition of old components and recognition of new components have been applied to new assets completed on or after 1 April 2010 and to significant improvements to existing assets incurred from 1 April 2010.

4. New International Accounting Standards Adopted for the first time in this Financial Period

The impact of International Financial Reporting standards that apply to these accounts for the first time has been judged to not be material.

5. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date of provision of the relevant goods or services;
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

6. Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions are recognised as income when there is reasonable assurance that:

- the conditions attached to the payments will be complied with; and
- that the grants or contributions will be received.

Amounts recognised as due are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future 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 and 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 (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the CIES.

Police Pension Top-Up Grant

The top-up grant receivable from the Home Office in respect of the Police Pension Fund is credited to the CIES after Net Cost of Services, as part of Taxation and Non-Specific Grant Income. The equal and opposite amounts payable to the Police Pension Fund are shown within the Other Operating Income and Expenditure line of the CIES, so that the impact on council tax payers is eliminated. This treatment is in line with the requirements of the Police Pension Fund Regulations 2007 (SI 1932/2007) (updated by SI 1887/2008).

Donated Assets

Donated assets received are recognised immediately on receipt as Property, Plant and Equipment and the value of the donation is recognised in the relevant service line in the CIES, provided that conditions have been satisfied. The fair value of donated assets received for which conditions have not been satisfied are carried in the Balance Sheet in the Donated Assets Account. When conditions are satisfied, the donation is credited to the CIES. When donation income is credited to the CIES, it is reversed out of the General Fund Balance in the Movement in Reserves Statement.

Capital Grants

Where capital grants are credited to the CIES, 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 Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

5. Employee Benefits**Short-Term Employee Benefits**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include wages and salaries, annual leave, flexitime, time-off in-lieu and re-rostered rest days and are recognised as an expense for services in the year in which employees render service. An accrual is made for the costs earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the relevant service line in the CIES and then reversed out through the Movement in Reserves Statement so that benefits are charged to the council tax payer in the financial year in which the absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy, and are charged on an accruals basis to the relevant service or, where applicable, to the Non-Distributed Costs line in the CIES when there is a demonstrable commitment to the termination of the employment of an employee or group of employees or to the making of an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Retirement Benefits

Officers and staff participate in pension schemes, with separate schemes for police officers and for police staff. All schemes provide members with defined benefits (retirement lump sums and pensions) related to pay and service.

The main aspects of these pension schemes are:

- (a) The attributable assets of each scheme are included in the Balance Sheet at fair value;
- (b) The attributable liabilities of each scheme are 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 by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees;

(c) Scheme liabilities are discounted at a rate that is determined by reference to market yields at the end of the reporting period on high quality corporate bonds;

(d) The surplus/deficit in each scheme is the excess/shortfall of the fair value of assets in the scheme over/below the present value of the scheme liabilities;

(e) The change in the net pensions liability for each scheme is analysed into seven components:

- Current service cost - the increase in liabilities as a result of years of service earned this year. The current service cost is stated net of employees' contributions, so as to reflect the part of the total pensions liabilities that are to be funded by the Group - allocated in the CIES to the services for which the employees worked;
- Past service costs - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs;
- Net interest on the defined benefit liability - the change during the year in the net defined benefit liability or asset that arises from the passage of time - debited to the Financing and Investment Income and Expenditure line in the CIES;
- Return on assets - the annual investment return on the fund assets attributable to the Group, based on an average of the expected long-term return (excluding any amounts included in the net interest on the defined benefit liability) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- Gains or losses on settlements or curtailments - the result of actions to relieve the Group of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs;
- Actuarial gains/losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve;
- Contributions paid to the fund - cash paid as employer's contributions to the pension fund in settlement of liabilities - not accounted for as an expense.

Statutory provisions require the General Fund Balance to be charged with the amount payable to the pension funds or directly to pensioners in the year, not the amount calculated in accordance with relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension funds and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

A separate statement of Police Pension Fund Accounts is prepared to reflect the transactions in respect of funding for the Police Pension Schemes.

8. Funding of Police Pension Fund

The top-up grant receivable from the Home Office in respect of the Police Pension Fund is included in the CIES. The amounts payable to the Police Pension Fund are shown within Other Operating Income and Expenditure so that the impact on council tax payers is eliminated. This treatment is in line with the requirements of the Police Pension Fund Regulations 2007 (SI 1932/2007) (updated by SI 1887/2008).

9. Value Added Tax (VAT)

Income and expenditure excludes any amounts related to recoverable VAT. All VAT collected is payable to HM Revenue and Customs and the majority of VAT paid is recoverable.

10. Overheads and Support Services

The costs of overheads and support services are charged to those services that benefit from the supply or service in accordance with the costing principles of the *CIPFA Service Reporting Code of Practice for Local Authorities* (SeRCOP). The total absorption costing principle is used - the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core - costs relating to the Group's status as a multi-functional, democratic organisation;
- Non-Distributed Costs - the cost of discretionary pension benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the CIES, as part of Net Cost of Services.

11. Segmental Reporting

Decisions about resource allocation within the Group are made using internal management reports which show net expenditure on a segmental basis, using methodologies which in some cases are different from the accounting policies in the financial statements. The cost of retirement benefits is based on payment of employers' pension contributions rather than the current service cost of benefits accrued during the year. Segment information in these financial statements is based on the Group's internal management reporting.

Internal management reporting does not include information on segment assets or liabilities and, accordingly, information on segment assets and liabilities has not been included in the notes to the accounts.

12. Jointly Controlled Operations - Regional Working

The Group engages in collaborative working in partnership with the other Yorkshire and the Humber forces (YATH) to deliver a number of specific services on a regional basis. The governance for this regional programme of activity is via a Regional Collaboration Board, constituted in accordance with the Heads of Agreement.

The YATH regional programme is a lead force model and each lead force is responsible for the financial administration of the programme they lead.

The participating Commissioners use their own resources to undertake this venture and the accounting arrangements for regional working are to account for this in line with CIPFA guidance.

- Each Commissioner accounts for the assets it controls, the liabilities it incurs, the expenses that it incurs and the income receivable in relation to amounts recharged to the venture.

The Group also engages in collaborative working in partnership with Cleveland and Durham forces for Specialist Operational Services (Evolve). The governance for this programme is via a Joint Governance Board, constituted of the Police and Crime Commissioners plus other officers of the participating forces in accordance with the section 22a agreement.

13. Property, Plant & Equipment

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

Recognition

All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis (subject to a de minimus level of £5,000), provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. 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 as an expense when it is incurred.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, such components are separately recognised, either on initial acquisition of the assets, or when the asset is enhanced or re-valued.

Measurement

Property, Plant and Equipment are initially measured at cost, comprising:

- 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 at the end of its useful life and restoring the site on which it is located.

Borrowing costs incurred whilst assets are under construction are not capitalised - these are debited to the CIES as incurred.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the relevant service line in the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the fair value of donated assets received for which conditions have not been satisfied are carried in the Balance Sheet in the Donated Assets Account. When conditions are satisfied, the donation is credited to the CIES.

Assets acquired under finance leases are measured at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets are then carried in the Balance Sheet using the following measurement basis:

- Land and Buildings, Police Houses, Plant and Equipment and Vehicles - fair value, determined as the lower of net current replacement cost (existing use value) and net realisable value in existing use. For non-property assets that have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value;
- Assets in the course of construction - cost less any accumulated impairment losses until brought into use, when they are valued and reclassified.

Assets included in the Balance Sheet at fair value are re-valued sufficiently regularly to ensure that their carrying value is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

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

Revaluation gains and losses are not permitted to have an impact on the General Fund Balance. Any gains and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

14. Investment Properties

Investment Properties are properties that are held to earn rentals, and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or for administrative purposes. Investment Properties are measured initially at cost and subsequently at fair value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset, or
- b) in the absence of a principal market, in the most advantageous market for the asset.

NYPFCC measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value NYPFCC takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NYPFCC uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability

Gains or losses on revaluation are debited or credited to the Financing and Investment Income line in the CIES. The same treatment is applied to gains and losses on disposal, but disposals are otherwise accounted for in accordance with Accounting Policy 19.

Revaluation and disposal gains and losses are not permitted to have an impact on the General Fund Balance. Gains are credited and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

All lease agreements entered into in respect of investment properties let to third parties are operating leases. Rental income from investment property is recognised on a straight-line basis over the term of the lease and is credited to Financing and Investment income and expenditure in the CIES. Any lease incentives granted are recognised as an integral part of the total rental income.

15. Assets Held for Sale

Non-current assets are reclassified as an Asset Held for Sale when it becomes probable that the carrying amount will be recovered principally through a sale transaction rather than its continuing use. This condition is regarded as met when:

- a sale is highly probable;
- the asset is available for immediate sale in its present condition;
- management are committed to the sale;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets Held for Sale are carried at fair value. They are revalued immediately before reclassification and then annually, using the same basis as for investment properties as set out in AP14. 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 CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Assets Held for Sale are not depreciated.

If an asset no longer meets the criteria to be classified as an Asset Held for Sale, it is classified back to non-current assets and valued at the lower of:

- the carrying amount before it was classified as held for sale; adjusted for depreciation, amortisation and/or revaluations that would have been recognised had it not been classified as held for sale; and
- the recoverable amount at the date of the decision not to sell.

Assets to be abandoned or scrapped are not reclassified as Assets Held for Sale.

The eventual disposal of an Asset Held for Sale is accounted for in accordance with Accounting Policy 19.

Disposal gains and losses are not permitted to have an impact on the General Fund Balance. Gains and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

16. Intangible Assets

Purchased Software

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Group as a result of past events, is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset.

Expenditure on software is recognised initially at cost. Amounts are only revalued where the fair value can be determined by reference to an active market. In practice, no software licences held meet this criterion and they are therefore carried at amortised cost.

Revaluation gains and losses are not permitted to have an impact on the General Fund Balance. Any gains and losses charged to the CIES would therefore be reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Expenditure incurred on an intangible asset after it has been recognised does not meet the recognition requirements of the Code and is charged to the Surplus or Deficit on the Provision of Services in the CIES.

All expenditure on website development is charged to the CIES, since the website is primarily intended to promote services.

Internally Generated Assets

All expenditure on the development of intangible assets is charged to the CIES, since the expenditure does not meet the recognition requirements of the Code.

Other Intangibles

At 31 March 2022 no other intangible assets were held.

17. Impairment of Tangible and Intangible Assets

This policy applies to the impairment of Property, Plant and Equipment, Investment Properties, Assets Held for Sale and Intangible Assets, modified as set out in the specific accounting policies for these categories of assets.

Tangible and intangible assets are reviewed annually to determine whether there is any indication that those assets have suffered an impairment. Where such indication exists, and if the differences are estimated to be material, the recoverable amount of the asset is estimated and an impairment loss is recognised for the shortfall (if any).

The recoverable amount is the higher of fair value (less costs to sell) and value in use. Value in use of a non-cash generating asset is the present value of the asset's remaining service potential. Value in use of a cash generating asset is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment in respect of a non-revalued asset is recognised as an expense against the relevant service line in the CIES. An impairment loss on a revalued asset is recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the Revaluation Reserve for the same asset and thereafter in the CIES.

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

Impairment gains and losses are not permitted to have an impact on the General Fund Balance by statutory arrangements. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

18. Disposals of Tangible and Intangible Assets

This policy applies to the disposal of Property, Plant and Equipment, Investment Properties, Assets Held for Sale and Intangible Assets, modified as set out in the specific accounting policies for these categories of assets.

When an asset is disposed of or decommissioned, the carrying value of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the CIES 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.

Where a significant separate component of an asset is replaced or restored, the carrying amount of the old component is de-recognised to avoid double counting. This includes de-recognition of significant parts of an asset not previously recognised as a separate component.

Amounts received for a disposal are categorised as Capital Receipts and are credited to the Capital Receipts Reserve (the usable element) or the Capital Adjustment Account (the set-aside element, if applicable) and can then only be used for new capital investment or set aside to reduce the underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

Where there is deferred credit held in respect of the asset disposed off (e.g. a balance on the Donated Assets Account) this is written off to the CIES as part of the gain or loss on disposal.

Disposal gains and losses are not permitted to have an impact on the General Fund Balance by statutory arrangements. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

19. Depreciation of Tangible Assets and Amortisation of Intangible Assets

This policy applies to Property, Plant and Equipment and Intangible Assets, modified as set out in the specific accounting policies for these categories of assets.

Depreciation is provided for on all Property, Plant and Equipment assets with a determinable finite life (i.e. excluding Land) that are available for use by the systematic allocation of their depreciable amounts over their useful lives. Amortisation is similarly charged on Intangible Assets.

Depreciation is calculated in the following bases:

- Land is not depreciated;
- Buildings (excluding Assets under Construction) - straight line allocation over the life of the asset, as assessed by the valuer at the time of valuation. Lives used range between 20 and 50 years;
- Vehicles, Plant, Furniture and Equipment - a percentage of the value of each class of asset in the Balance Sheet. Percentages used are based on estimated lives of up to 5 years, as advised by a suitably qualified officer.

Amortisation of intangible fixed assets is calculated on the following basis:

- A percentage of the value in the Balance Sheet. Percentages used are based on finite useful lives of between 2 and 7 years, as advised by a suitably qualified officer.

Where an asset has major components with different estimated useful lives, these are depreciated or amortised separately.

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

Depreciation and amortisation are not permitted to have an impact on the General Fund Balance by statutory arrangements. The amounts charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

20. Charges to the Comprehensive Income and Expenditure Statement (CIES) for the Use of Tangible and Intangible Assets

The CIES is debited with the following amounts to record the real cost of holding tangible and intangible assets during the year:

- Depreciation attributable to tangible fixed assets;
- Amortisation attributable to intangible fixed assets;
- Revaluation and impairment losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.

The Group is not required to raise council tax to cover depreciation, amortisation or revaluation and impairment losses. However, an annual provision from revenue is required to contribute towards the reduction of the overall borrowing requirement equal to an amount calculated on a prudent basis determined in accordance with statutory guidance. Depreciation, amortisation and revaluation and impairment losses are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

21. Short-Term Investments

Short-Term Investments comprise interest-bearing deposits, held with banks and other financial institutions, maturing more than three months from the date of acquisition. They are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the deposits are derecognised or impaired, as well as through the amortisation process.

22. Inventories

Inventories are included in the Balance Sheet at average prices. Obsolete and slow moving items are written off during the year and reduce the value of inventories shown in the Balance Sheet.

This treatment differs from the requirements of the Code, which requires stocks to be shown at the lower of cost and net realisable value. It is considered that this difference in treatment does not have a material effect on the accounts.

All inventories comprise supplies that are intended for use in the provision of services.

23. Debtors

Debtors are recognised and measured at the fair value of the consideration receivable when the revenue has been recognised.

Where consideration is paid in advance of the receipt of goods or services or other benefit, a debtor is recognised in respect of the payment in advance.

In most cases, the consideration receivable is in the form of cash or cash equivalents and the amount of revenue is the amount receivable. However if payment is on deferred terms, the consideration receivable is recognised initially at the cash price equivalent. The difference between this amount and the total payments is recognised as interest revenue in Surplus or Deficit on the Provision of Services in the CIES. Short duration receivables with no interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions (e.g. revenue from precepts) and therefore these transactions are always measured at the full amount receivable.

A provision for impairment of debtors is established when there is evidence that all the amounts due will not be able to be collected.

The amount of the provision is based on the best estimate of the likelihood of the recoverable amount. The carrying amount of the asset is reduced through the use of a doubtful debt provision account and the amount of the loss is recognised in the CIES within Cost of Services. When a debtor amount is uncollectable, it is written off against the Doubtful Debt Provision Account. Any subsequent recovery of amounts previously written off are credited to the CIES.

24. Cash and Cash Equivalents

Cash and Cash Equivalents include cash-in-hand and deposits that are repayable on demand. Cash equivalents are defined as deposits which:

- are repayable on demand or maturing within three months of the date of acquisition;
- are readily convertible to known amounts of cash; and
- are not subject to a significant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents are shown net of outstanding bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

25. Creditors

Creditors are recognised and measured at the fair value of the consideration payable when the ordered goods or services have been received.

In most cases, the consideration payable is in the form of cash or cash equivalents and the amount of the expense is the amount payable. However if payment is on deferred terms, the consideration payable is recognised initially at the cash price equivalent. The difference between this amount and the total payment is recognised as interest expense in Surplus or Deficit on the Provision of Services in the CIES. Short duration payables with no interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions (e.g. expense relating to council tax and general rates) and therefore these transactions are always measured at the full amount payable.

Where consideration is received in respect of revenue, but the revenue does not meet the criteria for recognition of revenue, a creditor is recognised in respect of the receipt in advance.

26. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term financial instrument covers both financial assets and financial liabilities and includes both the most straightforward financial instruments (e.g. trade payables and receivables) and the most complex such as equity instruments.

Typical financial instruments are trade payables and trade receivables, borrowings, bank deposits and investments.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES 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 the estimated future cash payments over the life of the instrument to the amount at which it was initially recognised. This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

The Group has not given any financial guarantees.

The Group has not had any gains or losses on the repurchase or early settlement of borrowing, nor any premiums or discounts on financial liabilities.

Financial Assets

Financial assets are measured either at amortised cost or at fair value. The Group does not hold any assets measured at fair value.

Financial Assets Measured at Amortised Cost are recognised when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line of the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Immaterial Transaction Costs

Immaterial transaction costs that the Code would usually require to be applied to adjust a financial instrument's initial carrying amount are written off immediately to Surplus or Deficit on the Provision of Services line in the CIES.

The Group has not made any soft loans and no assets have been identified as impaired. There have not been any gains or losses arising on the de-recognition of a Financial Asset.

The Group has not transferred any financial assets.

Compliance

In compliance with CIPFA guidance, the Group has:

- Adopted CIPFA's Treasury Management in the Public Services: Code of Practice;
- Set treasury management indicators to control key financial instrument risks in accordance with CIPFA's Prudential Code.

27. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives rise to an 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 but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service line in the CIES in the year the Group becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation. 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 and where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service in the CIES.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income if it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

28. Leasing

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. Leases that do not meet the definition of finance leases are accounted for as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

Lessee**Finance Leases**

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

Lease payments are apportioned between:

- a finance charge debited to the Financing and Investment Income and Expenditure line in the CIES;
- a charge for the acquisition of the interest in the asset - applied to write down the lease liability.

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

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

Operating Leases

Rentals payable under operating leases are charged to the CIES on a straight-line basis over the term of the relevant lease, even where this does not match the pattern of payments.

Benefits receivable as an incentive to enter into an operating lease are included within deferred income and recognised in the CIES on a straight-line basis over the lease term.

Lessor

No component of the Group has any assets acquired under finance leases or operating leases that have been subsequently sub-let to third parties.

The Group has not granted a finance lease over any assets.

Certain freehold properties are let to third parties. These arrangements are all operating leases and the properties are classified as Investment Property. Rental income from investment property is recognised on a straight-line basis over the term of the lease and is classified as income within the appropriate segment in the CIES, even where this does not match the pattern of payments receivable.

29. Events after the Balance Sheet Date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. There are two types of events:

- Adjusting events are those that provide evidence of conditions that existed at the end of the reporting period. Where any adjusting events are found amounts recognised in the Statement of Accounts are updated to reflect those adjusting events;
- Non-adjusting events are those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not updated for non-adjusting events, but where material, disclosure is made in the notes of the nature and estimated financial effect.

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

30. Exceptional Items and Prior Period Adjustments

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the CIES or in the Notes to the Accounts, depending on how significant the items are to an understanding of the financial performance.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

31. Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the CIES in that year to count against the Net Cost of Services. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net impact on council tax payers.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, retirement and employee benefits. These do not represent usable resources - these reserves are explained in the relevant policies.

The Group has a policy on Provisions and Reserves. This policy was adopted by NYPFCC on 22 November 2012 and reviewed on 28 February 2017. The treatment of reserves and provisions within the accounts is in line with this policy.

32. Critical Accounting Estimates and Judgements

In applying the Accounting Policies, the Group has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The following critical judgements have been made in the Statement of Accounts:

Future government funding

There is a high degree of uncertainty about future levels of funding for police services. However it has been determined that this uncertainty is not sufficient to provide an indication that the assets might be impaired as a result of a need to close facilities and/or reduce levels of service provision.

Accounting principles

As set out in Accounting Policy 2, it has been determined that substantially all assets and reserves of the Group are recognised on the NYPFCC Balance Sheet.

33. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of maintenance and repairs that will be incurred in relation to individual assets. The current economic climate makes it uncertain whether current spending on repairs and maintenance will be sustainable, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of assets falls. It is estimated that the annual depreciation charge for buildings would increase by £118k (PFCC £118k) for every year that useful lives had to be reduced.

Property, Plant and Equipment, Investment Properties and Assets Held for Sale.

Valuation of assets and consideration of impairment depends on a number of complex judgements and a firm of Surveyors and Valuers is engaged to provide expert advice about the assumptions to be applied. The valuation (and any impairment review) is commissioned in accordance with UKPS 1.3 of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards.

In accordance with the RICS Valuation - Global Standards Guidance Notes on Valuation Uncertainty, the Valuer has highlighted an issue that may have a material effect on the degree of uncertainty and confidence that can be applied to a valuation opinion:

Market Activity - The level of recent market activity for comparable transactions is considered to be low for similar properties, with limited supply at present, reflecting current economic uncertainty, together with the uncertainty surrounding the future of office working in response to COVID19

When it is not possible to measure the fair value of assets using observable inputs, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in the assumptions used could affect the fair value of assets. Significant changes in any of the unobservable inputs would result in a significantly higher or lower fair value measurement for investment properties and assets held for sale.

The effects on the asset valuation of changes in the assumptions interact in complex ways and are difficult to evaluate.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Firms of consulting actuaries are engaged to provide expert advice about the assumptions to be applied.

The actuaries have provided the following sensitivity information:

Impact on Defined Benefit Obligations	PFCC	Group	Group
Change in Assumptions	LGPS	LGPS	Police Pension Schemes
Longevity (increase or decrease by 1 year)	£0.2m	£11.5m	£7.6m
Rate of increase in salaries (increase or decrease by 0.1%)	£0.0m	£1m	£3.6m
Rate of increase in pensions (increase or decrease by 0.1%)	£0.1m	£7.1m	£32.8m
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	£0.1m	£8.4m	£35.8m

Provisions

A provision has been made for the settlement of ongoing claims not covered by insurers, based on claims received, historical experience of claims not received at the balance sheet date and estimated settlement values.

An increase over the forthcoming year of 10% in either the number of claims or the estimated average settlement would have the effect of adding £333k (PFCC £85k) to the provision needed.

Due to the nature of the claims experience it is difficult to make a dependable assessment of the window during which particular litigation might determine, and consequently when any cost may be incurred.

A change of 10% between long-term and current provisions would result in a change of £222k (PFCC £79k) between current liabilities and long-term liabilities.

Employee Benefits

The Group has made an accrual for employee benefits outstanding at the year-end, comprising flexitime, annual leave and re-rostered rest days. The accrual is estimated based on returns from each department and data captured from the Resource Management system.

Approximately 53% (PFCC 26%) of the accrual (£1,454k) (PFCC £2k) relates to rest days in lieu (RDIL). An increase or decrease of 5% in the number of RDIL owed would change the accrual by £73k (PFCC £nil).

34. Accounting Standards that have been issued but have not yet been adopted

No standards which would be expected to impact on NYPFCC accounts have been issued but not yet been adopted at 31 March 2022.

NOTES to the ACCOUNTS for NYPFCC and the NYPFCC Group

Note No.	Note Description	Page
1	Supplementary information to the Movement in Reserves Statements	
2	Expenditure and Funding Analysis	
3	Supplementary Information to the Expenditure and Funding Analysis	
4	General Fund Reserves	
5	Unusable Reserves	
6	Leases	
7	Intragroup Funding	
8	Other Operating Income and Expenditure	
9	Gains and Losses on Disposal of Non-Current Assets	
10	Financing and Investment Income and Expenditure	
11	Taxation and Non-Specific Grant Income	
12	Precept Income	
13	Remuneration Report	
14	Other Amounts Credited/Charged to the Comprehensive Income and Expenditure Statement	
15	Partnership Arrangements	
16	Property, Plant and Equipment	
17	Investment Property	
18	Intangible Assets	
19	Assets Held for Sale	
20	Analysis of Amounts in Relation to Non-Current Assets	
21	Financial Instruments	
22	Inventories	
23	Debtors	
24	Cash and Cash Equivalents	
25	Borrowing	
26	Creditors	
27	Provisions	
28	Retirement Benefits	
29	Contingent Assets and Liabilities	
30	Events after the Reporting Period	
31	Net Cash Flows from Operating Activities	
32	Net Cash Flows from Investing Activities	
33	Net Cash Flows from Financing Activities	
34	Related Party Transactions	
35	Nature and Extent of Risks Arising from Financial Instruments	

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1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Current Year - Group

Adjustments to the Revenue Resources:

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:

* Pension costs (transferred to or from the Pension Reserve)

* Precept (transferred to or from the Collection Fund Adjustment Account)

* Holiday pay etc transferred to or from the Accumulated Absence Reserve

* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)

Total Adjustments to Revenue Resources

Adjustments between Revenue and Capital Resources:

* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve

* Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)

* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)

Total Adjustments between Revenue and Capital Resources

Adjustments to Capital Resources:

* Use of the Capital Receipts Reserve to finance capital expenditure

* Application of capital grants to finance capital expenditure

* Notional income in relation to Donated Assets

Total Adjustments to Capital Resources

Total Adjustments

General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000	£'000	£'000
73,087	-	-	73,087	(73,087)	-
(947)	-	-	(947)	947	-
(360)	-	-	(360)	360	-
6,701	-	-	6,701	(6,701)	-
78,481	-	-	78,481	(78,481)	-
(2,616)	2,616	-	-	-	-
(421)	-	-	(421)	421	-
(3,513)	-	-	(3,513)	3,513	-
(6,550)	2,616	-	(3,934)	3,934	-
-	-	-	-	-	-
(121)	-	-	(121)	121	-
-	-	-	-	-	-
(121)	-	-	(121)	121	-
71,810	2,616	-	74,426	(74,426)	-

1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Current Year - PFCC

Adjustments to the Revenue Resources:

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:

	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
* Pension costs (transferred to or from the Pension Reserve)	386	-	-	386	(386)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	(947)	-	-	(947)	947	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	(3)	-	-	(3)	3	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	6,701	-	-	6,701	(6,701)	-
Total Adjustments to Revenue Resources	6,137	-	-	6,137	(6,137)	-

Adjustments between Revenue and Capital Resources:

* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(2,616)	2,616	-	-	-	-
* Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,513)	-	-	(3,513)	3,513	-
Total Adjustments between Revenue and Capital Resources	(6,550)	2,616	-	(3,934)	3,934	-

Adjustments to Capital Resources:

* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	(121)	-	-	(121)	121	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	(121)	-	-	(121)	121	-

Total Adjustments

(534)	2,616	-	2,081	(2,081)	-
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1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Prior Year - Group	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources:						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
* Pension costs (transferred to or from the Pension Reserve)	61,268	-	-	61,268	(61,268)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	1,010	-	-	1,010	(1,010)	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	895	-	-	895	(895)	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	5,695	-	-	5,695	(5,695)	-
Total Adjustments to Revenue Resources	68,868	-	-	68,868	(68,868)	-
Adjustments between Revenue and Capital Resources:						
* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(1,405)	1,405	-	-	-	-
* Statutory provision for the repayment of debt (transfer to Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,275)	-	-	(3,275)	3,275	-
Total Adjustments between Revenue and Capital Resources	(5,101)	1,405	-	(3,696)	3,696	-
Adjustments to Capital Resources:						
* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	(164)	-	-	(164)	164	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	(164)	-	-	(164)	164	-
Total Adjustments	63,603	1,405	-	65,008	(65,008)	-

1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Prior Year - PFCC	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources:						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
* Pension costs (transferred to or from the Pension Reserve)	320	-	-	320	(320)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	1,010	-	-	1,010	(1,010)	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	(3)	-	-	(3)	3	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	5,695			5,695	(5,695)	-
Total Adjustments to Revenue Resources	7,022	-	-	7,022	(7,022)	-
Adjustments between Revenue and Capital Resources:						
* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(1,405)	1,405	-	-	-	-
* Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,275)	-	-	(3,275)	3,275	-
Total Adjustments between Revenue and Capital Resources	(5,101)	1,405	-	(3,696)	3,696	-
Adjustments to Capital Resources:						
* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	(164)	-	-	(164)	164	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	(164)	-	-	(164)	164	-
Total Adjustments	1,757	1,405	-	3,162	(3,162)	-

2. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants and precept) by the Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It shows how this expenditure is allocated for decision making processes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Current year - Group	Note	Expenditure chargeable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(8,255)		(8,255)
Other Income (including project income)		(9,049)	183	(8,866)
Salary Costs		133,852	33,647	167,499
Other non Salary employee costs		2,857		2,857
Police Injury Pension Costs		4,326		4,326
Premises Costs		4,506	(17)	4,489
Supplies and Services		20,417	(11)	20,406
Transport Costs		3,076		3,076
Financial Costs		400	4,506	4,906
Interest Payments and Leasing Charges		148	(148)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,349	(1,349)	-
Commissioned Services		6,639		6,639
Project Costs		2,593		2,593
Transfer to /from Reserves		6,767	(6,767)	-
Cost of Police Services		170,047	29,623	199,670
Corporate and Democratic Core		-	1,348	1,348
Non-Distributed Costs		-	85	85
Net Cost of Services		170,047	31,056	201,103
Other Operating Income and Expenditure		-	23,691	23,691
Financing and Investment Income and Expenditure		-	38,962	38,962
Taxation and Non-Specific Grant Income		(170,047)	(25,154)	(195,201)
Deficit or (Surplus) on the Provision of Services		-	68,558	68,558
Opening General Fund and Earmarked Reserves	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund and Earmarked Reserves in year	4			
Closing General Fund and Earmarked Reserves as at 31st March 2021	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

2. Expenditure and Funding Analysis

Current year - PFCC	Note	Expenditure chargeable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(8,255)	-	(8,255)
Other Income (including project income)		(739)	174	(565)
Salary Costs		-	369	369
Other non Salary employee costs		-	-	-
Premises Costs		-	-	-
Supplies and Services		10	(16)	(6)
Transport Costs		-	-	-
Financial Costs		166	4,340	4,506
Interest Payments and Leasing Charges		148	(148)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,349	(1,349)	-
Commissioned Services		6,639	-	6,639
Project Costs		2,593	(2,593)	-
Transfer to /from Reserves		6,767	(6,767)	-
Recharges to CCNY for the use of Long Term Assets		-	(4,507)	(4,507)
Cost of Police Services		9,099	(10,918)	(1,818)
Corporate and Democratic Core		-	1,346	1,346
Non-Distributed Costs		-	-	-
Intragroup funding		160,948	7,136	168,086
Net Cost of Services		170,047	(2,436)	167,614
Other Operating Income and Expenditure		-	23,691	23,691
Financing and Investment Income and Expenditure		-	106	106
Taxation and Non-Specific Grant Income		(170,047)	(25,154)	(195,201)
Deficit or (Surplus) on the Provision of Services		-	(3,787)	(3,787)
Opening General Fund and Earmarked Reserves	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund and Earmarked Reserves in year	4			
Closing General Fund and Earmarked Reserves as at 31st March 2020	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

2. Expenditure and Funding Analysis

Previous year - Group	Note	Expenditure chargeable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(9,876)	-	(9,876)
Other Income		(9,074)	107	(8,967)
Salary Costs		130,004	24,154	154,158
Other non Salary employee costs		2,663	-	2,663
Police Injury Pension Costs		4,718	-	4,718
Premises Costs		4,671	(12)	4,659
Supplies and Services		20,680	(19)	20,661
Transport Costs		2,589	-	2,589
Financial Costs		4	4,906	4,910
Interest Payments and Leasing Charges		148	(148)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,171	(1,171)	-
Commissioned Services		5,933	-	5,933
Project Costs		1,370	-	1,370
Transfer to /from Reserves		7,932	(7,932)	-
Cost of Police Services		163,354	19,464	182,819
Corporate and Democratic Core		-	1,221	1,221
Non-Distributed Costs		-	15	15
Net Cost of Services		163,354	20,700	184,055
Other Operating Income and Expenditure		-	24,980	24,980
Financing and Investment Income and Expenditure		-	37,991	37,991
Taxation and Non-Specific Grant Income		(163,354)	(24,726)	(188,081)
(Surplus) or deficit on the Provision of Services		-	58,945	58,945
Opening General Fund and Earmarked Reserves	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund and Earmarked Reserves in year	4			
Closing General Fund and Earmarked Reserves as at 31st March 2020	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

2. Expenditure and Funding Analysis (PFCC)

Previous year - PFCC	Note	Expenditure chargeable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(9,876)	-	(9,876)
Other Income		(689)	101	(588)
Salary Costs		-	187	187
Other non Salary employee costs		-	-	-
Premises Costs		-	-	-
Supplies and Services		10	(21)	(11)
Transport Costs		-	-	-
Financial Costs		54	4,851	4,905
Interest Payments and Leasing Charges		148	(148)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,171	(1,171)	-
Commissioned Services		5,933	-	5,933
Project Costs		1,370	(1,370)	-
Transfer to /from Reserves		7,932	(7,932)	-
Recharge to CCNY for the use of Long Term Assets		-	(4,906)	(4,906)
Cost of Police Services		6,474	(10,830)	(4,354)
Corporate and Democratic Core		-	1,221	1,221
Non-Distributed Costs		-	-	-
Intragroup funding		156,880	6,201	163,081
Net Cost of Services		163,354	(3,408)	159,948
Other Operating Income and Expenditure		-	24,980	24,980
Financing and Investment Income and Expenditure		-	132	132
Taxation and Non-Specific Grant Income		(163,354)	(24,726)	(188,081)
(Surplus) or deficit on the Provision of Services		-	(3,022)	(3,022)
Adjustment between accounting and funding arrangements under statute	4	5,603		
Transfer between reserves and revenue	4	-		
Utilisation of reserves to fund capital	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

3. Supplementary information to the Expenditure and Funding Analysis

This note provides details of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments for Capital purposes:

This column adds in depreciation and impairment and revaluation gains and losses to the Net Cost of Services, and removes the statutory charges for the financing of capital. It also adjusts:

- * Other Operating Income for the net book value and disposal proceeds of capital disposals
- * Financing and Investment Income and Expenditure for movement in the market value of Investment Properties: and
- * Taxation and Non-Specific Grant Income for capital grants and notional income in relation to donated assets

Many of the entries in this column come from the Capital adjustment Account (See note 5(b))

Net change for the Pensions Adjustments:

This column removes employer pension contributions made from the Net Cost of Services and replaces with current and past service costs. It also adds the net Interest on the defined benefit liability to Financing and Investment Income and Expenditure.

Other Differences:

This column includes the adjustments between the charges under statutory regulations to council taxpayers and the amounts recognised in the accounts under generally accepted accounting principles (see also Note 1). This column also includes the impact of the recharges to CCNY for Corporate Services and the use of Long Term Assets.

Current year - Group	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	183	183
Salary Costs	-	34,142	(495)	33,647
Other Non Salary employee costs	-	-	-	-
Police Injury Pension Costs	-	-	-	-
Premises Costs	-	-	(17)	(17)
Supplies and Services	-	-	(11)	(11)
Transport Costs	-	-	-	-
Financial Costs	4,506	-	-	4,506
Interest Payments and Leasing Charges	-	-	(148)	(148)
Repayment of loan and lease	(421)	-	-	(421)
OPFCC costs	-	-	(1,349)	(1,349)
Commissioned Services	-	-	-	-
Project Costs	-	-	-	-
Transfer to /from Reserves	-	-	(6,767)	(6,767)
Cost of Police Services	4,085	34,142	(8,604)	29,623
Corporate and Democratic Core	-	-	1,348	1,348
Non-Distributed Costs	-	85	-	85
Intragroup funding	-	-	-	-
Net Cost of Services	4,085	34,227	(7,256)	31,056
Other Operating Income and Expenditure	2,223	24,083	(2,615)	23,691
Financing and Investment Income and Expenditure	(28)	38,861	129	38,962
Taxation and Non-Specific Grant Income	(121)	(24,085)	(947)	(25,154)
Deficit or (Surplus) on the Provision of Services	6,159	73,086	(10,690)	68,558

3. Supplementary Information to the Expenditure and Funding Analysis

Current year - PFCC	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	174	174
Salary Costs	-	373	(4)	369
Other non Salary employee costs	-	-	1	1
Premises Costs	-	-	-	-
Supplies and Services	-	-	(16)	(16)
Transport Costs	-	-	-	-
Financial Costs	4,506	-	(166)	4,340
Interest Payments and Leasing Charges	-	-	(148)	(148)
Repayment of loan and lease	(421)	-	-	(421)
OPFCC costs	-	-	(1,349)	(1,349)
Commissioned Services	-	-	-	-
Project Costs	-	-	(2,593)	(2,593)
Transfer to /from Reserves	-	-	(6,767)	(6,767)
Recharges to CCNY	-	-	(4,507)	(4,507)
Cost of Police Services	4,085	373	(15,375)	(10,917)
Corporate and Democratic Core	-	-	1,346	1,346
Non-Distributed Costs	-	-	-	-
Intragroup funding	-	-	7,136	7,136
Net Cost of Services	4,085	373	(6,893)	(2,435)
Other Operating Income and Expenditure	2,223	24,083	(2,615)	23,691
Financing and Investment Income and Expenditure	(28)	13	121	106
Taxation and Non-Specific Grant Income	(121)	(24,085)	(947)	(25,154)
Deficit or (Surplus) on the Provision of Services	6,159	384	(10,335)	(3,787)

3. Supplementary Information to the Expenditure and Funding Analysis

Previous year - Group	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	107	107
Salary Costs	-	23,386	768	24,154
Other Non Salary employee costs	-	-	-	-
Premises Costs	-	-	(12)	(12)
Supplies and Services	-	-	(19)	(19)
Transport Costs	-	-	-	-
Financial Costs	4,906	-	-	4,906
Interest Payments and Leasing Charges	-	-	(148)	(148)
Repayment of loan and lease	(421)	-	-	(421)
OPCC costs	-	-	(1,171)	(1,171)
Commissioned Services	-	-	-	-
Project Costs	-	-	-	-
Transfer to /from Reserves	-	-	(7,932)	(7,932)
Cost of Police Services	4,486	23,386	(8,407)	19,465
Corporate and Democratic Core	-	-	1,221	1,221
Non-Distributed Costs	-	15	-	15
Intragroup funding	-	-	-	-
Net Cost of Services	4,486	23,401	(7,186)	20,701
Other Operating Income and Expenditure	812	25,572	(1,404)	24,980
Financing and Investment Income and Expenditure	(24)	37,867	148	37,991
Taxation and Non-Specific Grant Income	(164)	(25,572)	1,010	(24,726)
(Surplus) or deficit on the Provision of Services	5,110	61,268	(7,432)	58,946

3. Supplementary Information to the Expenditure Funding Analysis

Previous year - PFCC	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	101	101
Salary Costs	-	190	(3)	187
Other Non Salary employee costs	-	-	-	-
Premises Costs	-	-	-	-
Supplies and Services	-	-	(21)	(21)
Transport Costs	-	-	-	-
Financial Costs	4,906	-	(54)	4,852
Interest Payments and Leasing Charges	-	-	-	-
Repayment of loan and lease	-	-	(148)	(148)
OPFCC costs	(421)	-	-	(421)
Commissioned Services	-	-	(1,171)	(1,171)
Project Costs	-	-	(1,370)	(1,370)
Transfer to /from Reserves	-	-	(7,932)	(7,932)
Recharges to CCNY for the use of Long Term Assets	-	-	(4,906)	(4,906)
Cost of Police Services	4,484	190	(15,504)	(10,830)
Corporate and Democratic Core	-	-	1,221	1,221
Non-Distributed Costs	-	-	-	-
Intragroup funding	-	-	6,201	6,201
Net Cost of Services	4,484	190	(8,082)	(3,408)
Other Operating Income and Expenditure	692	25,572	(1,284)	24,980
Financing and Investment Income and Expenditure	(24)	8	148	132
Taxation and Non-Specific Grant Income	(164)	(25,572)	1,010	(24,726)
(Surplus) or deficit on the Provision of Services	4,988	198	(8,208)	(3,022)

4. General Fund Reserves

Current Year - Group and PFCC	At 1 April 2021	Transfers (to)/from Revenue	Credited to Revenue	Transfers to Finance Capital	Transfers between Reserves	Total Movement on Reserves	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Reserve	1,883	6,489		(3,405)	-	3,084	4,964
Major Capital Reserve	-	-		-	-	-	-
Capital Reserves	1,883	6,489	-	(3,405)	-	3,084	4,964
General Reserve	5,603	-		-	-	-	5,603
Insurance Reserve	554	108		(108)	-	-	554
Incentivisation Grant	181	207	(110)	-	-	97	278
Misuse of Drugs Act 1971 Reserve	93		(44)	-	-	(44)	49
PFCC Community Fund Reserve	11	-	(11)	-	-	(11)	-
Cost of Change Reserve	220	900		-	-	900	1,120
Commissioned Services Reserve	726	281	(166)	-	-	115	841
Major Incident Reserve	1,114	-	(107)	-	-	(107)	1,007
Payroll and Pensions Reserve	2,000		(150)	-	-	(150)	1,850
Firearms Reserve	615		(26)	-	-	(26)	589
Investments Reserve	593		(223)	-	-	(223)	370
Training Reserve	400			-	-	-	400
ESMCP Reserve	838		(51)	-	-	(51)	787
Tax Income Guarantee Reserve	460		(18)	-	-	(18)	442
COVID Reserve	300		(250)	-	-	(250)	50
Donate Inventory Reserve	51		(51)	-	-	(51)	-
FCR Overtime Reserve		71				71	71
PCC Technical	510	4	(85)	-	-	(81)	429
Revenue Reserves	14,269	1,571	(1,292)	(108)	-	171	14,439
Total	16,151	8,058	(1,292)	(3,513)	-	3,253	19,405

Prior Year - Group and PFCC	At 1 April 2020	Transfers (to)/from Revenue	Transfers to Finance Capital	Transfers between Revenue Reserves	Total Movement on Reserves	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Reserve	-	5,059	(3,176)	-	1,883	1,883
Major Capital Reserve	-	-	-	-	-	-
Capital Reserves	-	5,059	(3,176)	-	1,883	1,883
General Reserve	5,603	-	-	-	-	5,603
Insurance Reserve	511	143	(99)	-	44	555
Confiscated Monies Reserves	73	108	-	-	108	181
Misuse of Drugs Act 1971 Reserve	88	5	-	-	5	93
Revenue CRDP Reserve	-	-	-	-	-	-
PFCC Community Fund Reserve	308	(297)	-	-	(297)	11
Cost of Change Reserve	220	-	-	-	-	220
Commissioned Services Reserve	534	192	-	-	192	726
Major Incident Reserve	1,114	-	-	-	-	1,114
Payroll and Pensions Reserve	1,012	988	-	-	988	2,000
Firearms Reserve	590	25	-	-	25	615
Investments Reserve	817	(224)	-	-	(224)	593
Training Reserve	190	210	-	-	210	400
ESMCP Reserve	-	838	-	-	838	838
Tax Income Guarantee Reserve	-	460	-	-	460	460
Covid Reserve	-	300	-	-	300	300
Donate Inventory Reserve	-	51	-	-	51	51
Revenue Initiatives	436	74	-	-	74	510
Revenue Reserves	11,495	2,873	(99)	-	2,774	14,269
Total (restated)	11,495	7,932	(3,275)	-	4,657	16,151

5. Unusable Reserves

Group		31 March 2022	31 March 2021
	Note	£'000	£'000
Revaluation Reserve	5a	2,007	1,374
Capital Adjustment Account	5b	25,266	27,759
Pensions Reserve	5c	(1,949,615)	(1,944,294)
Collection Fund Adjustment Account	5d	438	(510)
Accumulated Absences Account	5e	(2,744)	(3,104)
Total Unusable Reserves		(1,924,648)	(1,918,775)

PFCC		31 March 2022	31 March 2021
	Note	£'000	£'000
Revaluation Reserve	5a	2,007	1,374
Capital Adjustment Account	5b	25,266	27,759
Pension Reserve	5c	(583)	(689)
Collection Fund Adjustment Account	5d	438	(510)
Accumulated Absences Account	5e	(8)	(11)
Total Unusable Reserves		27,119	27,922

5 (a) Revaluation Reserve

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

Group and PFCC		2021/22	2020/21
	Note	£'000	£'000
Balance at 1 April		1,374	1,309
Surplus or (deficit) on revaluation of non-current assets not posted to Surplus or Deficit on the Provision of Services	20c	786	199
Adjusting amounts written out of the Revaluation Reserve	5b	(153)	(134)
Balance at 31 March		2,007	1,374

5 (b) Capital Adjustment Account

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

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Group.

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

Note 1 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account

Group and PFCC	Note	2021/22 £'000	2020/21 £'000
Balance at 1 April		27,760	29,458
Adjustments to CIES for Capital Purposes:			
Adjustments to Net Cost of Services:			
* Charges for depreciation of non-current assets	16	(4,298)	(4,589)
* Charges for amortisation of intangible assets		(706)	(617)
* Revaluation/impairment adjustments on Property, Plant and Equipment and Intangibles	20c/20d	633	299
		(4,371)	(4,906)
Adjustments to CIES Other Income and Expenditure:			
Other operating expenditure			
* Movements in the market value of Assets Held for Sale	19	(7)	-
* Amounts of assets held for sale written off on disposal or sale as part of the gain/loss on disposal	9	(2,330)	(736)
* Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	9	(22)	(76)
		(2,359)	(812)
Financing and Investment Income and Expenditure			
* Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	20c	28	24
Taxation and Non Specific Grant Income			
* Capital grants and contributions that have been applied to capital financing	20a	121	164
* Donations income credited to I&E	20a	-	-
		121	164
Total adjustment for Capital Purposes		(6,581)	(5,529)
Other movements in the Capital Adjustment Account			
Statutory provision for the repayment of debt		421	421
Adjusting amounts written out of the Revaluation Reserve	5a	153	134
Use of the Capital Receipts Reserve to finance new capital expenditure	20a	-	-
Application of Grants to Capital Financing from the Capital Grants Unapplied		-	-
Capital expenditure charged against the General Fund	20a	3,514	3,275
Total other movements		4,088	3,831
Balance at 31 March		25,266	27,760

5 (c) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Group accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Group makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve 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.

Group	2021/22	2020/21
	£'000	£'000
Balance at 1 April	(1,944,294)	(1,689,409)
Remeasurements of pension assets and liabilities	67,767	(193,617)
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	(98,900)	(86,897)
Employer's pension contributions and direct payments to pensioners payable in the year	25,812	25,629
Balance at 31 March	(1,949,615)	(1,944,294)

PFCC	2021/22	2020/21
	£'000	£'000
Balance at 1 April	(689)	(376)
Remeasurements of pension assets and liabilities	492	(115)
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	(493)	(287)
Employer's pension contributions and direct payments to pensioners payable in the year	107	89
Balance at 31 March	(583)	(689)

5 (d) Collection Fund Adjustment Account

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

Group and PFCC	2021/22	2020/21
	£'000	£'000
Balance at 1 April	(510)	500
Amount by which precept income credited to the Comprehensive Income and Expenditure Statement is different from precept income calculated for the year in accordance with statutory requirements	947	(1,010)
Balance at 31 March	438	(510)

5 (e) Accumulated Absences Account

The 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, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Group	2021/22	2020/21
Balance at 1 April	(3,104)	(2,210)
Settlement or cancellation of accrual made at the end of the preceding year	3,104	2,210
Amounts accrued at the end of the current year	(2,744)	(3,104)
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	361	(894)
Balance at 31 March	(2,744)	(3,104)

PFCC	2021/22	2020/21
	£'000	£'000
Balance at 1 April	(11)	(14)
Settlement or cancellation of accrual made at the end of the preceding year	11	14
Amounts accrued at the end of the current year	(9)	(12)
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3	2
Balance at 31 March	(8)	(11)

6. Leases**The Group as Lessee**

The Group leases a number of properties, which have been accounted for as operating leases. The total rentals payable in 2021/22 were £306k (PFCC £nil) (2020/21 £306k (PFCC £nil)).

The Group uses certain other equipment financed under an operating lease. The amount paid in 2021/22 was £72k (PFCC £1k) (2020/21 £67k, PFCC £nil).

Commitments under Operating Leases

At the balance sheet date the Group was committed to making total payments of £1,697m (PFCC £nil) (2020/21 £1.658m, PFCC £nil) under operating leases:

	Not later than one year	Later than one year and not later than five years	Later than five years	Total commitments
Group	£'000	£'000	£'000	£'000
31 March 2022				
Land and Buildings	264	466	820	1,550
Plant and Equipment	68	79	-	147
Total	332	545	820	1,697
PFCC				
31 March 2022				
Land and Buildings	-	-	-	-
Plant and Equipment	-	-	-	-
Total	-	-	-	-

		Not later than one year	Later than one year and not later than five years	Later than five years	Total commitments
Group					
31 March 2021	Land and Building	243	422	778	1,443
	Plant and Equipment	68	147	-	215
	Total	311	569	778	1,658
PFCC					
31 March 2021	Land and Building	-	-	-	-
	Plant and Equipment	-	-	-	-
	Total	-	-	-	-

The Group as Lessor

The Group (PFCC) leases out certain investment properties to tenants under operating leases. Under the terms of the operating leases no contingent rents are payable.

7. Intragroup Funding

PFCC	2021/22 £'000	2020/21 £'000
Charges from the PFCC to CCNY		
<i>Credited to the same headings as the costs they are recharging, as part of Cost of Police Services</i>		
Amounts equivalent to:		
- amounts charged to Income & Expenditure for use of Long Term Assets	4,507	4,906
- interest charge on finance leases	-	-
- charges to CCNY for Corporate Support Services	2,767	1,435
Recharges deducted in Cost of Police Services	7,274	6,341
Charges from CCNY to the PFCC		
<i>Charged to Cost of Police Services</i>		
- amounts to be transferred to reserves	-	-
- Investment property I & E	-	6
- Democratic Core costs	136	135
<i>Charged to Net Cost of Services</i>		
- gross expenditure on policing services	168,086	163,081
	168,222	163,222

8. Other Operating Income and Expenditure

Group and PFCC	2021/22 £'000	2020/21 £'000
Police Pension Top-up Grant paid to Pension Scheme	24,083	25,572
Gains and losses on the disposal of non-current assets (Note 9)	(261)	(593)
Movement in fair value of Assets Held for Sale	(129)	-
Total	23,691	24,980

9. Gains and Losses on Disposal of Non-Current Assets

An analysis of the gains and losses on disposal of non-current assets is shown below.

Group and PFCC	2021/22 Net Book Value £'000	2021/22 Proceeds £'000	2021/22 Total £'000	2020/21 Net Book Value £'000	2020/21 Proceeds £'000	2020/21 Total £'000
(Gain) / loss on:						
Property, Plant and Equipment	22	(114)	(91)	76	(155)	(80)
Assets Held for Sale	2,330	(2,500)	(170)	736	(1,249)	(513)
Total	2,352	(2,615)	(261)	812	(1,405)	(593)

10 (a) Financing and Investment Income and Expenditure

Group	2021/22 Expenditure £'000	2021/22 Income £'000	2021/22 Total £'000	2020/21 Expenditure £'000	2020/21 Income £'000	2020/21 Total £'000
Interest payable:						
On bank account	148	-	148	148	-	148
On other loan	-	-	-	-	-	-
Leasing Charges	-	-	-	-	-	-
Net Pensions interest cost (Note 28)	38,861	-	38,861	37,867	-	37,867
Interest income from cash and cash equivalents and short-term investments	-	(27)	(27)	-	(6)	(6)
Amounts in relation to Investment Properties:						
Net rental expenditure (note 10b)	17	(9)	8	12	(6)	6
Movement in fair value (Note 20c)	-	(28)	(28)	-	(24)	(24)
Total	39,026	(64)	38,962	38,027	(36)	37,991

PFCC	2021/22 Expenditure £'000	2021/22 Income £'000	2021/22 Total £'000	2020/21 Expenditure £'000	2020/21 Income £'000	2020/21 Total £'000
Interest payable:						
On bank account	148	-	148	148	-	148
On other loan	-	-	-	-	-	-
Leasing Charges	-	-	-	-	-	-
Net Pensions interest cost (note 28)	13	-	13	8	-	8
Interest income from cash and cash equivalents and short-term investments	-	(27)	(27)	-	(6)	(6)
Amounts in relation to Investment Properties:						
Net rental expenditure (Note 10b)	-	-	-	12	(6)	6
Movement in fair value (Note 20c)	-	(28)	(28)	-	(24)	(24)
Total	161	(55)	106	168	(36)	132

10 (b) Investment Property Rentals

Gross and net rental income from Investment Properties

Group and PFCC

	2021/22 £'000	2020/21 £'000
Properties let to tenants under operating leases:		
Gross rent receivable	9	6
Property operating expenses	(17)	(12)
	(8)	(6)
Properties not let by tenants:		
Net Property operating expenses	-	-
Net rental expenditure	(8)	(6)

11. Taxation and Non-Specific Grant Income**Group and PFCC**

	Note	2021/22 £'000	2020/21 £'000
Precept Income	12	82,892	80,084
Home Office grant payable towards the cost of retirement benefits		24,083	25,572
Non-Ringfenced Government Grants:			
- Police Grant (inc DCLG Formula Funding)		79,050	74,363
- Legacy Council Tax Grants		9,053	7,898
Capital Grants and contributions		121	164
Donation Income		-	-
Total		195,201	188,081

12. Precept Income

The Police, Fire and Crime Commissioner levies a precept on all the District and Unitary Councils within North Yorkshire equivalent to the amount needed to collect in council tax on behalf of the Police, Fire and Crime Commissioner for North Yorkshire. The Commissioner set a Band D precept of £271.06 in 2021/22 (2020/21 - £265.77), which was an increase of 3.76%.

Group and PFCC

	Note	2021/22 £'000	2020/21 £'000
Precept set by Police, Fire and Crime Commissioner		82,178	80,734
Collection Fund surplus received		(233)	360
		81,945	81,094
Adjustment of surplus to accruals basis	5d	947	(1,010)
Total		82,892	80,084

The constituent Councils' contributions were as follows:

Group and PFCC	2021/22 £'000	2020/21 £'000
Craven	6,044	6,038
Hambleton	10,115	9,865
Harrogate	17,251	16,896
Richmondshire	5,267	5,272
Ryedale	5,866	5,897
Scarborough	10,404	10,522
Selby	8,700	8,581
York	18,300	18,023
Total	81,945	81,094

13. Remuneration Report

13 (a) Remuneration of Senior Officers

In setting the conditions of service of Senior Officers the Police, Fire and Crime Commissioner has regard to the following factors:

- the need to recruit, retain and motivate suitably qualified people to carry out their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- differences in terms and conditions of employment between the public and private sector and taking account of relative job security and value of benefits in kind;
- changes in national pay systems, including flexibility and the reward of success, and job weight in differentiating the remuneration of particular posts;
- the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

Total remuneration of senior police officers comprises elements that are set centrally for all police forces in the UK and other elements that are set locally. Pay elements that are set centrally include base salary, accommodation allowances and pension benefits. Centrally-set elements for serving police officers are determined in accordance with the Police Regulations 2003 (as amended).

For the purposes of this report the senior officers comprised the following personnel during the year:

Police, Fire and Crime Commissioner
 Deputy Police and Crime Commissioner
 Chief Constable *
 Deputy Chief Constable *
 Assistant Chief Constables *
 Chief Executive Officer
 Police, Fire and Crime Commissioner's Chief Finance Officer
 Chief Constable's Chief Finance Officer
 Head of Finance and Chief Constable's 151 Officer
 Managing Director of Enable
 * *serving police officers.*

Where applicable disclosures are also provided for employees who have fulfilled the above roles on a temporary or acting basis.

	2021/22 Group £'000	2021/22 PFCC £'000	2020/21 Group £'000	2020/21 PFCC £'000
Salaries and short-term benefits	1,106	319	935	126
Post-employment benefits	217	33	189	6
Total	1,323	352	1,124	132

13 (b) Remuneration of Other Employees

Levels of pay for other employees are determined in accordance with the following:

- Police officer remuneration is determined in accordance with the Police Regulations 2003 (as amended);
- Remuneration of support staff is agreed by the Police Support Staff council.

13 (c) Remuneration Entitlements of Senior Officers

Salary

Pay and allowances for the Police, Fire and Crime Commissioner are set by the Home Office acting on the advice of the Senior Salaries Review Board. Basic salary for serving police officers is determined and approved by the Secretary of State for the Home Office each year. Salaries are set for all police officers of all ranks up to and including Chief Constables. Pay reviews are carried out each year and any increases are applicable from 1 September. Pay reviews for other senior officers are agreed with the Police Support Staff Council. Any increases are usually applicable from 1 September.

Other Allowances and Benefits

Other allowances and benefits include allowances and expenses paid, in addition to basic salary, that are chargeable to UK income tax. They comprise the following:

- Accommodation allowance;
- Car available for private use or car allowance paid as additional salary;

Accommodation allowances are a historic payment and were paid to police officers who resided in their own accommodation as opposed to Police Houses. They are not paid to any police officers joining the Force after April 1995, other than those that may be transferred from other Forces and who are already in receipt of accommodation allowances.

Allowances

For the purposes of the disclosures that follow, amounts disclosed as allowances are those that are included with salary.

The Commissioner and the Chief Constable are committed to ensuring that Chief Officer remuneration terms are clear and lawful and that public policy standards are met.

Benefits in Kind

Benefits in kind include the estimated value of any benefits that are provided to senior officers in forms other than cash. During the year benefits in kind included the cash equivalents of cars provided to senior officers, and relocation allowance in accordance with Police Regulations, as disclosed to HM Revenue and Customs on form P11D. Benefits in kind do not include business use of private vehicles.

Pension Benefits

The Group makes pension contributions on behalf of Senior Officers and Staff who are members of pension schemes. Employer contributions are at the same rates for all members of the schemes, irrespective of rank or salary, and are determined by the Actuaries. During 2021/22 the rates were 31% for the Police Pension Schemes (2020/21 31%) .

The Actuaries confirmed the rates for the Chief Constable and the PFCC Local Government Pension Schemes as 10.7% (2020/21 10.3%)

The pension figure included in the disclosures below represents the value of the employer's pension contribution to the senior officer's pension pot, in whichever scheme he/she is a member.

Police Officers

Those members of the senior officer team who are also serving police officers are eligible to join the Police Pension Schemes. During 2021/22 senior officers who elected to join were either members of the Police Pension Scheme 1987 or the Police Pension Scheme 2015.

The Police Pension Scheme 1987 is a defined benefit scheme, providing pension benefits linked to final salary. The scheme is a 40/60ths scheme, with a full pension payable under the scheme after 30 years' service. The maximum pension payable is 40/60ths of salary. The accrual rate for the scheme is 1/60th of salary for each year worked for the first 20 years service and 2/60ths for each year for the following 10 years and nil thereafter. At retirement members may opt to give up (commute) part of their pension entitlement in return for a lump sum cash payment.

Senior officers' contributions are currently at the rate of between 12.75% and 15.05% of pensionable salary. (See Police Pension Fund Account and Note 28 to the accounts for further information on the Police Pension schemes).

The Police Pension Scheme 2015 is a Career Average Revalued Earnings (CARE) scheme rather than a final salary scheme. For each year a member contributes they will earn a fraction of their Pensionable Earnings (1/55.3) for that year as earned pension and this will be revalued for each subsequent year until they retire. A member has the option to retire at the normal minimum pension age (55) however if they were to do so their pension would be actuarially reduced by reference to the normal pension age (60). At retirement members may opt to give up (commute) part of their pension entitlement in return for a lump sum cash payment.

Other Senior Officers

Those members of the Senior Officer team who are not serving police officers are eligible to participate in the Local Government Pension Scheme ("LGPS"). During 2021/22 all eligible senior officers (except the Police, Fire and Crime Commissioner who served until 12/05/21) were members of the scheme.

The scheme is a defined benefit scheme, providing pension benefits linked to final salary. The current scheme provides for an accrual rate of 1/60th of salary for each year of service up to 31 March 2014. Thereafter the accrual rate is 1/49th. There is no time limit to the amount of service that can be built up but benefits must be taken by age 75. At retirement members may opt to give up (commute) part of their pension entitlement in return for a lump sum cash payment. Senior officers' contributions are currently at the rate of between 5.5% and 12.5% pensionable salary dependent on which scheme the officer sits within. (See Note 28 to the accounts for further information on the Local Government Pension Scheme).

13 (d) A summary of Senior Officer Remuneration for the year ended 31 March 2022 is presented below:

	Salary	Benefits in kind	Allowance	Value of employers pension contribution	Termination Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000
PFCC and Group						
Police, Fire and Crime Commissioner:						
J Mulligan (to 12/05/2021)	9	-	-	-	-	9
P Allott (to 15/10/201)	32	-	-	3	-	35
Z Metcalfe (from 25/11/2021)	26	-	-	3	-	29
Chief Executive Officer						
S Dennis (from 13/05/2021)	80	-	-	9	-	89
Assistant Chief Executive Officer						
T Thorpe	53	-	-	6	-	59
C Blackburn	53	-	-	6	-	59
Head of Partnerships and Commissioning						
J Newberry	66	-	-	7	-	73
Group only						
Chief Constable:						
L Winward	150	-	3	46	-	199
Deputy Chief Constable:						
P Cain (to 12/02/2022)	134	-	-	33	-	167
M Hussain (from 03/01/2022)	30	1	-	9	-	40
Assistant Chief Constable:						
M Pannone (to 31/03/2022)	110	4	3	34	-	152
A Anderson (to 19/07/2021)	36	-	1	11	-	48
L Butterfield (from 01/7/2021)	79	-	-	24	-	103
E Foskett (from 14/3/22)	5	-	-	2	-	7
Managing Director of Enable:						
R Ward	121	-	8	13	-	142
Chief Constable's 151 Officer and Head of Finance:						
M Clements	96	-	8	10	-	114
Total	1,080	5	22	217	-	1,323

* CFO - Chief Finance Officer.

The Commissioner's Chief Finance Officer is M Porter. This function is discharged via a collaboration agreement with Cleveland Police and Crime Commissioner (CPCC) and the CFO's remuneration is reflected in CPCC's accounts. During 2021/22 £53k (2020/21 £53k) was incurred in respect of this contract.

Chief Executive Officer services were provided by S Dennis. This function was discharged via Cleveland Police and Crime Commissioner (CPCC) and the Acting CEO's remuneration is reflected in CPCC's accounts from 01/04/21-12/05/21, when S Dennis joined North Yorkshire PFCC. During 2021/22 £19k (2020/21 £98K) was incurred in respect of this contract.

A summary of Senior Officer Remuneration for the year ended 31 March 2021 is presented below:

	Salary	Benefits in kind	Allowance	Value of employers pension contribution	Termination Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000
PFCC and Group						
Police, Fire and Crime Commissioner:						
J Mulligan	74	-	-	-	-	74
Deputy Police and Crime Commissioner						
W Naylor (to 24/07/20)	16	-	-	2	-	18
Group only						
Chief Constable:						
L Winward	148	3	-	46	-	197
Deputy Chief Constable:						
P Cain	122	-	-	38	-	160
Assistant Chief Constable:						
M Pannone (from 17/08/20)	66	4	-	20	-	91
A Oliver (to 15/06/20)	24	1	-	8	-	32
A Anderson	116	5	15	36	-	172
M Walker (to 31/08/20)	43	-	-	10	-	53
Managing Director of Enable						
R Ward	120	8	-	12	-	140
Chief Constable's 151 Officer and Head of Finance						
M Clements	95	8	-	10	-	113
Total	824	28	15	182	-	1,050

* CFO - Chief Finance Officer

The Commissioner's Chief Finance Officer is M Porter. This function is discharged via a collaboration agreement with Cleveland Police and Crime Commissioner (CPCC) and the CFO's remuneration is reflected in CPCC's accounts. During 2020/21 £53k (2019/20 £51k) was incurred in respect of this contract.

Chief Executive Officer services were provided by S Caddell (01/04/20 to 26/06/20) and S Dennis. This function was discharged via Cleveland Police and Crime Commissioner (CPCC) and the Acting CEO's remuneration is reflected in CPCC's accounts. During 2020/21 £98k (2019/20 £144K) was incurred in respect of this contract.

Deputy Police and Crime Commissioner W Naylor left on 24/07/20 and was not replaced.

13 (e) Officers and Staff

A breakdown of the number of persons of each gender was as follows:

	2021/22 Group		2021/22 PFCC		2020/21 Group		2020/21 PFCC	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior Officers	6	5	2	2	5	4	1	1
Other employees	1,553	1,416	5	25	1,527	1,418	4	27
	1,559	1,421	7	27	1,532	1,422	5	28

The number of individuals, excluding senior officers, who have received total remuneration greater than or equal to £50,000 per annum (in bands of £5,000) are listed below. The figures below represent the amounts paid in each year, taking account of starting and leaving dates, where retiring staff have been replaced during the year, and include officers seconded to other Forces. Total remuneration comprises gross salaries and allowances, taxable benefits as declared to HM Revenue and Customs on form P11D, and any bonus or overtime amounts in relation to the year in question (paid or payable). Total remuneration excludes any termination benefits payable and does not include employer's pension or national insurance contributions.

The table includes 267 police officers (2020/21 190) at or below the rank of Chief Superintendent.

Total remuneration	2021/22 Group	2021/22 PFCC	2020/21 Group	2020/21 PFCC
£50,000 to £54,999	128	-	80	-
£55,000 to £59,999	100	-	79	-
£60,000 to £64,999	34	-	24	-
£65,000 to £69,999	6	1	6	1
£70,000 to £74,999	6	-	1	-
£75,000 to £79,999	2	-	6	-
£80,000 to £84,999	4	-	7	-
£85,000 to £89,999	8	-	4	-
£90,000 to £94,999	1	-	-	-
£95,000 to £99,999	-	-	-	-
Total	289	1	207	1

13 (f) Termination Benefits

The Group terminated the contract of 1 employee in 2021/22, incurring liabilities of £16k (PFCC £nil) (£70k in 2020/21, PFCC £nil) payable to Senior Officers and staff in the form of compensation for loss of office (through a voluntary redundancy scheme) and enhanced pension benefits (payable directly to the appropriate pension scheme).

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

Group	Number of Compulsory Redundancies		Number of Other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
							£'000	£'000
£0 - £20,000	-	-	1	12	1	12	16	22
£20,001 - £40,000	-	-	-	2	-	2	-	48
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	-	-	1	14	1	14	16	70

PFCC	Number of Compulsory Redundancies		Number of Other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
							£'000	£'000
£0 - £20,000	-	-	-	-	-	-	-	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

14. Other Amounts Credited/Charged to the Comprehensive Income and Expenditure Statement**14 (a) Movement in Provisions**

The movement in provisions is detailed in Note 27.

14 (b) Inventories Expensed during the Period

	2021/22 Group £'000	2021/22 PFCC £'000	2020/21 Group £'000	2020/21 PFCC £'000
Uniforms/other items	497	127	508	68
Garage	406	-	493	-
Write-down of inventories recognised	36	-	(19)	-
Total inventory charges recognised in the Comprehensive Income & Expenditure Statement	939	127	982	68

There were no reversals of any previous write-down in inventories.

14 (c) Sponsorship

The Police and Crime Commissioner has the power to receive gifts, loans of property and sponsorship. The guideline limit for income of this type is up to 1% of the annual net revenue budget (2021/22 limit £1.7m). Sponsorship payments and other contributions are made under specific agreements that record the link between the income and the relevant expenditure. The income may be utilised within the year or carried forward to be available in the next year if appropriate. During the year £3k (2020/21 £11k) was retained in the sponsorship and donation accounts. The income was relevant to expenditure made in 2021/22, the expenditure was primarily focused on crime reduction through engagement initiatives. £9k (2020/21 £10k) has been carried forward into 2022/23.

14 (d) Police Fire and Crime Commissioner Costs

Costs of the Police Fire and Crime Commissioner were:

Group and PFCC	2021/22 £'000	2020/21 £'000
PFCC and Deputy PCC (including Ers NI and expenses)	82	104
Statutory Officers	331	260
Panel Costs / Members Costs	63	9
Support : Employees Costs	562	494
Support : Other Costs	52	46
External Audit Fees	14	39
Internal Audit Fees	39	37
Subscriptions	36	32
Community Engagement	117	90
Other	-	1
	1,297	1,111
Recharges to North Yorkshire Fire and Rescue Authority	(96)	(68)
Total Expenditure	1,201	1,043

14 (e) Audit Fees

The Group incurred the following fees relating to external audit and inspection.

	2021/22 Group £'000	2021/22 PFCC £'000	2020/21 Group £'000	2020/21 PFCC £'000
External Audit Fees*	23	14	54	39
Total	23	14	54	39

*Of the £23k Group external audit fees, £37k relates to 21/22 and (£14k) relates to prior years. Of the £14k PFCC external audit fees, £25k relates to 21/22 and (£11k) relates to prior years

14 (f) Grant Income

In addition to the grants included in Taxation and Non-Specific Grants Income (Note 11), the Group credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22:

Group and PFCC	2021/22	2020/21
	£'000	£'000
Credited to Services		
Counter-Terrorism	823	820
Criminal Records Bureau	743	738
Domestic Violence Coordinators	63	63
Commissioning of Victim Support Services	1,674	898
Independent Domestic and Sexual Violence Advisors	50	50
Incentivisation Grant	207	208
Child Sexual Assault Services	-	66
County Lines Activity Grant	36	-
National Force Specialist Cyber Crime	160	193
Domestic Abuse Perptrators Grant	102	301
Operation Uplift Grant	1,053	1,635
Pensions Reform	44	-
Pension Grant	1,449	1,449
No Wrong Door	65	71
Home office PS Grant	96	-
Trusted Relationships	-	28
DNSP Kubes - ESN - Home Office	-	39
Apprenticeship Levy Grant	866	247
Covid 19 MOJ Community Service Funding	-	421
Safer Streets Targeted Grant	710	438
Covid-19 Surge Grant Fund	-	857
DNSP ESN S31 Home Office Grant	-	838
Council Tax Income Guarantee Grant	(18)	460
Sundry Grants £30k or less	132	56
Total Credited to Services	8,255	9,876

The Group has received a number of grants that have yet to be recognised as income as they have conditions attached to them which have not been met during the year. At 31 March 2022 current liabilities include £27k (PFCC £27k) (2020/21 £256k, PFCC £256k) in respect of Revenue Grants received in advance and £115k (PFCC £115k) in respect of Capital Grants received in advance (2020/21 £120k, PFCC £120k).

15. Partnership Arrangements

15 (a) Local Criminal Justice Board (LCJB)

The Group provides financial management on behalf of the LCJB, which is a combined Board made up of Criminal Justice Agencies.

During 2021/22 the Group did not receive any funding (2020/21 £nil) from the Office for Criminal Justice Reform on behalf of the LCJB. Group expenditure of £37k (PFCC £nil) (2020/21 £36k, PFCC £nil) has been incurred in 2021/22 and included in these accounts.

15 (b) Regional Collaboration

Regional Collaboration brings opportunities to the participating Forces across many policing activities whilst retaining local Police Forces, local identity and local accountability.

Yorkshire and the Humber (YATH)

The Group continued to engage in collaborative working throughout 2021/22 with the other YATH forces (South Yorkshire, West Yorkshire and Humberside). Collaborative activity includes Specialist Crime Services, Forensic Services, Underwater Search and Procurement Services. The Regional Collaboration Board for the YATH Collaboration comprises the four Police and Crime Commissioners plus officers from each of the participating forces. It was formed to support Section 23 of the Police Act 1996/Police and Justice Act 2006.

The YATH Regional Collaboration is funded from contributions made by the four participating forces. Where there is deemed to be equal benefit the contribution is based on equal shares. Where benefit is not deemed to be equal, the level of contribution from each Force is dependent upon an assessment of the benefit to be derived from each specific project or initiative, primarily based upon net revenue expenditure proportions.

The YATH programme is a lead force model and each lead force is responsible for the financial administration of the programme they lead. The lead force employs police staff on a permanent, substantive basis and Police Officers are seconded to the lead force. The Police and Crime Commissioners within the Yorkshire and Humberside Region have agreed to indemnify the lead force to ensure that any costs are shared between them in the event of any employment tribunal or civil court claims related to regional employment.

The total net expenditure of this Group during 2021/22 in relation to the Yorkshire and the Humber regional collaboration work was £5.3m (PFCC £nil) (2020/21 £5.3m, PFCC £nil).

Evolve

The Group continued to engage in collaborative working throughout 2021/22 with Cleveland and Durham forces for Specialist Operational Services (Evolve). This includes the Cold Case Unit and Collaborative Legal Services.

The Joint Governance Board comprises the three Commissioners plus officers from each of the participating forces. The collaboration is funded from contributions made by the three participating forces. The Evolve programmes is a lead force arrangement. The lead force employs some of the staff on a permanent substantive basis. Officers and some staff are seconded to the lead force. The total net expenditure of this group during 2021/22 in relation to the Evolve collaboration was £0.2m (PFCC £nil) (2020/21 £1.03m PFCC £nil).

Other collaborations:

On 31st March 2021 the Group ceased participated in collaborative activity with all seven forces in the North East Region. The total net expenditure of this group during 2021/22 in relation to these additional collaborations was therefore £0k (PFCC £0k) (2020/21 £66k, PFCC £3k),

Regional Collaboration costs have had the following impact on the Group Cost of Police Services (PFCC £0k, 2020/21 £3k) shown on the face of the CIES:

Current Year - Group

	Group Expenditure	Group Income	Net Impact
	£'000	£'000	£'000
Employee Costs Salaries	465	-	465
Other Non Salary employee costs	2	-	2
Supplies and Services (includes PFCC £3k)	5,606	-	5,606
Transport Costs	52	-	52
Non Grant income	-	(637)	(637)
Total	6,125	(637)	5,488

Prior Year - Group

	Group Expenditure	Group Income	Net Impact
	£'000	£'000	£'000
Employee Costs	1,366	-	1,366
Other Non salary employee costs	3	-	3
Supplies and Services (includes PFCC £40k)	6,472	-	6,472
Transport Costs	51	-	51
Non grant income	-	(1,510)	(1,510)
Total	7,892	(1,510)	6,382

16. Property, Plant and Equipment

Movements in Property, Plant and Equipment during the year ending 31 March 2022 were as follows:

Current Year - Group and PFCC	Note	Land and Buildings		Plant and Equipment	Vehicles	Assets under Construction	Total
		Police Stations and other commercial properties	Police Houses				
		£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
Opening Value at 1 April 2021		28,663	899	16,657	10,755	223	57,197
Additions		1,343	191	57	1,768	-	3,359
Disposals		-	-	(1,309)	(493)	-	(1,802)
Reclassifications		(271)	-	-	-	-	(271)
Revaluations	20c	(60)	(160)	-	-	-	(220)
Impairments	20d	-	-	-	-	-	-
Closing Value at 31 March 2022		29,675	930	15,405	12,030	223	58,263
Depreciation							
Opening Value at 1 April 2021		-	-	(14,631)	(6,981)	-	(21,613)
Charge for the year		(1,561)	(80)	(1,166)	(1,491)	-	(4,298)
Reclassifications		-	-	-	-	-	-
Write back depreciation on disposals		-	-	1,309	471	-	1,780
Write back depreciation on revaluations	20c	1,561	80	-	-	-	1,641
Write back depreciation on impairments	20d	-	-	-	-	-	-
Closing Value at 31 March 2022		-	-	(14,488)	(8,001)	-	(22,489)
Net Book Value as at 31 March 2022		29,675	930	917	4,029	223	35,774

Net book value at 31 March 2022 can be analysed as follows:

Property, Plant and Equipment	35,551
Assets under Construction	223
	35,774

Movements in Property, Plant and Equipment during the year ending 31 March 2021 were as follows:

		Land and Buildings		Plant and Equipment	Vehicles	Assets Under Construction	Total
Prior Year - Group and PFCC		Police Stations and other commercial properties	Police Houses				
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
Opening Value at 1 April 2020		28,994	842	19,088	9,880	223	59,027
Additions		708	-	363	1,505	-	2,576
Disposals		-	-	(2,794)	(629)	-	(3,423)
Reclassifications		-	-	-	-	-	-
Revaluations	20c	(1,039)	57	-	-	-	(982)
Impairments	20d	-	-	-	-	-	-
Closing value at 31 March 2021		28,663	899	16,657	10,756	223	57,197
Depreciation							
Opening Value at 1 April 2020		-	-	(15,672)	(6,180)	-	(21,852)
Charge for the year		(1,424)	(57)	(1,753)	(1,355)	-	(4,589)
Reclassifications		-	-	-	-	-	-
Write back depreciation on disposals		-	-	2,794	553	-	3,347
Write back depreciation on revaluations	20c	1,424	57	-	-	-	1,481
Write back depreciation on impairments	20d	-	-	-	-	-	-
Closing Value at 31 March 2021		-	-	(14,631)	(6,982)	-	(21,613)
Net Book value as at 31 March 2021		28,663	899	2,026	3,775	223	35,586

Net book value at 31 March 2020 can be analysed as follows:

Property, Plant and Equipment	35,363
Assets under Construction	223
	35,586

Land and Buildings (police stations and other commercial properties plus police houses) are measured at existing use value - all properties were valued at 31 March 2022. The valuations are undertaken by an external valuer in accordance with the RICS Valuation Standards ("The Red Book") published by the Royal Institution of Chartered Surveyors, using significant unobservable inputs (Level 3 of the Fair Value Hierarchy).

The depreciation charge for the year, amounting to £4.3m (PFCC £4.3m) (2020/21 £4.6m, PFCC £4.6m), has been charged to the Comprehensive Income and Expenditure Statement across all lines within Net Cost of Services.

Land and Buildings include a Police Box valued at £5k (2020/21 £6.5k) which is not being depreciated on the advice of valuers.

17. Investment Property

Movements in Investment Property during the year are shown below:

Group and PFCC	Note	2021/22 £'000	2020/21 £'000
Balance at 1 April		412	388
Reclassification from Property, Plant & Equipment	16	-	-
Revaluations included in CIES	20c	28	24
Balance at 31 March		440	412

All investment properties are freehold. Investment properties are those held to earn rentals or for capital appreciation or both, rather than for use in the provision of services or for administrative purposes. All investment properties are either unlet or let to tenants under operating leases.

100% (2020/21 100%) of investment properties have been measured at fair value at 31 March using significant unobservable inputs (Level 3 of the Fair Value Hierarchy) by an external valuer in accordance with the RICS Valuation Standards. The valuer has used a market approach to valuing the assets.

There has been no change in valuation techniques used for investment properties during the year, and no investment properties have moved between valuation hierarchy levels during the year (2020/21 none).

At the balance sheet date the Group held a total of 4 investment properties (PFCC 4) (2020/21 4, PFCC 4). All these properties were previously operational properties which are no longer required for operational purposes.

18. Intangible Assets

Intangible Assets comprise purchased software only. Movements during the year are shown below:

Group and PFCC	2021/22 £'000	2020/21 £'000
Cost		
Balance at 1 April	10,860	9,996
Additions - purchased	267	864
Reclassifications	-	-
Impairment	-	-
Balance at 31 March	11,127	10,860
Amortisation		
Balance at 1 April	(9,222)	(8,605)
Charge for the year	(706)	(617)
Balance at 31 March	(9,928)	(9,222)
Net Book Value at 31 March	1,199	1,638

The amortisation charge for the year, amounting to £706k (PFCC £706k) (2020/21 £617k, PFCC £617k), has been charged to the Comprehensive Income and Expenditure Statement within Financial Costs.

19. Assets Held for Sale

Group and PFCC		2021/22	2020/21
	Note	£'000	£'000
Balance at 1 April		3,430	4,166
Additions in Year		7	-
Assets reclassified to Property, Plant and Equipment	16	-	-
Assets reclassified from Property, Plant and Equipment	16	271	-
Disposals		(2,330)	(736)
Revaluations	20c	(7)	-
Balance at 31 March		1,371	3,430

20. Analysis of amounts in relation to Non-Current Assets**20 (a) Financing of Non-Current Assets**

The additions to non-current assets totalled £3.633m (PFCC 3.633xm) (2020/21: £3.439m, PFCC £3.168m). The table below shows the resources that have been used to finance the additions. Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the Capital Financing Requirement (CFR). The CFR is a measure of the capital expenditure incurred historically that has yet to be financed.

Group and PFCC		2021/22	2020/21
	Note	£'000	£'000
Capital Expenditure was incurred across the following categories:			
Property, Plant and Equipment	16	3,367	2,576
Intangible Fixed Assets	18	267	863
		3,634	3,439
Sources of finance:			
Capital Receipts utilised	5b	-	-
Capital Grants	5b	121	164
Major Capital Reserve	5b	-	-
Sums set aside from Revenue and Revenue Reserves	5b	3,514	3,275
Donation Income	5b	-	-
Borrowing (Internal)		-	-
		3,634	3,439

Group and PFCC		2021/22	2020/21
		£'000	£'000
Opening Capital Financing Requirement		11,530	11,951
Increase (decrease) in underlying need to borrowing (supported by government financial assistance)		-	-
Increase (decrease) in underlying need to borrowing (unsupported by government financial assistance)		(421)	(421)
Assets acquired under Finance leases		-	-
Closing Capital Financing Requirement		11,109	11,530

20 (b) Major Capital Schemes

The major items of capital expenditure are detailed in the table below:

Group and PFCC Description	2021/22 £'000	2021/22 £'000	2020/21 £'000	2020/21 £'000
Rolling Programmes		1,971		1,583
ICT Strategy - Major Schemes		136		941
Estates Strategy - Major Schemes				
- Major works (below £200k)	218		212	
- Transformation Programme	50		-	-
- Knaresborough Local Police Station	-		29	
- Transport & Logistics	-		57	
- Tadcaster	213			
- Alverton Court	216			
- Fulford Road	119		119	
- Whitby	253		-	
- Mast Sites	153		-	
- Tadcaster	-		29	
- Vale House	66		-	
- Harrogate Roof repairs	108		39	
- York Feasibility Study	-		114	
- Scarborough	-		30	
- FCR Fallback Harrogate	51		36	
- VRI Suites	79			
-Athena House Training Facility	-		54	
Total Estate Strategy - Major Schemes		1,528		718
Purchase of freehold		-		-
Origin Upgrade		-		136
ANPR		-		54
OMW Impairment		-		-
Safety Camera Van Expansion		-		-
FCR Expansion		-		-
Other Schemes (Below £200K)				7
Total		3,634		3,439

20 (c) Revaluation

The revaluations have had the following impact on these accounts:

Current Year - Group and PFCC	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Total £'000
Revaluation charged/(credited) to Revaluation Reserve	(868)	80	(786)	-	-	(786)
Revaluation charged/(credited) to Income and Expenditure	(633)	-	(633)	(28)	7	(654)
Total	(1,501)	80	(1,421)	(28)	7	(1,442)
Cost	60	160	220	(28)	7	199
Depreciation	(1,561)	(80)	(1,641)	-	-	(1,641)
Total	(1,501)	80	(1,421)	(28)	7	(1,442)

Prior Year - Group and PFCC	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Total £'000
Revaluation charged/(credited) to Revaluation Reserve	(85)	(114)	(199)	-	-	(199)
Revaluation charged/(credited) to Income and Expenditure	(299)	-	(299)	(24)	-	(323)
Total	(384)	(114)	(498)	(24)	-	(522)
Cost	1,039	(57)	982	(24)	-	958
Depreciation	(1,423)	(57)	(1,480)	-	-	(1,480)
Total	(384)	(114)	(498)	(24)	-	(522)

At 31 March 2022 the cost or valuation of assets subject to revaluation can be analysed as follows (all other assets are held at cost):

Group and PFCC	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Assets Under Construction £'000	Total £'000
Properties last revalued at:							
31 March 2022	29,673	930	30,603	440	1,371	223	32,638

At 31 March 2022 the carrying amount that would have been recognised had the assets been carried under the cost model can be analysed as follows:

	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Assets Under Construction £'000	Total £'000
Carrying Amount							
31 March 2022	27,247	562	27,809	390	4,917	223	33,339

20 (d) Impairment

Property, Plant and Equipment, Investment Properties and Assets Held for Sale

All properties were valued at 31 March 2022, and no separate assessment has therefore been made for impairment.

Intangible Assets

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

At 31st March 2022 Intangible Assets have been impaired by £nil.

20 (e) Amounts Charged to Comprehensive Income and Expenditure Statement

Group and PFCC		2021/22	2020/21
	Note	£'000	£'000
Depreciation of Property, Plant and Equipment	16	4,298	4,582
Revaluation charge to Net Cost of Services	20c	(633)	(299)
Surplus / Deficit on disposal	9	(92)	(80)
Sub-Total Property, Plant and Equipment		3,573	4,203
Amortisation of Intangible Fixed Assets	18	706	617
Impairment		-	-
Revaluation Investment Properties	20c	(28)	(24)
Revaluation Assets Held for Sale	20c	7	-
Surplus/ Deficit on disposal		(170)	(513)
Total		4,087	4,284
Included in net cost of services		4,506	4,901
Included in other operating income and expenditure		(391)	(593)
Included in finance and Investment Income and Expenditure		(28)	(24)
Total		4,087	4,284

20 (f) Capital Commitments

At 31 March the Group was committed to the following capital expenditure:

Group and PFCC	31 March 2021	31 March 2020
	£'000	£'000
Plant and Equipment	1,112	1,133
Fleet Vehicles	1,467	806
Estates Transformation Programme Improvements	160	152
Other schemes (below £200k)	-	5
Total as at 31 March	2,739	2,096
Capital commitments related to the following asset categories:		
Property, Plant and Equipment	2,739	2,091
Intangible Assets	-	5
Total	2,739	2,096

The Group had no commitments in relation to repairs or maintenance at the year-end (PFCC £nil) (2020/21: £nil, PFCC £nil).

21. Financial Instruments

	Long-term		Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Group and PFCC	Group and PFCC	Group	Group	PFCC	PFCC
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Assets						
Measured at Amortised Cost (incl accrued interest)	-	-	31,289	22,557	34,683	24,929
Financial Assets	-	-	31,289	22,557	34,683	24,929
Financial Liabilities						
Borrowing	6,031	6,031	-	-	-	-
Creditors						
Financial liabilities at amortised cost	-	-	13,956	10,343	22,076	19,167
Total Financial Liabilities	6,031	6,031	13,956	10,343	22,076	19,167

There have not been any reclassifications of financial assets or financial liabilities as a result of the implementation of IFRS 9.

Income, Expense, Gains and Losses

Group and PFCC

	2021/22			2020/21		
	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Total	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	(148)	-	(148)	(148)	-	(148)
Total expense in Surplus or Deficit on the Provision of Services	(148)	-	(148)	(148)	-	(148)
Interest income	-	27	27	-	6	6
Total income in Surplus or Deficit on the Provision of Services	-	27	27	-	6	6
Net gain/(loss) for the year	(148)	27	(121)	(148)	6	(142)

Fair Value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows, that take place over the remaining life of the instruments, using the following assumptions:

- For Public Works Loan Board (PWL) and other loans payable, the discount rate used is the PWLB rate for new borrowing;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable, the fair value is taken to be the carrying amount or the billed amount;
- 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 assets and liabilities which are carried in the Balance Sheet at amortised cost is disclosed below.

Financial Liabilities - carried at amortised cost**Current and Long-Term**

Group	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Bank overdraft	2,422	2,422	590	590
Short-term borrowing	-	-	-	-
Long-term borrowing	6,031	6,726	6,031	6,267
Other Creditors	5,503	5,503	9,753	9,753
Total Financial Liabilities	13,956	14,651	16,374	16,610

Current	7,925	7,925	10,343	10,343
Long-term	6,031	6,726	6,031	6,267
Total Financial Liabilities	13,956	14,651	16,374	16,610

PFCC

	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Bank overdraft	2,422	2,422	590	590
Short-term borrowing	-	-	-	-
Long-term borrowing	6,031	6,726	6,031	6,267
Other Creditors	13,623	13,623	12,546	12,546
Total Financial Liabilities	22,076	22,771	19,167	19,403

Current	16,045	16,045	13,136	13,127
Long-term	6,031	6,726	6,031	6,267
Total Financial Liabilities	22,076	22,771	19,167	19,394

Financial Assets - Carried at Amortised Cost**Current and Long Term**

Group	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Short-term investments	-	-	-	-
Cash and cash equivalents	20,990	20,990	12,521	12,521
Debtors	10,306	10,306	12,226	12,226
Provision for doubtful debts	(7)	(7)	(2,190)	(2,190)
Total Financial Assets	31,289	31,289	22,557	22,557

PFCC

	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Short-term investments	-	-	-	-
Cash and cash equivalents	20,974	20,974	12,505	12,505
Debtors	13,716	13,716	14,614	14,614
Provision for doubtful debts	(7)	(7)	(2,190)	(2,190)
Total Financial Assets	34,683	34,683	24,929	24,929

22. Inventories

Group	31 March 2022	31 March 2021
	£'000	£'000
Uniforms/Other Items	463	362
Garage	98	94
Donated Inventories	-	51
Total as at 31 March	561	507

PFCC

	31 March 2022	31 March 2021
	£'000	£'000
Garage	-	-
Total as at 31 March	-	-

All inventories comprise supplies used in the provision of services.

23. Debtors

Group	31 March 2022	31 March 2021
Short-Term	£'000	£'000
Amounts receivable:		
Central government bodies	8,168	9,656
Other Local Authorities (including Police and Crime Commissioners)	1,652	1,426
NHS bodies	2	12
Public corporations and trading funds	-	-
Other debtors external to general government	6,058	6,050
	15,880	17,144
Provision for Doubtful Debts	(2,586)	(2,190)
	13,294	14,954
Value Added Tax	1,311	960
Cash at Bank Other Reconciling Items	(9)	(76)
Payments in advance	2,653	2,402
Total as at 31 March	17,249	18,240

PFCC	31 March 2022	31 March 2021
Short-Term	£'000	£'000
Amounts receivable:		
Central government bodies	8,045	9,530
Other Local Authorities (including Police and Crime Commissioners)	592	114
NHS bodies	2	-
Public corporations and trading funds	-	-
Other debtors external to general government	5,365	4,959
Intra group debtors	6,104	4,930
	20,108	19,533
Provision for Doubtful Debts	(2,586)	(2,190)
	17,522	17,343
Value Added Tax	1,311	960
Cash at Bank Other Reconciling Items	(9)	(76)
Payments in advance	67	14
Total as at 31 March	18,891	18,240

Other Local Authorities (including Police and Crime Commissioners) includes £160k (PFCC £nil) (2020/21 £204k, PFCC £nil) in respect of regional collaboration with other Police and Crime Commissioners (see note 15(b)). All debtors at the end of the current and previous year are due within one year.

Movement in the provision for doubtful debts during the year was as follows:

	2021/22	2021/22	2020/21	2020/21
	Group	PFCC	Group	PFCC
	£'000	£'000	£'000	£'000
Balance at 1 April	(2,190)	(2,190)	(1,764)	(1,764)
Written off as uncollectable	7	7	13	13
Recovered during the year	-	-	-	-
Provided against in year	(403)	(403)	(439)	(439)
Balance at 31 March	(2,586)	(2,586)	(2,190)	(2,190)

The provision includes an amount of £2,579k (2020/21 £2,176k) in respect of provision against precept due from Council Tax Payers of £5,296k (2020/21 £4,918k). These amounts will be collected on behalf of NYPFCC by the Local Authorities and the required provision is calculated by them.

The Group does not generally allow extended credit for customers. £260k (PFCC £7k) (2020/21 £539k, PFCC £35k) of the £1425k (PFCC £21k) (2020/21 £1,466k, PFCC £105k) listed debtors balance is past its due date for payment. The past due amount can be analysed as follows:

	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	Group	PFCC	Group	PFCC
	£'000	£'000	£'000	£'000
Less than three months	446	2	289	36
Three to six months	56	1	108	-
Six months to one year	5	-	9	(2)
More than one year	21	4	132	1
Total	528	7	539	35

24. Cash and Cash Equivalents

Group	31 March 2022	31 March 2021
	£'000	£'000
Cash at bank and in hand	23	30
Short-term deposits falling due within 3 months	20,967	12,493
Cash and short-term deposits	20,990	12,523
Bank current account	(2,422)	(591)
Total Cash and Cash Equivalents	18,568	11,933

PFCC

	31 March 2022	31 March 2021
	£'000	£'000
Cash at bank and in hand	7	14
Short-term deposits falling due within 3 months	20,967	12,493
Cash and short-term deposits	20,974	12,507
Bank current account	(2,422)	(591)
Total Cash and Cash Equivalents	18,552	11,916

Banking Arrangements

The Group (PFCC) has the following facilities with North Yorkshire Barclays Corporate:

- BACS
- Company Barclaycard
- Business Internet Banking

The Group (PFCC) holds two current accounts, one is a holding account from which wages and salaries are paid, the other is for general banking and at the end of each day cleared balances are automatically swept into the Business Premium account.

25. Borrowing

Group and PFCC	31 March 2022	31 March 2021
	£'000	£'000
Balance at 1 April	6,000	6,000
New loans received - Public Works Loans Board	-	-
	6,000	6,000
Repayments	-	-
Balance at 31 March	6,000	6,000
Short-term	-	-
Long-term	6,000	6,000
Balance at 31 March	6,000	6,000

Maturity at 31 March

	31 March 2022	31 March 2021
	£'000	£'000
One to Two Years	-	-
Two to Five Years	-	-
Five to Ten Years	2,000	2,000
Over Ten Years	4,000	4,000
	6,000	6,000

Borrowing at 31 March 2022 was equivalent to debt outstanding of £7.21 (2020 £7.24) per head of population.

Interest rates vary between 2.13% and 2.61% pa. The weighted average rate is 2.45%. All loans are at fixed rates and repayable in full at maturity.

26. Creditors

Group	31 March 2022	31 March 2021
Amounts due:	£'000	£'000
Central government bodies	101	123
Other local authorities (including Police and Crime Commissioners)	3,879	4,938
NHS bodies	43	179
Public corporations and trading funds	-	-
HMRC employment taxes and national insurance	3,069	3,057
Other creditors external to government	7,649	8,295
Income received in advance	576	589
Grants received in advance	22	9
Capital Grants In Advance	115	120
Total as at 31 March	15,454	17,311

PFCC	31 March 2022	31 March 2021
Amounts due:	£'000	£'000
Intragroup creditors	12,247	12,920
Central government bodies	31	31
Other local authorities (including Police and Crime Commissioners)	2,624	3,329
Public corporations and trading funds	-	-
NHS Bodies	-	117
HMRC employment taxes and national insurance	31	25
Other creditors external to government	194	490
Income received in advance	191	270
Grants received in advance	22	9
Capital Grants In Advance	115	120
Total as at 31 March	15,455	17,311

Other local authorities (including Police and Crime Commissioners) includes £102k (PFCC £nil) (2020/21 £96k, PFCC £nil) in respect of regional collaboration with other Police and Crime Commissioners in Yorkshire and Humberside (see Note 15 (b)).

27. Provisions

Group	Employee Related	Other Insurance	Total
	£'000	£'000	£'000
At 1 April 2021	1,271	2,109	3,380
Additional provision required	122	279	401
Amounts utilised during year	(90)	(357)	(447)
At 31 March 2022	2,574	4,140	6,714

PFCC	Employee Related £'000	Other Insurance £'000	Total £'000
At 1 April 2021	93	748	841
Additional provision required	(38)	206	168
Amounts utilised during year	-	(162)	(162)
At 31 March 2022	55	792	846

Group and PFCC

Provisions have been analysed between short-term and long-term as follows:

	2021/22 Group £'000	2021/22 PFCC £'000	2020/21 Group £'000	2020/21 PFCC £'000
Short-term	2,217	794	2,027	767
Long-term	1,116	52	1,353	75
Total	3,333	846	3,380	842

Employee Related provisions relate to claims arising from the Group's employers liability cover, together with other employee related provisions. Other Insurance provisions relate to claims arising from the Group's non-employee related insurance cover, principally motor and public liability claims.

Sums have been set aside to provide for the settlement of ongoing claims and cases not covered by insurance (identified as Provisions) and to provide for other possible events that might give rise to claims. Based on past experience of the time taken to settle claims, an estimate has been made of the proportion of claims which are likely to be settled within 12 months of the balance sheet date, and these are provided as current liabilities.

The Group has made arrangements with its insurers to provide cover for:

- liability claims subject to a policy excess of £150,000 for any one claim;
- liability and third party motor claims aggregating over £1,608,800;
- third party motor claims subject to an excess of £100,000 for any one claim;
- material damage to property, together with consequential business interruption, subject to a policy excess of £1,000 for any one occurrence in respect of all risks cover, £250 for any one occurrence in respect of cover for money and £100,000 for any one occurrence for all other incidents;
- computer, unmanned aerial vehicles, motor uninsured loss recovery, engineering, airside liability, fidelity guarantee, personal accident, environmental liability, travel and contract works subject to policy terms and conditions.

There are no reimbursements from third parties expected in relation to any of the above provisions.

28. Retirement Benefits

Group

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Group participates in four pension schemes:

- A Local Government Pension Schemes (LGPS) for police staff, administered by North Yorkshire County Council (NYCC). This is funded defined benefit scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. For service up to 31 March 2014 this is a final salary scheme. A Career Average Scheme (CARE) came into effect for service from April 2014.

- Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.
- The schemes are operated under the regulatory framework for the LGPS and the governance of the schemes are the responsibility of the Pensions Board (see below). Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the Pensions Board with the support of the Corporate Director Strategic Resources and the fund's external investment advisors.
- The principal risks to the NYPFCC of the schemes are the longevity assumptions, statutory changes to the scheme, structural changes to the schemes (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the schemes. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.
- Three Police Pension Schemes for police officers. These are unfunded defined benefit final salary schemes, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The second scheme was introduced in April 2006 with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All police officers recruited from April 2006 to April 2015 became members of the 2006 scheme and the previous scheme was closed to new members. The third scheme came into effect for officers recruited on or after April 2015. A number of Officers have been transferred from the previous schemes in year and will continue to do so moving forward based on calculated taper dates. The Group's participation in the Police Pension Schemes is administered by XPS Group Ltd.

Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension funds for the year is less than the amounts payable, the Group must annually transfer to the pension funds an amount required to meet the deficit. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by a central government pension top-up grant. If, however, the pension funds are in surplus for the year, the surplus is required to be transferred from the pension funds to the Group which must then repay the amount to central government.

Scheme Governance

The Public Service Pensions Act 2013 introduced a formal framework for the governance and administration of public service pension schemes, including the introduction of pension boards. The role of a public service pension board is to assist the Scheme Manager to secure compliance with scheme regulations and with legislation.

NYCC as scheme manager and administrator for the LGPS in North Yorkshire, has established a Pensions Board for all the schemes comprising the LGPS in North Yorkshire. Membership is drawn from scheme employers and members.

XPS Group Ltd has established a collaborative Police Pension Board for the Police Pension Schemes that they administer, including the Police Pension Schemes for which CCNY is the Scheme Manager. Membership is drawn from scheme employers and members.

Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Retirement Benefits

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund Balance.

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

Transactions Relating to Retirement Benefits

					Group 2021/22	PFCC 2021/22	Group 2020/21	PFCC 2020/21
	LGPS	Police Pension Scheme 1987	Police Pension Scheme 2006	Police Pension Scheme 2015	Total	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement								
<i>Net Cost of Services</i>								
Current Service Cost	17,679	3,030	130	38,930	59,769	475	48,831	275
Past Service Cost - exceptional item	85	-	-	-	85	-	15	-
Curtailment Cost	-	-	-	-	-	-	-	-
Administration Costs	185	-	-	-	185	5	184	4
	17,949	3,030	130	38,930	60,039	480	49,030	279
<i>Financing and Investment Income and Expenditure:</i>								
Interest Cost	811	32,760	1,490	3,800	38,861	13	37,867	8
Total post-employment benefits charged to surplus or deficit on provision of services	18,760	35,790	1,620	42,730	98,900	493	86,897	287
<i>Remeasurements of the net defined benefit liability comprising:</i>								
Returns on plan assets (excluding the amount included in the net interest expense)	1,001	-	-	-	1,001	6	(58,533)	(1,079)
Actuarial gains & losses arising on changes in demographic assumptions	(3,408)	-	-	-	(3,408)	(59)	-	-
Actuarial gains & losses arising on changes in financial assumptions	(27,186)	(66,328)	(1,693)	19,169	(76,038)	(467)	248,159	1,130
Other	1,257	10,330	(1,820)	910	10,677	28	3,991	(58)
(Surplus) deficits on remeasurements of scheme assets and liabilities	(28,336)	(55,998)	(3,513)	20,079	(67,767)	(492)	193,617	(7)
Total Post-Employment Benefits charged (credited) to Comprehensive Income and Expenditure Statement	(9,576)	(20,208)	(1,893)	62,809	31,134	1	280,514	280
Movement in Reserves Statement								
Reversal of net charges made to surplus or deficit on provision of services for								
Retirement benefits in accordance with IAS19	18,760	35,790	1,620	42,730	98,900	493	86,897	287
<i>Actual amount charged against the General Fund Balance for the year</i>								
Employers contribution payable to the scheme	(4,043)	(1,502)	(87)	(16,419)	(22,051)	(107)	(22,079)	(89)
Retirement benefits payable to pensioners	-	(3,760)	-	-	(3,760)	-	(3,550)	-
Total	14,717	30,528	1,533	26,311	73,088	386	61,268	198

The figures for the Police Pension Scheme 1987 include the Injury Awards which are funded directly by the Group.

Assets and Liabilities in Relation to Retirement benefits*Reconciliation of present value of scheme liabilities*

Group					2021/22	2020/21
	Funded Liabilities	Unfunded Liabilities			Total	Total
	LGPS	Police Pension Scheme 1987	Police Pension Scheme 2006	Police Pension Scheme 2015		
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	(344,490)	(1,662,510)	(74,420)	(167,310)	(2,248,730)	(1,929,390)
Current service cost	(17,679)	(3,030)	(130)	(38,930)	(59,769)	(48,831)
Interest cost	(7,206)	(32,760)	(1,490)	(3,800)	(45,256)	(43,393)
Contributions by scheme participants	(2,424)	(720)	(30)	(7,320)	(10,494)	(10,238)
Remeasurement gains and (losses):						
- Actuarial gains/losses arising from changes in demographic assumptions	3,408	-	-	-	3,408	-
- Actuarial gains/losses arising from changes in financial assumptions	27,186	19,660	1,510	3,870	52,226	(272,294)
- Other	-1257	(10,330)	1,820	(910)	(10,677)	(3,991)
Benefits paid	5,072	52,650	300	700	58,722	59,422
Curtailment cost	-	-	-	-	-	-
Past service costs	(85)	-	-	-	(85)	(15)
Balance at 31 March	(337,475)	(1,637,040)	(72,440)	(213,700)	(2,260,655)	(2,248,730)

Reconciliation of fair value of the scheme assets

Group					2021/22	2020/21
	LGPS	Police Pension Scheme 1987	Police Pension Scheme 2006	Police Pension Scheme 2015	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	303,829	-	-	-	303,829	239,981
Interest on plan assets	6,395	-	-	-	6,395	5,526
Administration expenses	(185)	-	-	-	(185)	(184)
Remeasurement gains and (losses):						
- The return on plan assets, excluding the amount included in the net interest expense	(394)	-	-	-	(394)	58,533
- Actuarial gains/losses arising from changes in demographic assumptions	-	-	-	-	-	-
- Actuarial gains/losses arising from changes in financial assumptions	-	46,668	183	(23,039)	23,812	-
Other	-	-	-	-	-	24,135
Employer contributions	4,043	5,262	87	16,419	25,811	25,629
Contributions by scheme participants	2,424	720	30	7,320	10,494	10,238
Benefits paid	(5,072)	(52,650)	(300)	(700)	(58,722)	(59,422)
Balance at 31 March	311,040	-	-	-	311,040	304,436

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

The actual gain on scheme assets in the year was £6m (PFCC (£0.1m)) (2020/21 £70.853m PFCC £1.17m)

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Reconciliation of present value of scheme liabilities

PFCC	2021/22	2020/21
LGPS	£'000	£'000
Balance at 1 April	(5,748)	(4,297)
Intragroup transfer	-	-
Current service cost	(475)	(275)
Interest cost	(120)	(99)
Contributions by scheme participants	(69)	(57)
Remeasurement gains and (losses):		
- Actuarial gains/losses arising from changes in demographic assumptions	59	-
- Actuarial gains/losses arising from changes in financial assumptions	467	(1,130)
- Other	(28)	58
Benefits paid	113	52
Curtailment cost	-	-
Past service costs	-	-
Balance at 31 March	(5,801)	(5,748)

Reconciliation of fair value of the scheme assets

PFCC	2021/22	2020/21
LGPS	£'000	£'000
Balance at 1 April	5,059	3,921
Intragroup transfer	-	-
Interest on plan assets	107	91
Administration expenses	(5)	(4)
Remeasurement gains and (losses):		
- The return in plan assets excluding the amount included in the net interest expense	(6)	957
- Actuarial gains/losses arising from changes in demographic assumptions	-	-
- Actuarial gains/losses arising from changes in financial assumptions	-	-
Employer contributions	107	89
Contributions by scheme participants	69	57
Benefits paid	(113)	(52)
Balance at 31 March	5,218	5,059

Scheme History

Group	2021/22	2020/21	2019/20	2018/19	2017/18
		£'000	£'000	£'000	£'000
Present value of liabilities:					
LGPS	(337,475)	(344,490)	(263,120)	(262,773)	(243,680)
Police Pension Scheme 1987	(1,637,040)	(1,662,510)	(1,512,290)	(1,651,400)	(1,541,204)
Police Pension Scheme 2006	(72,440)	(74,420)	(46,280)	(61,720)	(52,070)
Police Pension Scheme 2015	(213,700)	(167,310)	(107,700)	(82,600)	(53,500)
Total liabilities	(2,260,655)	(2,248,730)	(1,929,390)	(2,058,493)	(1,890,454)
Fair value of assets (LGPS):	311,040	304,436	239,981	238,606	219,063
Surplus/(deficit) in the scheme:					
LGPS	(26,435)	(40,054)	(23,139)	(24,167)	(24,617)
Police Pension Scheme 1987	(1,637,040)	(1,662,510)	(1,512,290)	(1,651,400)	(1,541,204)
Police Pension Scheme 2006	(72,440)	(74,420)	(46,280)	(61,720)	(52,070)
Police Pension Scheme 2015	(213,700)	(167,310)	(107,700)	(82,600)	(53,500)
Total	(1,949,615)	(1,944,294)	(1,689,409)	(1,819,887)	(1,671,391)
PFCC					
2021/22	2020/21	2019/20	2018/19	2017/18	
LGPS	£'000	£'000	£'000	£'000	£'000
Present value of liabilities	(5,801)	(5,748)	(4,297)	(55,863)	(52,089)
Fair value of assets:	5,218	5,059	3,921	52,900	49,006
Surplus/(deficit) in the scheme:	(583)	(689)	(376)	(2,963)	(3,083)

The liabilities show the underlying commitments that the Group has in the long run to pay retirement benefits. The total liability has a substantial impact on the net worth of the Group as recorded in the Balance Sheet, resulting in a negative overall balance of £1.899m (2020/21 £1.892m). However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

The deficit on the local government scheme 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. Funding arrangements for the Police Pension Fund are detailed in the Police Pension Fund Accounts.

The projected employer contribution rates for 2022/23 and the weighted average duration of the defined benefit obligations for scheme members, as provided by the Actuary, are as follows:

Group		
Scheme	Percentage of Pensionable Pay	Weighted Average Duration
Local Government Pension Scheme (LGPS)	11.1%	24.9 Years
Police Pension Scheme 1987	54.8%	19 years
Police Pension Scheme 2006	45.10%	33 years
Police Pension Scheme 2015	73.4%	34 years
PFCC		
Scheme	Percentage of Pensionable Pay	Weighted Average Duration
Local Government Pension Scheme (LGPS)	11.11%	25.4 Years

These are the projected rates that would be required to fully cover the pension costs arising in the year and do not represent the actual cost or contributions to be made.

Members of the Police Pension Schemes are able to seek a refund of contributions if they leave the service with less than two years service. With effect from 1 April 2014 members of the LGPS will automatically receive a refund of contributions if they leave with less than two years service. Up to that date members could opt for a refund if they left with less than three months service.

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2021/22 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2022:

Group	2021/22	2020/21	2019/20	2018/19	2017/18
			%	%	%
Differences between the expected and actual return on assets:					
Percentage of scheme assets	0.1%	18.6%	(0.8)%	5.6%	4.9%
Experience gains and losses on liabilities:					
Percentage of scheme liabilities	(0.4)%	(0.2)%	(2.1)%	(0.1)%	(0.7)%

PFCC

	2021/22	2020/21
	%	%
Differences between the expected and actual return on assets:		
Percentage of scheme assets	0.1%	(20.7)%
Experience gains and losses on liabilities:		
Percentage of scheme liabilities	(0.5)%	(1.0)%

The Group expects to make employer contributions of £4.106m (PFCC £3.992m) to the Local Government Pension Scheme in the year to 31 March 2022. Employer contributions to the Police Pension Schemes in the same period are expected to be £17.468m.

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 Police Pension Schemes liabilities have been assessed by the Government Actuary's Department ("GAD") and the LGPS liabilities have been assessed by AON Hewitt Limited, an independent firm of actuaries, estimates for the LGPS being based on the latest full valuation of the scheme as at 31 March 2021.

The principal assumptions used by the actuaries have been:

	Local Government Pension Scheme		Police Pension Schemes	
	Group & PFCC		Group Only	
	2021/22	2020/21	2021/22	2020/21
<i>Mortality assumptions:</i>				
Longevity at 65 for current pensioners:				
Men	21.8 yrs	21.9 yrs	22.1 yrs	22.0 yrs
Women	23.8 yrs	24.0 yrs	23.8 yrs	23.7 yrs
Longevity at 65 for future pensioners				
Men	23.5 yrs	23.6 yrs	23.8 yrs	23.7 yrs
Women	25.7 yrs	25.8 yrs	25.4 yrs	25.3 yrs
Rate of inflation	2.90 %	2.60%	3.00 %	2.40 %
Rate of increase in salaries	4.15%	3.85 %	4.75 %	4.15 %
Rate of increase in pensions	2.90%	2.60 %	3.00%	2.40 %
Rate for discounting scheme liabilities	2.70%	2.10 %	2.65%	2.00 %
Rate of CARE revaluation	N/A	N/A	4.25 %	3.65 %

Under FRS 102 and IAS 19, employers are no longer required to recognise an expected return on assets item in the profit and loss charge. This item has been replaced with a net financing charge which is based on the discount rate assumption. Assumptions for the expected return on assets are therefore no longer required and will not be disclosed.

The Police Pension Schemes have no assets to cover their liabilities. The fair value of the LGPS scheme assets consist of the following categories:

	Group	PFCC	Group	PFCC
	2021/22	2021/22	2020/21	2020/21
	%	%	%	%
Cash and Cash Equivalents	1	1	3	3
Government Bonds	17	17	16	16
Other Bonds	8	8	2	2
Property - UK	7	7	6	6
Equities	56	56	58	58
Other	11	11	15	15
Total Assets	100	100	100	100

93.6% of the assets in the LGPS have a quoted market price.

Impact on the Cash Flows

The objectives of the scheme are to keep employers' contributions at as a constant a rate as possible. NYCC has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the long term. Funding levels are monitored on a quarterly basis. The next triennial valuation will be completed as at 31 March 2022.

29. Contingent Assets & Liabilities

Note 27 (Provisions) explains the treatment in respect of provision for amounts as known at the date of these accounts.

Civil and Employment Claims

The Group has not made provision in these accounts for the potential outcome of legal proceedings pending conclusion in relation to Civil and Employment Claims where it is not considered probable that a payment or a transfer of economic benefits will be required to settle the obligations

Regional Collaboration

This Group has agreed to indemnify other Regional Police and Crime Commissioners for its share of any costs in the event of any employment tribunal or civil court claims related to regional employment. This indemnity is unlimited. At this time, it is not possible to predict the value or timing of any obligations falling due as a result of this indemnity.

The McCloud/ Sargeant Judgement

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. Transitional protection enabled some members to remain in their pre-2015 schemes after 1 April 2015 until retirement or the end of a pre-determined tapered protection period. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay, indirect gender and race discrimination and the Court of Appeal ruled in December 2018 in favour of the claimants.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to the Firefighter's Pension Schemes and the LGPS benefits in response to the McCloud and Sargeant Cases. The consultation closed on 8 October 2020 and HMT published their response to the consultation on 4 February 2021, confirming their approach to remedying age discrimination, in line with proposals. The estimated impact of the remedy was reflected in the pensions liability reported within the 2019/20 financial statements.

Legal advice is awaited as to whether any further costs to be borne by the Authority will arise in relation to application of the remedy. Until further guidance is provided, no estimation of the potential impact can be made.

30. Events after the Reporting Period

The Group has considered events that have occurred since the balance sheet date, up to the date that the accounts have been authorised for issue. No events have been identified which could materially impact on the figures in these financial statements, nor which would require disclosure to maintain the fair presentation of the financial statements.

31. Net Cash Flows from Operating Activities

Net Cash Flows from Operating Activities include:

Group and PFCC

	2021/22 £'000	2020/21 £'000
Interest received	27	6
Interest paid	148	148

32. Net Cash Flows from Investing Activities**Group and PFCC**

	2021/22 £'000	2020/21 £'000
Purchase of Property, Plant and Equipment, Investment Property, Intangible Assets and Assets under Construction	3,634	3,439
Purchase of Short-Term Investments	-	-
Proceeds from the sale of Property, Plant and Equipment and Assets Held for Sale	(2,615)	(1,405)
Proceeds from Short-Term Investments	-	-
Net Cash Flows from Investing Activities	1,019	2,034

33. Net Cash Flows from Financing Activities**Group and PFCC**

	2021/22 £'000	2020/21 £'000
Cash receipts of short-term and long-term borrowing	-	-
Cash payments for the reduction of the outstanding liabilities relating to finance leases	-	-
Repayments of short-term and long-term borrowing	-	-
Net Cash Flows from Financing Activities	-	-

34. Related Party Transactions

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

The PFCC purchases her Acting Chief Executive Officer services and her Chief Finance Officer from the Police and Crime Commissioner for Cleveland. Details of the cost of the provision of these Key Management Personnel are provided in Note 13(d).

The Group has sound arrangements for internal control and corporate governance (including a scheme of delegations and purchase, contract and procurement regulations) which minimise the potential for a single officer to constrain the actions of the Group, and which seek to ensure that the Group obtains Value for Money in all transactions.

Central Government

Central Government has effective control over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates, provides a substantial part of the Group's funding in the form of grants and prescribes the terms of many of the transactions the Group has with other parties.

Central Government has a role, together with the Police Fire and Crime Commissioner and the Chief Constable, in the tripartite system of police governance. Government Grants received by the Group are set out in Notes 11 and 14(f). Grant receipts outstanding at 31 March 2021 are included in Debtors (Note 23).

Other Local Authorities (including Other Police and Crime Commissioners)

Local Government provides a proportion of the funding for the Group. Details of precepts are set out in Note 12. Transactions with the Police and Crime Commissioners in respect of Regional Collaboration are set out in Note 15(b). The amounts owing to and from Other Local Authorities at the balance sheet date are included in Debtors (Note 23) and Creditors (Note 26).

Key Management

Key Management of the Group are also classed as related parties. Key Management are considered to be the Police Fire and Crime Commissioner and other senior officers (as defined in Note 13) and other persons having the authority and responsibility for planning, directing and controlling the activities of the Group, including the oversight of these activities.

Remuneration of Key Management is disclosed in Note 13(d).

On 15th November 2018 NYPCC became the Police Fire and Crime Commissioner for North Yorkshire (NYPFCC) when she took statutory responsibility for North Yorkshire Fire and Rescue Service, as the Fire and Rescue Authority (NYPFCC FRA). At the same time the PFCC CFO also became the CFO for NYPFCC FRA. NYPFCC FRA is a separate corporation sole, independent of NYPFCC. During 2021/22 the Group purchased services to the value of £154k, PFCC £50k (2020/21 £169k (PFCC £17k)) from the Fire and Rescue Authority, and received Income of £407k, PFCC £96k (2020/21 £462k (PFCC £71k)) in respect of recharge of expenditure and provision of services.

The Group is a member of the Association of Police and Crime Commissioners (APCC) and the Association of Police and Crime Chief Executives (APACCE) and senior officers engage with APCC and APACCE on Group business. Senior police officers are members of the National Police Chief Council (NPCC) and engage with NPCC on Force business.

During 2021/22 the Group incurred total subscription and conference costs from these organisations of £48k (PFCC £31k) (2020/21 £47k, PFCC £31k). £Nil (PFCC £nil) was outstanding at 31 March 2022 (31 March 2021 £nil, PFCC £nil).

The Group received income to a value of £979k (PFCC £772k) (2020/21 £1,087k, PFCC £697k) and purchased services to a value of £638k (PFCC £612k) (2020/21 £2,494 PFCC £2,137) from organisations in which senior officers or their close relatives had positions on the governing body. In all instances transactions were made with proper consideration of declaration of interest. The relevant senior officers did not take part in any discussion or decision in relation to the transactions. At 31 March 2022 £nil (PFCC £nil) (31 March 2021 £nil, PFCC £nil) was owed by the Group to these organisations.

Pension Schemes

Transactions with Pension Schemes are set out in Note 28.

35. Nature and Extent of Risks Arising from Financial Instruments

Key Risks

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

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

Overall procedures for managing risk

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

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

These are required to be approved 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 Group's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual Treasury Management Strategy which incorporates the prudential indicators was approved by the Commissioner for 2010/22 in March 2021. The key issues within the Strategy were:

- The Authorised Limit for 2021/22 was set at £14.3m. This was the maximum limit of external borrowings or other long-term liabilities;
- The Operational Boundary was expected to be £11m. This was the expected level of debt and other long-term liabilities during the year;
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the net debt.

These policies are implemented by Financial Services on behalf of the Group. The Group maintains written principles for overall risk management, as well as written policies (Treasury Management Practices - TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which is based solely upon the use of "specified investments", with all investments being sterling denominated with maturities up to a maximum of 364 days and meeting a minimum "high" credit rating. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The full Investment Strategy for 2021/22 was approved by the Commissioner in March 2021. It forms part of the Treasury Management Strategy.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings.

The Group's maximum exposure to credit risk in relation to its investments in banks and building societies of £12m (2020/21 £12m) 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 Group's deposits, but there was no evidence at 31 March 2022 that this was likely to crystallise.

The following analysis summarises the maximum exposure to credit risk on financial assets, based on experience of default, adjusted to reflect current market conditions:

Group	Total		Historical experience of default		Estimated maximum exposure to default	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£'000	£'000	%	%	£'000	£'000
Cash and cash equivalents	20,990	12,521	-	-	-	-
Other debtors and amounts owed by related parties	10,299	14,878	0%	0%	-	3
Total	31,289	27,399			-	3

PFCC	Total		Historical experience of default		Estimated maximum exposure to default	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£'000	£'000	%	%	£'000	£'000
Cash and cash equivalents	20,974	12,505	-	-	-	-
Other debtors and amounts owed by related parties	13,662	11,259	0%	0%	-	3
Total	34,636	23,764			-	3

No breaches of the counterparty criteria occurred during the reporting period and the PFCC does not expect any losses from non-performance by any of her counterparties in relation to deposits and bonds.

An age analysis of the amounts due from debtors is disclosed in Note 23.

Collateral - During the reporting period the Group held no collateral as security (PFCC none).

Liquidity Risk

The Group manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

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

Refinancing and Maturity risk

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

The approved treasury 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 Group's approved treasury and investment strategies address the main risks and Financial Services addresses the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of existing and proposed financial liabilities; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Group'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.

The maturity profile of financial liabilities is set out in Note 25.

Market Risk

Interest Rate Risk

The Group is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Group, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the CIES will rise (however the Group does not currently have any variable rate borrowings);
- Borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates - the interest income credited to the CIES will rise;
- Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

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

The Group has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Group's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The Financial Services Directorate monitors market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rate borrowings would be postponed.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

2021/22
Group and
PFCC
£'000

Increase in interest receivable on variable rate investments

-

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in Note 21 - Fair Value of Assets and Liabilities carried at Amortised Cost

Price Risk

The Group does not generally invest in equity shares or marketable bonds.

Foreign Exchange Risk

The Group has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to gains or losses arising from movements in exchange rates.

POLICE PENSION FUND ACCOUNT
for the YEAR ENDED 31 March 2022

	2021/22 £'000	2020/21 £'000
Contributions receivable		
From Employer		
Normal	(18,181)	(18,389)
Early retirement	-	-
Reimbursement of unabated pensions of '30+' Police Officers	-	-
	(18,181)	(18,389)
From Members	(7,629)	(7,474)
	(25,810)	(25,863)
Transfers in		
Individual transfers from other schemes	(439)	(505)
Benefits payable		
Pensions	41,607	40,909
Commutations and lump sum retirement benefits	8,208	10,998
Lump sum death benefits	-	-
Commutation Payments as a result of Milne v GAD Determination	-	-
Payments to and on account of leavers		
Refunds of contributions	83	33
Death Grants & dependants	435	
Paid to other PCCs re pre-1974 pensioners	-	-
Deficit for the year before transfer from the Police Fire and Crime Commissioner of amount equal to the deficit	24,085	25,572
Additional contributions payable by the employer	-	-
Additional funding payable by the PFCC to fund the deficit for the year	(24,085)	(25,572)
Net amount payable/receivable for the year	-	-

POLICE PENSION FUND NET ASSETS STATEMENT
at 31 March 2022

		31 March 2022	31 March 2021
	Note	£'000	£'000
Current Debtors	5	-	-
Total Assets		-	-
Current Creditors	6	-	-
Net Assets		-	-

NOTES TO THE POLICE PENSION FUND ACCOUNTS

1. Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the IFRS Code and on an accruals basis. This means that sums due to or from the Pension Fund are included as they fall due, whether or not the cash has been received or paid. The accounting convention adopted is historical cost.

2. Operation of Police Pension Schemes

The Group operates three Pension Schemes for police officers. These are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. The second scheme was introduced in April 2006, with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All police officers recruited from April 2006 to April 2015 become members of the 2006 scheme and the previous scheme has been closed to new members. The third scheme came into effect for officers recruited on or after April 2015. In addition a number of officers were transferred for the previous schemes on that date.

The charge in the accounts of the Group represents the net cost of pensions and other benefits paid, after deducting contributions receivable from members. Members contribution rates vary between 11% and 15.05% of pensionable pay.

3. Funding of Police Pension Schemes

The funding arrangements for Police Pension Schemes changed on 1 April 2006 and again on 1 April 2015. Before 1 April 2006 the schemes did not have a percentage of pensionable pay type of contribution, rather the Authority was responsible for paying pensions of former employees on a pay-as-you-go basis. Under the new funding arrangements the schemes remain unfunded but the Group no longer meets the pension outgoings directly, instead the Group pays an employer's contribution, based on a percentage of pay, into the Pension Fund. Each individual Police and Crime Commissioner in England and Wales is required by legislation to operate a Pension Fund for police officers and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation.

Under the new arrangements, the Pension Fund will be balanced to nil at the end of the year by either paying over to the Group the amount by which amounts receivable by the Fund for the year exceeded the amounts payable or by receiving cash from the Group equal to the amount by which the amount payable from the pension fund for the year exceeded the amount receivable.

The Group will either pay an amount equal to the amount received from the Pension Fund to the Home Office or receive a pension top-up grant from the Home Office equal to the amount paid to the Pension Fund.

Liabilities in Relation to Retirement Benefits

The Police Pension Fund Accounts do not take account of liabilities to pay pensions and other benefits after the period end. Details of the liabilities for retirement benefits attributable to the Group at 31 March 2022, and of the basis for assessing those liabilities, are included in Note 26 to the Statement of Accounts.

The present value of the Police Pension Scheme liabilities, based on the most recent full valuation of the Scheme (as the 31 March 2021) and updated to the balance sheet date, are disclosed below:

	31 March 2022	31 March 2021
	£'000	£'000
Police Pension Scheme 1987	1,637,040	1,662,510
Police Pension Scheme 2006	72,440	74,420
Police Pension Scheme 2015	427,400	167,310
Total present value of liabilities	2,136,880	1,904,240

Full details of the liabilities for retirement benefits attributable to the Group at 31 March 2021, and of the basis for assessing those liabilities, are included in Note 28 to the Group Accounts.

5. Debtors	31 March 2022 £'000	31 March 2021 £'000
Short Term - Other Local Authorities	-	-
	<hr/>	<hr/>
6. Creditors	31 March 2022 £'000	31 March 2021 £'000
Short Term - General	-	-
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Independent auditors report to the Police, Fire and Crime Commissioner for North Yorkshire and Group

Report on the financial statements

Opinion

DRAFT

GLOSSARY OF TERMS

ACCRUAL: The recognition, in the correct accounting period, of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

ACCRUED BENEFITS: The benefits for service up to a given point in time, whether vested rights or not.

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

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.

AGENCY SERVICES: The provision of services by a Police and Crime Commissioner or Chief Constable (the agent) on behalf of another Police and Crime Commissioner or Chief Constable, which is legally responsible for providing those services. The responsible Police and Crime Commissioner or Chief Constable reimburses the Police and Crime Commissioner or Chief Constable providing the service.

AMORTISED COST: The cost of an intangible asset after amortisation, which is the systematic allocation of the depreciable amount of an asset over its useful life.

ANNUAL GOVERNANCE STATEMENT: Describes the governance framework incorporating the systems and processes, culture and values by which the Group is directed and controlled and the activities through which it accounts to and engages with the community.

APPROPRIATIONS: Amounts transferred to or from revenue or capital reserves.

ASSET: An item which has a value; for example, land and buildings, vehicles, equipment, cash.

AUDIT COMMISSION: An independent body, established under the Local Government Finance Act 1982. It is the responsibility of the Audit Commission to appoint external auditors to Police and Crime Commissioners and Chief Constables.

BALANCES: The total general balances available are the accumulated surplus of income over expenditure which enable operation without borrowing until the first precept and grant payments are received in the early part of the financial year. Balances are also used to cover any unexpected expenditure during the financial year.

BALANCE SHEET: This sets out the financial position of an organisation on a particular date. It shows the balances and reserves at the organisation's disposal, its long-term indebtedness, the fixed and net current assets employed in its operations and summarised information on the fixed assets held.

BUDGET: A statement of an organisation's plans in financial terms. A budget is prepared and approved before the start of each financial year and is used to monitor actual expenditure throughout the year.

CAPITAL ADJUSTMENT ACCOUNT: The account through which all financing of fixed assets is charged.

CAPITAL EXPENDITURE: Expenditure on new assets or on the enhancement of existing assets so as to prolong their life or enhance market value.

CAPITAL FINANCING CHARGES: The repayment of loans and interest used to pay for capital projects.

CAPITAL GRANT: Grant from Central Government used to finance specific schemes in the capital programme. Where capital grants are receivable these are used, as far as possible, to finance capital expenditure to which they relate in the year that the grant is received.

CAPITAL RECEIPTS: The proceeds from the sale of an asset, which may be used to finance new capital expenditure or to repay outstanding loan debt, as laid down within rules set by Central Government.

CAPITAL RESERVE: Created to provide an alternative source of financing for capital expenditure and to ensure some stability in the level of capital programmes that can be financed.

CASH FLOW STATEMENT: This summarises the cash receipts and payments of the Group arising from transactions for both revenue and capital purposes.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA): This is the main professional body for accountants working in the public services.

COLLECTION FUND: A fund administered by each District Council in which individuals' council tax payments are paid. The Police and Crime Commissioner raises a precept on the fund to finance part of their net revenue expenditure.

COLLECTION FUND ADJUSTMENT ACCOUNT: The account through which to implement the accruals basis for recording the precept in these accounts without affecting the bottom line for taxpayers.

COMPONENT ACCOUNTING: Component accounting requires that where an asset has several components, which can be physically separated from the principal asset and which have significantly different useful lives, these should be recognised separately and should be depreciated based on their respective useful lives. Component accounting aims to improve depreciation accounting and thus improves the measurement of operating results. It also facilitates accounting for replacements.

CONTINGENCY: The sum of money set aside to meet unforeseen expenditure or liability.

COUNCIL TAX: The local tax levied on householders, based on the relative market values of property, which helps to fund local services.

CREDIT APPROVAL: Authorisations given by Central Government to local authorities, which enable them to finance capital expenditure by borrowing or other credit arrangements such as leasing.

CREDITORS: Individuals or organisations to whom money is owed at the end of the financial year.

CURRENT ASSETS AND LIABILITIES: Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short term.

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

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

DEBTORS: Individuals or organisations from whom money is owed at the end of the financial year.

DEFERRED LIABILITIES: Liabilities which, by arrangement, are payable beyond the next year, at some point in the future or paid off by an annual sum over a period of time.

DEFERRED PENSIONS: Individuals who have ceased to be active members but are entitled to benefits payable at a later date.

DEFINED BENEFIT SCHEME: A pension scheme which defines the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme.

DEPRECIATION: An annual charge to reflect the extent to which an asset has been worn out or consumed during the financial year.

DIRECT REVENUE FINANCING: Resources provided from the revenue budget to finance the cost of capital projects.

DISCRETIONARY BENEFITS: Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under discretionary powers.

EARMARKED RESERVES: These reserves represent monies set aside that can only be used for a specific purpose.

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

EXTRAORDINARY ITEMS: Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside ordinary activities and are not expected to recur.

FINANCE AND OPERATING LEASE: A Finance lease transfers all of the risks and rewards of ownership of a fixed asset to the lessee. If these leases are used, the assets acquired have to be included within the fixed assets in the balance sheet at the market value of the asset involved. With an operating lease the ownership of the asset remains with the leasing company and an annual rent is charged to the relevant service revenue account.

FINANCIAL REGULATIONS: A written code of procedures approved by the Police and Crime Commissioner, intended to provide a framework for proper financial management.

FIXED ASSETS: Tangible assets that yield benefits for a period of more than one year.

FORMULA SPENDING SHARE (FSS): An assessment by Central Government of how much a Police and Crime Commissioner needs to spend to provide a common level of service, having regard to their individual circumstances. It is used to distribute Revenue Support Grant and Police Grant.

GAD: The Government Actuaries Department. They provide estimates of the liabilities of the Police Pension Scheme.

GOING CONCERN: The concept that an organisation will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

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 authority.

IMPAIRMENT: A reduction in the value of an asset from the balance sheet value occurring as a result of a change in the condition and consumption of the asset or as a result of market conditions.

INCOME AND EXPENDITURE ACCOUNT: This summarises the resources generated and consumed for the year and shows how the costs have been financed.

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

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS): Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards; and
- (c) Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

INVESTMENTS (PENSION FUND): The investments of a Pension Fund will be accounted for in the statements of that Fund. However, sponsoring bodies are also required to disclose, as part of disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

MINIMUM REVENUE PROVISION (MRP): The statutory minimum amount which a Police and Crime Commissioner is required to set aside on an annual basis as a provision to redeem debt.

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

NET CURRENT REPLACEMENT COST: The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NATIONAL NON-DOMESTIC RATES (NNDR): The business rate in the pound is the same for all non-domestic ratepayers and is set annually by the government. Income from business rates goes into a central government pool that is then distributed according to resident population.

NON-OPERATIONAL ASSETS: Non-operational assets are fixed assets held but not directly occupied or used in the delivery of services. They include surplus properties awaiting disposal and assets that are under construction.

OPERATIONAL ASSETS: Fixed assets held and occupied, used or consumed in the direct delivery of those services for which they have either a statutory or discretionary responsibility.

OUTTURN: The actual amount spent in the financial year.

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.

PAYMENTS IN ADVANCE: These represent payments prior to 31 March for supplies and services received by the Group after 1 April.

PENSION FUND: A fund which makes pension payments on retirement of its participants.

POLICE GRANT: A grant paid by the government to Police and Crime Commissioners as a proportion of the Formula Spending Share or FSS.

PRECEPT: The income which the Police and Crime Commissioner requires the District Council to raise from Council Tax on behalf of the Police and Crime Commissioner.

PROJECTED UNIT METHOD: An accrued benefits valuation method in which the scheme liabilities make allowances for projected earnings. The scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners, and their dependents, allowing where appropriate for future increases and
- the accrued benefits for members in service at the valuation date.

PROVISION: An amount set aside to provide for a liability that is likely to be incurred but the exact amount and the date on which it 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.

RECEIPTS IN ADVANCE: These represent income received prior to 31 March for supplies and services provided by the Group after 1 April.

RESERVES: Monies set aside by the Group that do not fall within the definition of provisions.

RETIREMENT BENEFITS: All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE CONTRIBUTIONS TO CAPITAL: Contribution from the Comprehensive Income and Expenditure Statement to finance capital expenditure and thus reduce the requirement to borrow.

REVENUE SUPPORT GRANT (RSG): General government grant support towards expenditure.

REVALUATION RESERVE: This account represents the difference between the current valuation of fixed assets and the historic costs of those assets. This Account came into effect 1 April 2007.

SCHEME LIABILITIES: The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employee is committed to provide for service up to the valuation date.

SERVICE REPORTING CODE OF PRACTICE FOR LOCAL AUTHORITIES (SeRCOP): A CIPFA guide to accounting for best value which provides a consistent and comparable calculation of the cost of services.

SETTLEMENT: An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligations and the assets used to effect the settlement.

SPONSORSHIP: The voluntary provision of non-public funds, services, equipment or other resources that enable the enhancement or extension of the normal service provided.

STATEMENT OF ACCOUNTING POLICIES: This explains the basis of the figures in the accounts. The accounts can only be properly appreciated if the policies that have been followed in dealing with material items are explained. Changes in policies from previous years have been clearly shown.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS: This explains the responsibilities of both the Police and Crime Commissioner and Police and Crime Commissioner's Chief Finance Officer in respect of the Statement of Accounts.

STATEMENTS OF STANDARD ACCOUNTING PRACTICE (SSAP): These standards were adopted by the Accounting Standards Board (ASB) from its predecessor, the Accounting Standards Committee (ASC), and regulate the preparation and presentation of financial statements. Any new Standards are now referred to as Financial Reporting Standards (FRS). The CIPFA Code of Practice on Local Authority Accounting 2007 requires compliance to these Standards or disclosures in the notes if there are any material departures from those Standards.

TRANSFER VALUES: Payment made by one pension scheme to another in respect of accrued pension rights when a member of a scheme changes pensionable employment.

TREASURY MANAGEMENT POLICY (TMP): This is a policy adopted to manage investments, cash flows, and banking transactions. It governs the control of risks associated with these activities and the pursuit of optimum investment return balanced with security of investment.

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

ACRONYMS

ACC	Assistant Chief Constable
ACPO	Association of Chief Police Officers
AGS	Annual Governance Statement
APACE	Association of Policing and Crime Chief Executives
APCC	Association of Police and Crime Commissioners
ASC	Accounting Standards Committee
CC	Chief Constable
CCNY	Chief Constable of North Yorkshire Police
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CFR	Capital Financing Requirement
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
DCC	Deputy Chief Constable
FRS	Financial Reporting Standards
FSS	Formula Spending Share
FTE	Full Time Equivalent
GAD	Government Actuary's Department
HM	Her Majesty
HMRC	Her Majesty's Revenue and Customs
HO	Home Office
HPCC	Police and Crime Commissioner for Humberside
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IS	Information Systems
ISD	Information Services Department
IT	Information Technology
JANE	Joint Arrangement Not an Entity
JPAC	Joint Police Authorities Committee
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LCJB	Local Criminal Justice Board
LGPS	Local Government Pension Scheme
MRP	Minimum Revenue Provision
MTFP	Medium Term Financial Plan
NHS	National Health Service
NYP	North Yorkshire Police
NYPA	North Yorkshire Police Authority
NYPFCC	Police Fire and Crime Commissioner for North Yorkshire
PCC	Police and Crime Commissioner
PCSO	Police Community Support Officer
PFI	Private Finance Initiative
PPE	Property, Plant and Equipment
PWLB	Public Works Loan Board
RICS	Royal Institution of Chartered Surveyors
SeRCOP	Service Reporting Code of Practice
SORP	Statement of Recommended Practice
SSAP	Statements of Standard Accounting Practices
SYPCC	Police and Crime Commissioner for South Yorkshire
TMP	Treasury Management Practices
VAT	Value Added Tax
WYPA	West Yorkshire Police Authority
WYPCC	Police and Crime Commissioner for West Yorkshire