



Lincolnshire
POLICE & CRIME COMMISSIONER

SAFER TOGETHER

Lincolnshire Police and Crime Commissioner

Financial Statements

2022/23

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Police and Crime Commissioner for Lincolnshire
PCC Group and PCC Statement of Accounts 2022/23

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Introduction to the Financial Statements

Police and Crime Commissioner Marc Jones

Content TBD.

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Annual Governance Statement 2022/23

Content to follow.

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Chief Finance Officer's Narrative Report

The Narrative Report to the financial statements provides a guide to the most significant matters reported in the accounts and includes key performance information, a comparison of outturn figures to the budget and highlights significant areas of expenditure and major changes.

Introduction

I am pleased to present the Statement of Accounts for the Police & Crime Commissioner for Lincolnshire for the financial year 2022/23. This Statement of Accounts sets out the overall financial position of the Police & Crime Commissioner for Lincolnshire (PCC Group) for the year ended 31 March 2023.

The PCC Group is responsible for providing policing services to a population in excess of 710,000 dispersed across a large geographical area of 590,000 hectares.

The PCC Group:

- Sets its own budget;
- Holds its own Reserves;
- Receives a share of Police Grant paid by the Home Office;
- Also receives Legacy Council Tax Grants from the Home Office;
- Determines and receives precepts for the proportion of the budget to be met by the residents of Lincolnshire as part of the overall council tax collected by District Councils.

Central Government funding provides the PCC Group with the majority of its income required to police Lincolnshire. The remainder is mostly met from local council tax payers.

The police grant for 2022/23 in Lincolnshire increased by £3.7m (5.6%) compared with 2021/22. The pension top-up grant allocation (£1.2m) has been maintained in 2022/23 at the same level since 2020/21. In addition, a ringfenced allocation of £1.1m is available to Lincolnshire on maintaining the police officer uplift target and in accordance with the grant conditions

The Ministry of Justice has indicated the allocation of the Victim Services Grant to PCCs for 2022/23, this will remain the same in cash terms as for 2021/22, £0.884m. The budget includes commensurate ring-fenced expenditure.

The police grant settlement covered just one year. As in previous years, the existing approach to funding distribution will continue in 2022/23. The Minister's statement did not refer to the Core Grant Distribution Review (funding formula review).

The grant settlement was subject to consultation and the Police & Crime Commissioner wrote to the Home Secretary and Minister of State for Policing and Fire Services expressing his views. The Final Police Grant Report 2022/23 was confirmed by the government on 2 February 2022 and subsequently debated by Parliament on 9 February 2022. During the debate, the Policing Minister confirmed that work on the funding formula was underway, a technical oversight group had been appointed and he expected that consultation would be undertaken during summer 2022.

The Lincolnshire Police and Crime Panel met on 4 February 2022 to consider the PCC's proposed council tax increase. The Panel voted unanimously at the meeting to support the proposed £9.99 for a Band D property, a 3.75% increase to the policing element of the council tax in 2022/23. The increase in the precept provided an additional £4m in council tax receipts when compared with 2021/22.

The global economy is set to grow at the slowest pace for over thirty years over the next five years according to the IMF. The causes of the Covid-19 pandemic, war in Ukraine and the soaring cost of living continue to reverberate across the world. The UK economy is predicted to shrink in 2023 due to high energy prices and interest rates further contributing to the major challenges effecting the government spending plans. The need for clear and robust plans and adequate levels of reserves are now more important than ever.

Governance

The PCC is responsible for the totality of policing within Lincolnshire, with the Chief Constable being responsible for operational policing.

The PCC is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To discharge this accountability the PCC and Senior Officers must put in place proper procedures for the governance and stewardship of the resources at their disposal.

The annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement, which forms part of these Financial Statements, and includes the governance arrangements of the Chief Constable.

Organisation

The PCC receives all funding and income and makes all payments for the PCC Group. Under a detailed Scheme of Delegation an annual budget is provided, following consultation with the Chief Constable, for fulfilling requirements for policing Lincolnshire in accordance with the Police and Crime Plan.

All Police Officers and the majority of police staff (other than a small number relating to the PCC's Office, Victim Lincs staff, and regional support arrangements) are in the Chief Constable's employment. The Financial Statements reflect the cost of providing operational policing in the Chief Constable's accounts with the PCC's accounts showing a commensurate transfer of resources to the Chief Constable.

The PCC took the decision in October 2020 not to take up an option to extend the G4S Strategic contract for a further five years. The contract, which was worth in the region of £23m per year was to provide a wide range of operational and support functions to the Chief Constable. The contract concluded at the end of financial year 2021/22 and following examination of the options the vast majority of the services (with the exception of custody/cleaning) transferred back to the Force for the start of the 2022/23 financial year.

Lincolnshire Police is one of five regional forces in the East Midlands and works closely on various collaborations to provide an efficient service. More detail and how the regional accounts are accounted for in these Financial Statements is provided in Note 37.

The Commissioner's Priorities

The new Community Safety, Policing and Criminal Justice Plan for Lincolnshire April 2021 to March 2025 sets out the actions that the PCC will be taking to help ensure communities stay

safe. This is available on the PCC's website www.lincolnshire-pcc.gov.uk. The key principles within the Police and Crime Plan are:

- Community safety and prevention in partnership
- Listening, responding and being accountable
- Protecting and supporting victims and the vulnerable
- Policing that works

Performance

The achievements for the year are summarised below under the headings of the Key Principles of the Community Safety, Policing and Criminal Justice Plan for Lincolnshire.

Community safety and prevention in partnership

"I plan to bring all partners together to work to reduce crime. This includes councils, health services, probation, voluntary and community organisations, the public and the courts. Public money is always precious and the more we do together the safer we all will be. Prevention is critical to success. Spending time and money after a crime is committed and harm has been done is less effective than working to stop crime through good prevention. We need to focus on those crimes and offenders that cause the most harm and reduce their impact"

Successes have been achieved in the following areas -

- 1. Call blocker devices** - A successful bid was made to National Trading Standards which enabled the purchase of 44 True Call Secure+ call blocker devices. Identification of suitable recipients, the installation and management of the call blockers was undertaken by the Lincolnshire Police Crime Prevention Team. These additional units brought the number of call blockers installed in Lincolnshire homes to 70. During the year, these call blockers screened 8,093 nuisance calls, blocked 2,210 scam calls and prevented 13 scams – saving those individuals an estimated £60,371.
- 2. Lincolnshire Drugs Strategy** – during the Spring the Lincolnshire Drugs Strategy was launched. The Strategy will now be built upon to form a Substance Misuse Strategy and this work will be taken forward through the newly established Safer Lincolnshire Partnership Substance Misuse Core Priority Group. The strategy can be found on the Lincolnshire Police website -

<https://www.lincs.police.uk/SysSiteAssets/media/downloads/lincolnshire/about-us/strategies-and-plans/lincolnshire-drugs-strategy-2021-25.pdf>
- 3. Prisoner Release Housing Protocol** - Through the Reducing Re-Offending Group of the Safer Lincolnshire Partnership (chaired by the OPCC Director of Strategy and Operations) a Prisoner Release Housing Protocol has been developed and agreed. The Protocol was launched on 6th June and currently applies to prisoners who are being released from Lincolnshire prisons and approved premises. The protocol an agreement between partner agencies to work together to try to reduce homelessness amongst people on release from prison.

4. **Deputy Police and Crime Commissioner** - Mr Philip Clark (Deputy PCC) has attended over 60 national, regional and local meetings and events representing the PCC. The scope is wide ranging and examples include:
- Observing the delivery of the Twinning Project at Lincoln Prison
 - Lincolnshire Rape Scrutiny Panel
 - Roundtable on Project Adder (Policing minister and APCC Addictions Portfolio)
 - Rural Crime Summit
 - Lincolnshire Health and Wellbeing Board
 - Lincolnshire Criminal Justice Assurance Board
 - Sports, Serious Violence and Youth Crime Prevention Board

The full list of meetings/events attended are published on the PCC website.

The Deputy PCC also co-chairs the Lincolnshire Criminal Justice Board and Serious Violence Core Priority Group.

5. **Mutual Gain hosted World Cafes** – the events were hosted in four areas of Lincolnshire - Sutton Bridge, Sleaford, Skegness and Gainsborough (South-West Ward). At the events communities shared their experiences and insights into issues relating to community safety and local groups were encouraged to suggest projects they believed would benefit their areas. These applications were then considered and voted on by the community. Over 500 people attended the World Cafes across all four areas, and, in total, 24 projects received funding.

6. **Neighbourhood Watch Community Safety Charter** – The PCC has signed up to the Neighbourhood Watch Community Safety Charter which includes the following pledges:

- Promote – culture do not tolerate harmful language, antisocial behaviour and hostility towards others
- Enable – others to identify and take an active stance to prevent harassment, antisocial behaviour and intimidation within our community
- Report – actively encourage and support others to report harassment, ASB, intimidation and share intelligence about these crimes to the relevant authorities
- Support those affected by harassment, ASB and intimidation and refer victims to relevant support agencies
- Further information can be found here; Community Safety Charter | Neighbourhood Watch Network (ourwatch.org.uk)

Neighbourhood Watch activity is co-ordinated on the Lincolnshire Alert system and this system will be a key enabler in delivering against the pledges.

7. **Lincolnshire Lowland Search and Rescue (LLSAR)** – The PCC has committed just under £4,000 of funding to enable LLSAR, part of the UK Search and Rescue that cover the areas not supported by Mountain Rescue, to enable them to update their IT and radio equipment. This will allow better sharing of information and facilitate joint working when providing support to Lincolnshire Police search teams.
8. **Safer Streets Fund** – the PCC successfully secured £400,000 of funding from the Government to create CCTV “safe zones” in Spalding, Skegness and Boston. The funding also included the introduction of Community Ambassador and Young Ambassador Programmes incorporating awareness raising, reporting and training on

Violence Against Women and Girls and Anti Social Behaviour. In addition, 45 officers from Lincolnshire Police are due to were given trauma informed training.

9. County-wide review of CCTV - The PCC engaged an external provider to undertake a county-wide review of CCTV. The review commenced early in 2023 and will involve scoping of the fixed and mobile/hotspot public space CCTV managed and operated by local government partners across Lincolnshire. The output will be a consistent county-wide vision for the use of CCTV between District Councils and Lincolnshire Police, to include:

- Identification of any 'quick wins', in particular, where areas have pressing delivery issues (staffing/budget)
- System integration - identify the potential, including associated costs, issues and implications, for linking/sharing CCTV images across Districts and Lincolnshire Police
- Evidence management/sharing
- Camera location and coverage
- Data capture and information sharing of outcomes to demonstrate benefit of CCTV

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Listening, responding and being accountable

“Everyone deserves a say in what we do and I will listen and respond to voices across the county and will engage with all communities. I have given the Deputy PCC a specific remit to challenge and support on engagement and rural community safety. I will use his role to hold partners as well as the police to account for what they do so that all public money is used wisely to provide effective, responsive services that are not a one size fits all solution. I understand that difficult choices will need to be made and I know that I am directly accountable to the people of Lincolnshire”

Successes have been achieved in the following areas-

- 1. Public opinion survey** – the PCCs annual consultation continues to get wide public support with this year’s survey receiving 3,843 completed returns – the highest response ever achieved. The results were shared with Lincolnshire Police Chief Officer Team and with the Safer Lincolnshire Partnership. Responses were used to inform policing priorities and the setting of the precept, with nearly two thirds (65%) of respondents supported an increase of at least 5%. Even when factoring in those who were not prepared to pay more, the average preferred percentage increases in police precept ranged from 8.15% to 9.75% - both well in excess of the actual increase of 5.4%.
- 2. Personal engagement** - The PCC continues to make accessibility a priority and has continued to engage with many individuals, organisations and groups who are dedicated to making their communities better places to live. During 2022/23 he participated in just over 460 meetings and events both in person and virtually.
Over the course of 2022/23 the OPCC has received just under 3,500 pieces of correspondence (excluding routine correspondence from policing bodies), and 57 Freedom of Information requests. In addition, the PCC is an avid user of social media which is used to enhance public visibility and reach. The PCC has attracted just over 7,800 ‘followers’ on Twitter since taking office in May 2016. The Office of the PCC Twitter account has attracted almost 660 followers since going live in May 2021.
- 3. Representing Lincolnshire on the national stage** – in May 2021 the PCC was elected as the chair of the national Association of Police and Crime Commissioners for the next two years – the first PCC to be elected for more than a single year. The role involves representing all Police and Crime Commissioners in discussions with national organisations and Government for the next two years and will ensure that the issues important to Lincolnshire are voiced at a national level.
In addition, the PCC has been appointed to join the board of the College of Policing - the professional body for policing in England and Wales. The College is an independent body that supports professional development, sets standards and shares knowledge and good practice across national policing. The PCC’s appointment was confirmed by Home Secretary Suella Braverman.
- 4. Partnership working** – a great deal of the work undertaken by OPCC is actually devoted to the “crime” element of the title rather than the “police” element. In that capacity there is an enormous amount of work that goes on to seek, establish and improve partnerships with other agencies and organisations to ensure the public sector provides the most effective and efficient services for our communities possible.
The PCC and the OPCC team are engaged with, and sit on boards for, a wide range of organisations such as Safer Lincolnshire Partnership, National Rural Crime

Network, child protection agencies, various health and wellbeing boards – each designed to help deliver joined up services for the residents of the county.

- 5. Public Assurance Meetings (PAM)** – the PCC continued to hold regular meetings with the Chief Constable to review police performance. The meetings are open to the public – to provide the opportunity for residents to be well informed and ask questions about the performance of their police force.

The meetings are recorded and all papers and the audio recording are made available on the PCC website:

<https://lincolnshire-pcc.gov.uk/transparency/public-assurance-meetings/public-assurance-meeting-archive/>

- 6. Lincolnshire Independent Custody Visiting Scheme** – Police and Crime Commissioners have a statutory duty to maintain an Independent Custody Visiting Scheme, in which local members of the public volunteer to serve as Independent Custody Visitors (ICVs) making regular, unannounced visits to police custody suites to check on the rights, entitlements and wellbeing of detained persons as well as the conditions they are held in. The primary aim of the Scheme is to increase public confidence in the treatment of persons detained in police custody.

In Lincolnshire, a total of 192 custody visits were originally scheduled for 2022/23 and split between the four local visiting panels serving Lincoln, Grantham, Boston and Skegness police custody suites. A total of 157 (81%) visits had been successfully completed by the end of March 2023.

A total of 260 (89%) detained persons who were available at the time a custody visit was conducted, gave their consent to be seen by ICVs. Just over 30 (11%) of detained persons refused to be seen.

- 7. Informing the public how Council Tax is spent** – every year the PCC publishes information on how the extra council tax raised through the precept will be invested in front line policing and community safety. Members of the public continue received this information in hard copy along with their Council tax bills for 2022/23. The leaflet and supporting information are also published on the PCC website.
- 8. Lincolnshire Alert** – the PCC took over the management of Lincolnshire Alert in 2021 and pledged to review the system. The review found the number of registered users has grown to 13,367. Between April 1st 2022 and March 31st 2023 90 messages were sent out to 18,012 people. Response from users has been exceptionally positive and as result the PCC has committed to continuing with Lincolnshire Alert for a further year. Access to Lincolnshire Alert can be found here <https://www.lincolnshirealert.co.uk/>

Quote from Lincolnshire Alert user:

“Well done on something relevant to this area, keep up the good work, keep us well informed on crime and scams please. Thanks”

- 9. The Safer Together Team** – the team has attended around 350 events, activities or professional meetings across the county in 2022. They have represented the OPCC at events including the Uffington Scarecrow Festival, RAF Waddington Prevent, and Gainsborough South West Ward Walk Arouns. This has enabled the team to develop an understanding of local community issues which are then shared with partners, Lincolnshire Police and the PCC as appropriate.

Engagement activities have also taken place with partnership agencies and events including Neighbourhood Policing Teams, Voluntary Centre Services, Cyber and Rural Crime Event, Lincolnshire County Council, and Community Alcohol Partnerships - allowing community voices to be heard in local and strategic decision making including national funding applications and local community support.

The team also developed 'engaging communities' toolkits in conjunction with relevant specialist support groups which are being shared with the Force Equality, Diversity and Inclusion team. Toolkits developed to date include, amongst others, engaging with veterans, people who are autistic and people with visual impairment.

Quote from LCC Fraud Community Safety Coordinator:

"The OPCC Safer Together Team have supported the work of the Safer Lincolnshire Partnership Crime and Disorder (Fraud) Group by engaging with community groups and hubs to work together with NPTs and the Lincs Police Crime Prevention to deliver fraud engagement sessions in communities at risk of fraud. They have built strong relationships that can be relied upon to bring partners together."

10. Lincolnshire Strong Voices - is a project undertaken by the Safer Together Team on behalf of the PCC to hear the views of young people across Lincolnshire on community safety.

Activities have been undertaken in several local schools, engaging over 1,000 young people in conversation on how they feel about their local area, what they would change and what they are worried about in relation to community safety. In addition, a core group of young people have been recruited for a core group to meet on an eight-weekly basis with the Safer Together Team to discuss topics of their choosing linked to community safety.

Protecting and supporting victims and the vulnerable

“No one chooses or wants to be a victim of crime. If you are a victim I will work with other agencies to ensure the best possible service is available to help you cope and to recover from the experience and work with partners in the criminal justice system to meet your needs. The court system should deliver timely justice and support those affected by crime so that trust grows that the criminal justice system is on their side. All involved must work together to ensure that those who are more vulnerable to crime are identified and helped to prevent them from becoming victims in the first place”.

Successes have been achieved in the following areas -

1. **Sexual Violence Co-ordinator** – a grant of £78,000 was secured from National Health Service England to introduce a dedicated Sexual Violence Co-ordinator within Victim Lincs. The role provides an enhanced service to victims of sexual violence and abuse by completing detailed needs assessments, providing information and advice and making referrals to specialist support services. Between September 22 and March 23, 834 victims of sexual violence of all ages were referred to the Sexual Violence Co-ordinator in Victim Lincs
2. **Violence Reduction Programme** – the PCC commissioned a needs assessment review, carried out by Lincolnshire County Council, and as a result has worked with partners to create a new group to work on combatting the problem. The Serious Violence Core Priority Group has now been established as part of Safer Lincolnshire Partnership and the PCC has agreed to fund a co-ordinator post for the group.
3. **Victim Outreach Support** – following consultation with victims, the public, partner agencies and Lincolnshire Police the Victim Outreach support contract was awarded to Victim Support from April 2023
4. **Victim Services Impact Report** - The first report was unveiled in October 2021 and the 22/23 report is due out in June. The report sets out all the services available now and developments for the future – which include a fast-track counselling service and a new sexual violence co-ordinator. Among the useful statistics to be included in the 22/23 report are:
 - 12,991 were referred to Victims Lincs
 - 865 people supported with outreach support
 - 2,045 survivors of sexual violence accessed services

The full report will be available on the PCC’ s website.

5. **Raise awareness of violence against women and girls** - The PCC funded Lincoln University to develop several videos to raise awareness of violence against women and girls. The videos highlighted what behaviour constitute harassment and how to report, and demonstrating the use of the Hollie Guard personal safety app. These videos were shared via PCC social media channels, as well as with partners.
6. **Dementia wristbands** – the PCC funded the launch of new “smart” wristband which were issued to people living with dementia. The wristbands store the names and contact details of a wearer’s next of kin and can be read by smart phones using near field communication technology. A pilot project using 600 bands was launched in East Lindsey and supported with a £1,000 grant from the PCC Marc Jones alongside additional funding from local community groups including the Royal British Legion.

The bracelets can be worn or carried by people living with dementia so, if they get lost, police or members of the public can quickly access details of the next of kin and contact them. Details can be retrieved simply by placing a mobile phone within two three centimetres of the device.

- 7. Rural spotter** - special hidden cameras have been purchased for Lincolnshire Police to combat rural crime after an investment of £20,000 from proceeds of crime money. The 20 new hi-tech cameras, complete with night vision, can be installed at secret locations around the county and can alert the police to intruders within seconds.

The Rural Spotter cameras have been developed to cope with direct sunlight or streetlights and can resist temperatures of between 60°C and -25°C and can be installed outside, in buildings or vehicles and are being used to target burglary, theft, wildlife and rural offences and arson in remote locations.

- 8. Enhanced support for victims of hate crime** - From 1 April 2023, Victim Support has been commissioned by the Police and Crime Commissioner to provide an enhanced hate crime support service within Lincolnshire, as part of their outreach service.

This service includes-

- Outreach support. Direct practical and emotional support to victims
- Free 24-hour Support Line. This includes phone line, live online chat, text relay, BSL, language interpretation, email support and support request via a secure online form.
- My support Space. An online resource containing interactive guides to help victims manage the impact that crime has had on them.

- 9. Fast Track Counselling for Victims of Sexual Violence** - in recognition of the need for immediate trauma counselling for victims of sexual violence, the PCC secured £65k of non-recurrent funding to put in place a high-quality specialist counselling service. This service is delivered by Umbrella Counselling to meet specific needs of victims and survivors of sexual violence who are 18 or over who have attended the Sexual Assault Referral Centre. 139 victims received trauma counselling during 22/23.

- 10. Support for victims of sexual violence** - In 2022 the PCC secured an additional £310k for additional Independent Sexual Violence Advisors, Independent Domestic Violence Advisors and specialist therapeutic support services to victims of sexual violence including dedicated support to men and boys. In 2022, the PCC provided a multiyear funding commitment until 24/25 to the following-

- Umbrella Counselling
- Lincolnshire Rape Crisis
- NW Counselling Hub
- University of Lincoln for a dedicated Sexual Violence and Domestic Violence Liaison Officer (see below point 11)

11. Sexual and Domestic Violence Liaison Officer – University of Lincoln

This role delivers specialist, bespoke support to survivors of sexual violence and/or Domestic violence who are students at the University of Lincoln. The role provides long term and emergency response. Victims are receiving timely, professional and tailored support and provided with options regarding the criminal justice system, and access to health services.

12. PCC's victim services provider network - The PCC established provider forum continues to be effective in bringing together not only those victim services which the PCC commissions, but other victim support providers. The network meets on a quarterly basis to increase professionals' awareness and understanding of other services within Lincolnshire, support the sharing of best practice and the identification of any gaps in services.

13. Lincolnshire Safeguarding Children Partnership Child Sexual Abuse Pathway -

A Lincolnshire CSA Strategy 2022-2025 document and CSA pathway has now been developed and was launched at a multi-agency event in November 2022.

Following the submission of an Expression of Interest by Lincolnshire Safeguarding Children Partnership (LSCP) to partner with the Centre of Expertise on Child Sexual Abuse (CSA), Lincolnshire was selected as one of three pilot areas to test implementation of a newly developed CSA pathway.

The CSA Pathway is a supportive resource that aims to help multi-agency professionals identify and navigate the actions they can and should take, and the interventions they can provide to effectively identify and respond to a child's safeguarding needs when there are concerns of CSA.

The OPCC is a member of a multi-agency CSA steering group, whose objectives are to:

- Promote effective working relationships between all partners, professional groups and voluntary organisations to safeguard children from sexual abuse
- Work with the Centre of Expertise on CSA to develop and embed the CSA Pathway
- Develop and agree a LSCP CSA Strategy and promote its adoption across the partnership
- Facilitate shared learning and gain a better understanding of the profile of child sexual abuse, how to intervene and address the impact on children and families
- Identify opportunities for further commissioning to combat child sexual abuse.

Policing that works

“Effective enforcement, help and assistance when you need it are critical to policing that works. I will hold the Chief Constable to account for the services he provides and ensure he continues to innovate and transform the service and gives the frontline officers the ‘right tools for the job’” to respond to the diverse needs of our communities. The welfare of Lincolnshire Police officers and staff is a key concern for me and a continued and meaningful focus must be maintained to ensure the wellbeing, resilience and reputation of the Force. I will continue to fight for a sustainable future for Lincolnshire Police to ensure we have the money to support effective policing and crime prevention in this county”.

Successes have been achieved in the following areas -

- 1. Transition from G4S** - following the end of the G4S contract, Lincolnshire Police made the decision that Custody services and Cleaning services would be provided by private contractors. All other service areas were transferred back to Lincolnshire Police. The transfer took place from April 2022 and there have been no issues reported.
- 2. Roads Policing Team** – the establishment of this new team, tasked with denying criminals the use of our roads and preventing deaths and serious injuries across Lincolnshire, was completed in the summer of 2022. The team is now fully operational and includes two sergeants and 18 constables deployed across two bases – one in Louth and one in Grantham. All the team have received intensive training around traffic law and other related skills. Notable action during the year included Operation Tramline – utilising an unmarked HGV to identify traffic offences. As a result in five days the team issued 170 tickets for various offences such as no seatbelt, using a mobile phone and insecure loads. The Christmas Anti Drink Drug Drive campaign saw 211 motorists arrested by the Force for drink or drug drive offences.
- 3. Rural Crime Action Team** – the team is now fully operational and dedicated to driving down crime that blight our communities, including burglary and vehicle crime. The team comprises a mix of six police and detective constables and a sergeant. The team took delivery of new vehicles with 4x4 capability and two members of the team are now drone operators with their own drones – which assists greatly in locating and dealing with rural crime offences.
Over the summer period the team also recovered around £500k of stolen property.
- 4. Tasers** - In April 2021 the Force had 220 taser-trained officers. There are now more than 300 officers trained in the use of tasers.
- 5. Single Online Home** – the new force website, built to a common national standard, became fully integrated last year and now allows the public to report non-urgent crime, traffic collisions, missing persons, make applications under the Freedom of Information Act, request Sarah’s Law/Clare’s Law data, inform about events and report rural crime, all from their own personal devices without the need to talk to anyone or wait in a queue.
- 6. 999 calls** – in May 2022 the Government published call handling data for all forces across the UK. The data shows that Lincolnshire Police answered 88.5% of 999 calls within 10 seconds, which is the third best performing force in the Country.

7. Tackling scams and frauds - The PCC and Force have committed to extending the 'Fraud Prevent and Protect Co-ordinator' post for a further two years ending in 2024. The Force has been working with the regional fraud teams and partners to identify upcoming trends, share resources and best practice. Focus has shifted to concentrate on the fraud enablers and not the fraud outcomes, which has supported in the education of both internal and external professionals.

8. Independent panel to review the Lincolnshire Police approach to violence against women and girls - the PCC created and launched an independent panel to study the actions being taken by the force and reports on its findings.

Members of the panel, chaired by Lincolnshire YMCA chief executive Caroline Killeavy, were tasked with bringing forward ideas and recommendations designed to make positive change and improve confidence in policing. The initial report of the panel will be published this year.

9. Police officer numbers – An additional 166 extra officers have been added to Lincolnshire Police as a result of the Government drive to recruit 20,000 more cross England and Wales. This number has been bolstered by a further 23 funded from Council Tax and they are making a significant difference to the capability of the force.

10. Police officer training – the PCC campaigned against the introduction of degree-only entry into policing and in late 2022 Home Secretary Suella Braverman agreed – and allowed the existing non-degree entry process to continue.

The new training regime, called Policing Education Qualifications Framework, would have meant officers completing a 50% longer three-year probation as part of attaining a graduate-level qualification.

The decision allows forces like Lincolnshire Police to retain a non-degree entry training regime.

11. Community Beat Managers – the PCC provided the funding for 13 extra community beat managers to enhance Lincolnshire Police's new Neighbourhood Policing model.

The model ensures every area across the county has its own dedicated Neighbourhood Policing Team, which is led by an Inspector, and has dedicated Police Sergeants and Constables.

These teams are dedicated to tackling local issues that impact our communities the most. In addition, in areas of greatest vulnerability and need, dedicated PCSOs are embedded within those neighbourhood teams.

The focus of the teams will be on proactive crime prevention, engagement with the local community and targeted deployment using data.

Key Crime Statistics

The effect of the pandemic on damping down most crimes now seems to have come to end and it is important to remember the context for the crime figures for 2022/23.

Not only are we seeing a return to normal life post lockdown – and with it the re-emergence of certain crime types – but the numbers are also being compared with unusually low crime statistics creating unusual spikes. In the 12 months to March 2023 overall crime rose to total of 58,904 – a rise of 7%. Due to a spike in certain violent offences the crime harm index (a measurement of crime rates in which crimes are weighted based on how much “harm” they cause) rose by 12.3% within the year.

Some of the increases are also, in part, due to a focus on improving crime recording-

- The number of burglaries grew with the number of overall burglaries at 3,376 (a rise of 7.2%).
- Theft cases overall (excluding vehicles) were up by 19.7%, with a total number of 11,260. Thefts from person grew to 170 (up by 14.1%) whilst shoplifting grew by 29%, with a total of 5,355.
- Vehicle crime overall grew by 8.5% to 2,586 incidents in year. This included theft of vehicles risen by 9.3% and theft from vehicles increased by 17.3%.
- Arson and criminal damage incident stayed very much static with previous year with 6,642 incidents recorded.
- There were 6 homicides in the county – a reduction of 50% from the previous year. Violence against the person increased by 4.9% to 23,267. Of these cases violence without injury constituted the majority these cases at 9,110 (4% up). Stalking and harassment cases totalled 7,676 – a slight increase of 1.1%. Robbery increased by 12.1% to 388.
- Sexual offences overall increased to 2,521 (a rise of 3.5%) with rape cases reducing very slightly to 925 (a decrease of 0.8%).

Over the 12-month period the force has, on average per month issued the following tickets-speed 138, seatbelts 43, mobile phone 57, dangerous driving 47 and drink/drug driving 122. All the driving enforcement activity areas have seen an increase in volumes over the previous year.

Across the year there were 676 mental health detainees dealt with by the force – and dealing with mental health incidents continues to put significant strain on resources.

During the year the force received 135,671 calls for service – a slight reduction of 2.7% on the previous 12 months. More than 89% of Emergency calls were answered within 10 seconds.

There has been another encouraging increase in the number of crimes reported online with the 10,766 representing an increase of 83.9%.

The Force Urban Response time target for urgent calls is under 15 minutes and over the last 12 months 60.3% of urgent incidents have been attended within this time. The Force Rural Response time target is under 20 minutes and in the last 12 months 65.9% of urgent incidents have been attended within this time.

Lincolnshire Police received 1,013 complaints in the 12 months to March – a slight reduction of 3.2% on the previous year.

Further information about Force performance together with a detailed local breakdown is available through the Chief Constable's website at www.lincs.police.uk and the crime mapper website Police.uk

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Gender Pay Gap

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into effect on 31 March 2017, which requires public sector authorities with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. Lincolnshire Police employs around 1,500 people and is therefore subject to this duty.

It is important to understand that pay for both police officers and staff is determined nationally and to recognise that gender pay reporting is not the same as equal pay. Equal pay is ensuring equal pay for equal work; however, gender pay reporting compares hourly rates of pay and any bonuses staff may receive by gender, seeking to expose any imbalance.

Based on the results, steps will be taken, where possible, to minimise or readdress any identified inequities going forward.

Our Pay Gap Information

These figures are calculated using the standard methodologies laid out in current legislation:

Published mean and median information				
	Male	Female	Gap	Percentage
Mean hourly rate	£18.85	£17.18	£1.67	8.87%
Median hourly rate	£19.77	£16.43	£3.34	16.89%
Total employees - salary quartile bands				
	Lower	Lower-middle	Upper-middle	Upper
Male proportion	47.37%	51.50%	69.00%	68.67%
Female proportion	52.63%	48.50%	31.00%	31.33%
Published bonus information*				
	Male	Female	Gap	Percentage
Mean bonus	£356.28	£932.77	£576.49	-161.81%
Median bonus	£150.00	£375.00	£225.00	-150.00%
Proportion receiving a bonus	4.55%	3.37%	1.18%	N/A

*Bonuses are usually paid for 'unpleasant tasks', or for additional work or responsibilities. Chief Officers do not receive bonuses.

Summary

Lincolnshire Police remain committed to ensuring fairness, inclusivity and the equal treatment of all employees regardless of protected characteristics, and therefore we are disappointed to have a gender pay gap which is 1.99% higher than the 2022 national average of 14.9% ([Office of National Statistics](#)).

The Chief Officer team remain determined to tackle the under-representation of women through all grades and ranks and provide every opportunity for women to progress. Throughout this period the organisation has employed 101 females, 56 of those as new constables, and promoted 7 through the ranks. This has resulted in a slight increase in the percentage of our female workforce. The Force remains committed to ensuring fairness and inclusivity within Lincolnshire Police and acknowledge the many benefits this brings to our organisation.

Financial Performance

Analysis of Revenue and Capital Expenditure

Total operational expenditure for the 2022-23 financial year was £144.6m compared with £137.7m for the previous financial year. Total operational expenditure is less than expenditure shown in the financial statements because it excludes regional costs, pension costs and other adjustments for statutory reporting purposes. The table below shows those items which are excluded from total operational expenditure.

2021/22 £000	Total Net Operational Expenditure	Note No.	2022/23 £000
204,321	Gross Expenditure as per Financial Statements	5	226,908
(55,776)	Pensions Accounting	44.3	(65,502)
383	Capital Accounting	28	(3,424)
25	Accumulated Absence	30	548
-	Collection Fund	31	(222)
(75)	Regional Reserves Transfer	7	38
148,878	Gross Operational Expenditure		158,346
(11,206)	Fees, Charges and Other Service Income		(13,776)
137,672	Total Net Operational Expenditure		144,570

The table and pie chart over page provide further analysis of the main components of total operational expenditure.

Employee Spend: Spend on police officers, police staff and police community support officers amounted to 74% of total spending. This category of spend has increased on the previous year due to the TUPE transfer of staff at the end of the strategic partnership.

Supplies and Services: Spend represents 12% of total spending and includes supplier payments for a wide variety of supplies and services used by the PCC/Force on a daily basis.

Third party payments and contracted services: This represents 3% of the total spending. The 2021/22 expenditure included the G4S strategic partnership costs that provided back office and operational support service provision. The end of the strategic partnership has therefore resulted in a reduction in category costs.

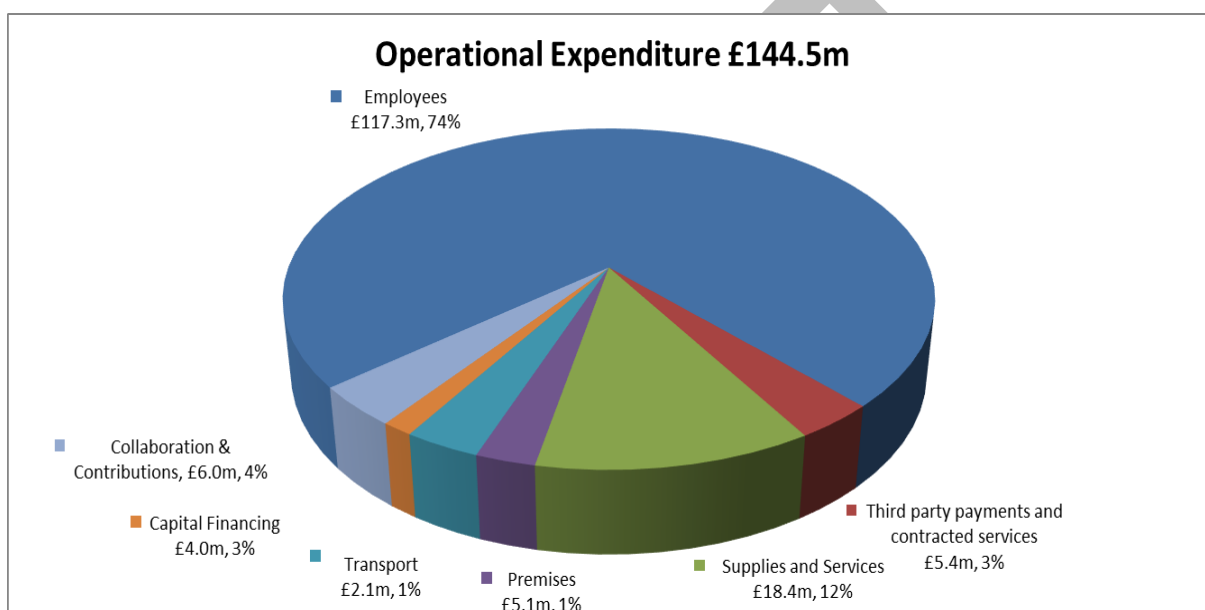
Premises: 3% of the total spend is made on the Force estate which includes 37 stations and the Force HQ which is now shared with the Fire Service.

Capital Financing: The cost of financing the capital programme undertaken by the PCC/Force represent 3% of the total spend.

Transport: Spend on vehicle and travel costs undertaken by the PCC/Force represents 1% of total spend.

Collaboration and Contributions: Spend which represents 4% of the total spend on Regional and National collaboration and initiatives.

2021/22 £m	Operational Expenditure	2022/23 £m	Ratio for year
91.8	Employees	117.3	74%
16.1	Supplies and Services	18.4	12%
27.3	Third party payments and contracted services	5.4	3%
2.9	Premises	5.1	3%
3.7	Capital Financing	4.0	3%
1.4	Transport	2.1	1%
5.7	Collaboration & Contributions	6.0	4%
148.9	Total Gross Operating Expenditure	158.3	100%
(11.2)	Less Sales, Fees and Charges	(13.8)	
137.7	Total Net Operating Expenditure	144.5	



Income

Total Income for 2022/23 was £144.6m compared with £137.7m for 2021/22. Total income is less than the income shown in the financial statements because it excludes Police Pension Payments grant, recharged income, capital receipts and regional contributions. The table below shows those income items that are excluded from total income.

2021/22 £000	Income	2022/23 £000
(181,870)	Income as per Financial Statements	(188,437)
21,914	Pension Top-Up Grant	24,715
1,544	Recognised Capital Grant and Contributions	266
487	Council Tax Collection Fund	-
135	Gains on the disposal of assets	90
11,206	Fees, Charges and Other Service Income	13,776
(146,584)	Total Income	(149,590)
8,912	Transfer to/(from) Reserves	5,019
(137,672)	Total Income including transfer to reserves	(144,570)

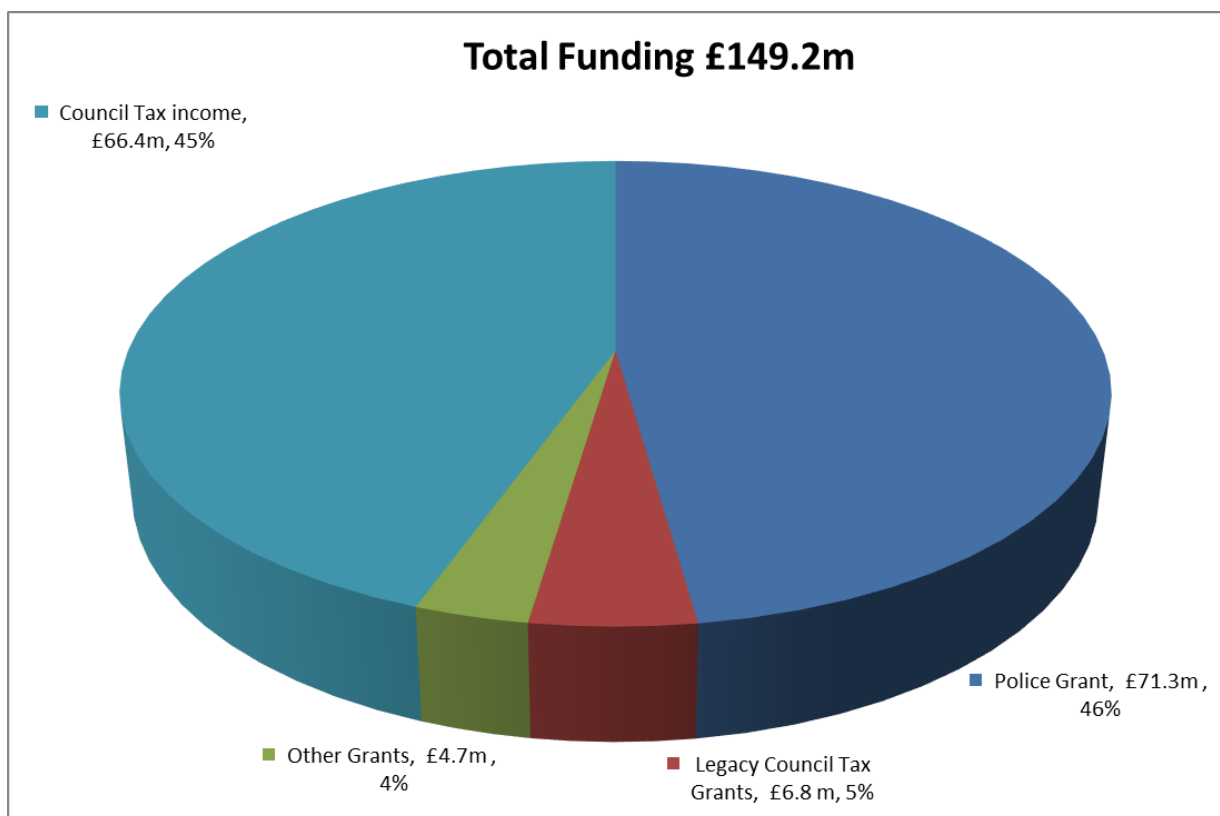
Total Income comprises of Central and Local Funding, together with other income, mainly in respect of the regional custody contract managed by Lincolnshire.

The table and pie chart over page provide further analysis of the main components of total funding (which forms the main part of the income):

- Central Funding– the majority of funding is from central government grants, including Police Grant and Legacy Council Tax grants;
- Local Funding – 45% of funding is provided by local council taxpayers.

Government grants for 2022/23 decreased by £0.5m and there was a greater burden on local taxpayers with the precept raising an additional £3.9m in year.

2021/22 £m	Total Funding	2022/23 £m	Ratio for year
	Central Funding:		
67.6	Police Grant	71.3	46%
6.8	Legacy Council Tax Grants	6.8	5%
8.8	Other Government Grants	4.7	4%
	Local Funding:		
62.5	Council Tax income	66.4	45%
145.7	Total Funding	149.2	100%



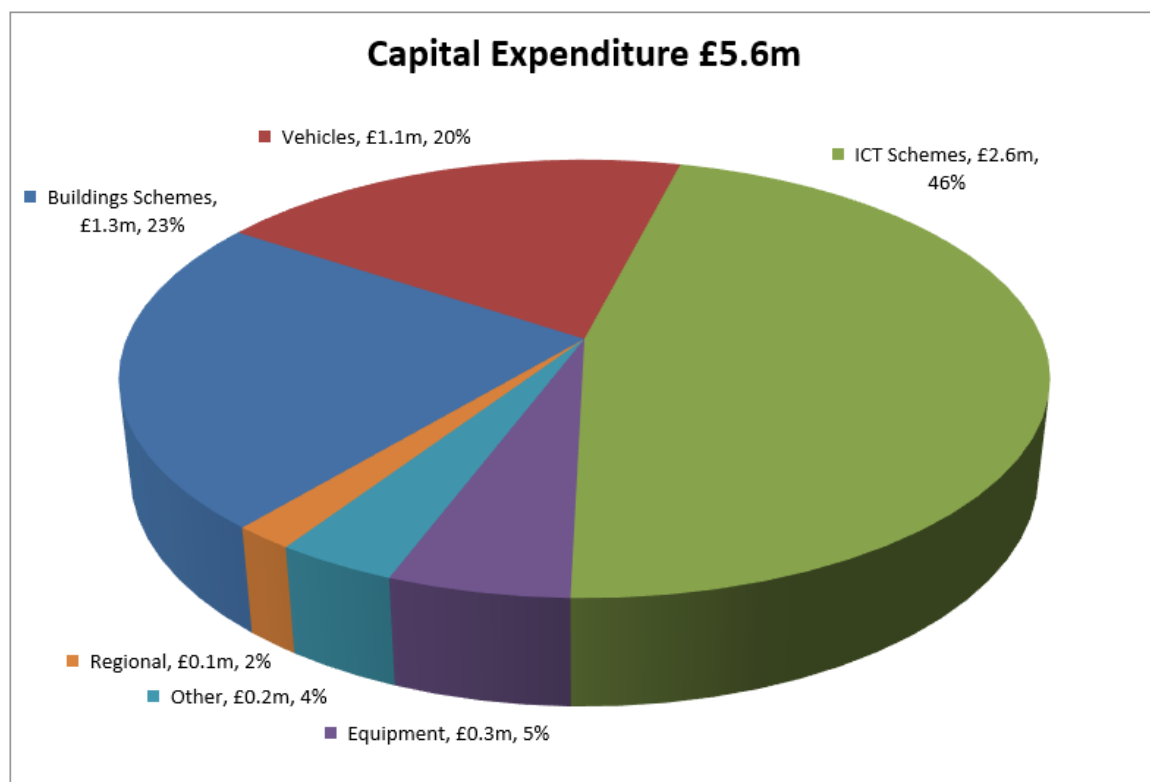
The table below shows how the Funding has been utilised in year to meet the expenditure incurred –

2021/22 £000	Reconciliation between Funding / Income	2022/23 £000
145.7	Total Funding	149.2
0.9	Add Other Income	0.3
(8.9)	Transfer to reserves	(5.0)
137.7	Expenditure in Year	144.5

Capital Expenditure

Capital expenditure represents money spent on acquiring, upgrading and improving assets and major operational equipment. It relates to the provision of assets which will bring long-term benefit to the PCC Group. The table below sets out the capital investment made in 2022/23:

2021/22 £m	Capital Expenditure	2022/23 £m	Ratio for year
1.3	Buildings Schemes	1.3	23%
0.6	Vehicles	1.1	20%
4.5	ICT Schemes	2.6	46%
0.2	Equipment	0.3	5%
0.0	Other	0.2	4%
0.2	Regional	0.1	2%
6.8		5.6	100%



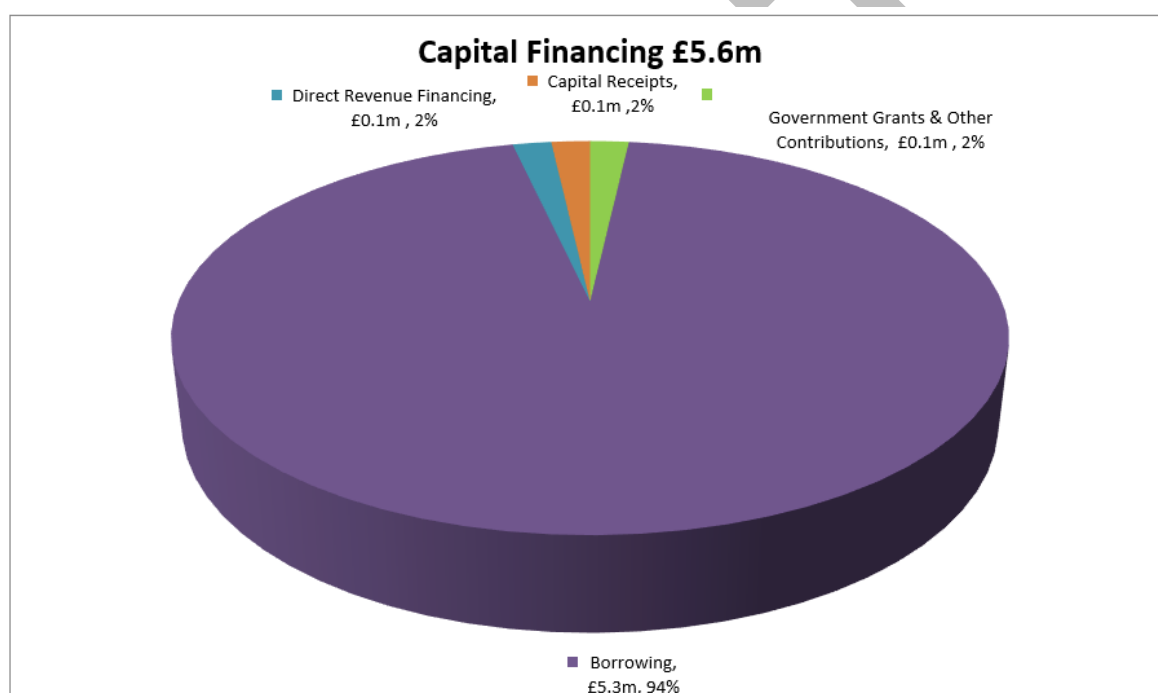
The PCC has approved a capital programme of £10.8m for 2023/24, and includes:

- £6m investment for ICT transformation;
- £1.5m investment in the Force estate improvements and maintenance;
- £1.8m replacement programme for vehicles.

Capital Financing

The PCC Group's capital programme in 2022/23 was financed through grants, contributions from revenue, capital receipts, internal cash balances and external borrowing.

	2021/22 £m	Capital Financing		2022/23 £m	Ratio for year
-	1.4	Government Grants & Other Contributions		0.1	2%
		Borrowing - External	-		
7.8		Borrowing - Internal	5.3		
	4.8	Total Borrowing		5.3	94%
	0.5	Direct Revenue Financing		0.1	2%
	0.1	Capital Receipts		0.1	2%
	6.8			5.6	100%



Balance Sheet

The balance sheet shows the financial position as at the end of the financial year, with previous figures for comparison. It shows the value of the assets owned, and any sums owed to and by the PCC Group. The Balance Sheet can be reviewed in the main statements to the accounts.

The figures are dominated by the inclusion of the pension liability which is explained in detail in the pension notes.

Performance against Budget

In February 2022, the PCC approved a net revenue budget for 2022/23 of £151.49m of which £137.856m was funded from Police Grant and Council Tax receipts. The original budget was revised in April 2022 to reflect the end of the Strategic Partnership with G4S and the subsequent TUPE transfer of staff to the Chief Constable.

A summarised statement of the actual net expenditure for the year attributable to the taxpayer is set out below and compared to the approved revised budget for the year:

2022/23	Original Budget £m	Revised Budget £m	Actual £m	Variance against Revised Budget £m
Services				
PCC	39.727	13.957	8.984	(4.973)
Chief Constable Delegated Budget	110.220	135.007	133.222	(1.785)
Joint Services	1.544	2.525	2.364	(0.161)
Total Service Expenditure	151.490	151.490	144.570	(6.919)
Funding				
General Police Grant	(71.329)	(71.329)	(71.329)	0.000
Legacy Council Tax Grants	(6.834)	(6.834)	(6.834)	0.000
Special Grant	0.000	0.000	(0.582)	(0.582)
Police Uplift Programme	(1.100)	(1.100)	(1.123)	(0.023)
Other Government Grants	(2.059)	(2.059)	(2.934)	(0.875)
Council Tax Precept	(66.527)	(66.527)	(66.440)	0.087
Total Funding	(147.849)	(147.849)	(149.242)	(1.393)
Other Income				
Other Income	(0.222)	(0.222)	(0.348)	(0.126)
Total Income	(0.222)	(0.222)	(0.348)	(0.126)
Total Funding and Other Income	(148.071)	(148.071)	(149.590)	(1.519)
Total (Surplus) / Deficit	3.418	3.418	(5.019)	(8.437)
Financed by Reserves				
Net transfer (from) / to Reserves	(3.418)	(3.418)	5.019	8.437

The final outturn showed a total underspend of £8.4m against budget, comprising of £1.5m additional funding and other income. This surplus was transferred to reserves as part of the yearend process.

Total service expenditure was less than the revised budget by £6.919m for the Group this differed from budget for the following key reasons.

- Development funding underspend £2.1m - The revised budget provided for development funding of £4.351m. At the time of setting the budget, plans were insufficiently developed to allocate these funds to individual budget heads; the

funding was retained by the PCC and was to be released upon the production of business cases. The programme has slipped and was not delivered in year.

- Capital Financing underspent by £0.4m due to slippage in the Capital Programme.
- Investment Income produced a surplus of £0.5m due to higher-than-expected interest rates.

There were budget variances within the Chief Constable's delegated budget, including the following –

- Police Officer Salaries underspend of £0.78m partly caused by the in-year reversing of the Employer's National Insurance 1.25% increase.
- Transition budget allocation £1m – to address terms and conditions transitional payments. The expenditure incurred was absorbed within the police staff budget.
- Additional income was received in year, surplus to the original budget in relation to Police Led Prosecution (£0.5m) and Mutual Aid (£0.5m).

Reserves

All reserves are held by the PCC; a number of these reserves are held to manage operational risks within the Chief Constable's budget.

Earmarked reserves as at 31 March 2023 total £28.153m (including regional reserves) and are held for specific expenditure or contingencies. Movements in Earmarked Reserves are detailed in Note 7.

As at 31 March 2023 the PCC held a General Reserve of £5.9m, there are no plans to use this to balance the 2023/24 budget, however it may become necessary to do so beyond 2023/24. It is likely that, for 2024/25, there will be a requirement to revert to a reserves policy based upon the minimum of the risk assessed target range to enable drawdown of risk-based reserves to support the MTFP.

An assessment in February 2023 indicated the range of required risk-based reserves at £6.0m - £12.4m, the mid-point of which is £9.2m. This is set against forecast risk-based reserves as at 31 March 2023 of £9.3m: General Reserve £5.9m, Major Incident Reserve £1.9m, Victim's Major Incident Reserve £0.3m, Insurance Reserve £1m, National Police Air Support £0.2m and Complaints Handling Reserve £0.02m.

Principal Risks

The principal risks facing the PCC Group are detailed in the Annual Governance Statement included within these Financial Statements.

Outlook for 2023/24 and beyond

There is a balanced budget for 2023/24 this includes the following funding:

- Increased police grant for Lincolnshire of £0.2m (0.3% increase)
- An allocation of pension top-up grant of £1.2m
- A precept increase of £4.3m (5.41%) based on an increase of an additional £14.94 per annum for a Band D property in line with the precept referendum limit imposed by government.
- The budget includes the use of £6.3m of specific earmarked reserves to balance the budget

The main principles on the setting of the budget are as below:

- The Chief Constable's baseline budget is based on strength of 1,186 police officers which is the pre uplift target establishment of 1,020 FTE plus all three tranches of the national uplift programme. The grant settlement included £2.3m contingent on maintaining the uplift target with headcount being assessed at 30th September 2023 and 31st March 2024 meaning that this income would be at risk should the force fail to maintain the Police Uplift Programme (PUP) officer numbers
- The current establishment of PCSOs is 85 FTE. This is under review as part of the PBB exercise and the need to deliver substantial savings. The final outcome of this review will not be known for some months into 2023/24.
- The Police Staff budget has been based on the aggregated G4S and force staffing numbers established in 2022/23, with adjustments for the voluntary transfer to Lincolnshire Police terms & conditions to be implemented on 1st April 2023. The budget has been fully costed with a vacancy factor of 5% included to allow for staff turnover.
- A provision for pay awards arising in 2023/24 has been included at 2.0%.

The Medium-Term Financial Plan includes provisional service budgets proposed for 2024/25 to 2026/27. The government has yet to set grant allocations for these years. Estimates have been based on prudent assumptions. There remains the risk that the grant income will be lower than assumed.

There is clarity on the government's future intentions in relation to the limitation of the council tax increase for 2024/25 only; the assumption contained with the MTFP for the following years is that the precept increases will revert back to the 2% cap without the need for a referendum.

On current assumptions, the budget is balanced for the first two years of the MTFP with use of specific earmarked reserves and a plan for savings included; however budget gaps in excess of £10m emerge beyond 2024/25, once reserves have been depleted such that no further non-recurrent support can be provided. These gaps are based on maintaining the police officer numbers at the PUP target of 1,186; without additional funding, this cannot be maintained. Significant reductions in service levels will be required to bridge a budget gap of this magnitude, including reductions in police officer numbers.

The delivery of savings of a further c. £10m in 2025/26, in addition to savings already planned of £3m for that year, will require measures to be implemented during 2024/25 to ensure that the full year effect is delivered during 2025/26. A detailed delivery plan will be required for incorporation into the budget for 2024/25.

Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing into the medium term.

Continuing sound financial control will also be key to maintaining financial balance into the medium term as reserves to support the revenue budget will be depleted.

Going Concern

The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Force will continue in operational existence for the foreseeable future. The provisions in the Code (code of practice on local authority accounting in the United Kingdom 2023/24) in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as police forces cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Police and Crime Commissioners and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

The pandemic has not yet had the negative impact on council tax receipts which was expected at the start of 2021/22. There was an increase of 2.05% in the tax base for 2022/23. There was also an aggregate new surplus on the council tax collection funds; the PCC Group share of the net surplus is estimated to be £0.615m.

It has been assumed that the tax base will increase by 0.5% per annum across the Medium-Term Financial Plan (MTFP). This is considered to be prudent level of increase given the anticipated longer-term impact of the COVID-19 pandemic, rising interest rates and inflationary pressures.

Explanation of Financial Statements

These Financial Statements have been compiled in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting 2023/24.

The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2022/23; which in turn is underpinned by International Financial Reporting Standards.

These Financial Statements set out the PCC Group income and expenditure for the year and its financial position at 31 March 2023. It comprises core and supplementary statements, together with disclosure notes.

A glossary of terms can be found at the end of this publication.

The PCC Group position reflects the consolidated accounts of the PCC and the Chief Constable. Where the PCC Group position differs from the PCC position this is made clear in the accounting statements and notes. A separate set of accounts is produced for the Chief Constable for Lincolnshire.

All assets, liabilities and reserves continue to be held in the main by the PCC. However, those specifically relating to accounting entries within the Chief Constable entity are included in the Chief Constable's accounts. Pension liabilities have been split between the PCC and Chief Constable accounts.

Core Statements

- Comprehensive Income and Expenditure Statement – this 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.
- Movement in Reserves Statement – this shows the movement on the various reserves held by the Force, from the start of the financial year to the end of the year. This is analysed into usable reserves (those that can be applied to fund expenditure) and other unusable reserves.
- Balance Sheet – this represents the financial position as at the balance sheet date of the assets and liabilities recognised. The net assets are matched by the two categories of the reserves held.
- Cash Flow Statement – this shows the changes in cash and cash equivalents during the period. It shows how they are generated and used 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 are funded by the way of taxation and grant income. Investing activities represent the extent to which cash outflows contribute to the resources for future service delivery.

Supplementary Statements

- Annual Governance Statement – the PCC publishes an Annual Governance Statement in accordance with the Delivering Good Governance guidance in order to meet the statutory requirements set out in the Accounts and Audit Regulations 2015.
- Statement of Responsibilities – this explains the responsibilities for the financial affairs and how these responsibilities are carried out.
- Notes to the Accounts – the notes show details supporting each of the main accounting statements, together with additional information to explain the financial transactions. Note 1 contains the Accounting Policies. The purpose of these policies is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.
- Police Officer Pensions, Home Office Memorandum Account – this summarises the transactions relating to retirement benefits paid to police officers and how these costs are financed.
- Expenditure and Funding Analysis – this shows how annual expenditure is used and funded from resources. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement.

Relationship between Accounting Statements

The different accounting statements are linked in several important ways. The relationship between the Comprehensive Income and Expenditure Statement and the movement in the PCC Group's total reserves is shown in the Movement in Reserves Statement.

The Cash Flow statement reconciles to the balance on the Comprehensive Income and Expenditure Statement for the year and the movement in the Balance Sheet cash and cash equivalents.

The Expenditure and Funding Analysis shows how the expenditure is allocated for decision making purposes between the directorates within the Force.

Conclusion

Signed by Julie Flint

Julie Flint CPFA MSc
Chief Finance Officer to the
Police and Crime Commissioner for Lincolnshire

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Statement of Responsibilities for the Statements of Accounts

This section explains the Police and Crime Commissioner's responsibilities for the stewardship of the PCC's financial affairs.

<p>Responsibilities of The Police and Crime Commissioner</p> <p>The PCC is required to:</p> <ul style="list-style-type: none"> • make arrangements for the proper administration of the financial affairs of the PCC and to secure that one of its officers (the Chief Financial Officer) has the responsibility for the administration of those affairs; • manage affairs of the PCC to secure economic, efficient and effective use of resources and to safeguard its assets; and • approve the Statement of Accounts. 	<p>Responsibilities of the Chief Finance Officer</p> <p>The Chief Finance Officer is responsible for the preparation of the PCC's Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).</p> <p>In preparing this Statement of Accounts, the Chief Finance Officer has:</p> <ul style="list-style-type: none"> • selected suitable accounting policies and then applied them consistently; • made judgements and estimates that were reasonable and prudent; • complied with the Code; • kept proper accounting records which were up to date; • taken reasonable steps for the prevention and detection of fraud and other irregularities; • assessed the PCC's and the Group's ability to continue as a going concern disclosing, as applicable, matters related to going concern; • used the going concern basis of accounting on the assumption that the functions of the PCC and the Group will continue in operational existence for the foreseeable future; and • maintained such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.
<p>I approve these unaudited Statement of Accounts.</p>	<p>I certify that the Financial Statements present a true and fair view of the financial position of the Police and Crime Commissioner for Lincolnshire as at 31 March 2023 and its income and expenditure for the year then ended.</p>
<p>Marc Jones</p> <p>Police and Crime Commissioner for Lincolnshire</p> <p>Date:</p>	<p>Julie Flint CPFA MSc</p> <p>Signed by Julie Flint</p> <p>Chief Finance Officer</p> <p>Date: 31 May 2023</p>



**Independent Auditor's Report to the Police and Crime Commissioner
for Lincolnshire**

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Group Expenditure and Funding Analysis 2022/23

This is a note to the Core Statements.

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources. It shows how the expenditure is allocated for decision making purposes between the PCC, CC and Joint Services. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/22			Group	2022/23		
Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
21,182	(3,671)	17,511				
124,463	(1,982)	122,481				
1,350	-	1,350				
146,995	(5,653)	141,342				
964	4,192	5,156	8			
1,994	34,783	36,777	9			
(158,793)	(2,031)	(160,824)	10			
(8,840)	31,291	22,451	4			
5,979						
8,840						
(8,840)			7			
5,979						

PCC Expenditure and Funding Analysis 2022/23

This is a note to the Core Statements.

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources. It shows how the expenditure is allocated for decision making purposes between the PCC, CC and Joint Services. Income and expenditure accounted for under generally accepted accounting principles is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/22			PCC		2022/23		
Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Note	Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	
£000	£000	£000		£000	£000	£000	
21,182	(3,671)	17,511		4,356	4,486	8,842	
680	-	680		540	-	540	
21,862	(3,671)	18,191		4,896	4,486	9,382	
(4)	4,192	4,188	8	(7)	135	128	
1,994	422	2,416	9	273	361	634	
(158,793)	(2,031)	(160,824)	10	(169,317)	(44)	(169,361)	
126,101	-	126,101	12	159,098	-	159,098	
(8,840)	(1,088)	(9,928)	4	(5,057)	4,938	(119)	
5,979				5,979			
8,840				5,057			
(8,840)			7	(5,057)			
5,979				5,979			

Group Comprehensive Income and Expenditure Statement 2022/23

The Comprehensive Income and Expenditure 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. The PCC Group raises taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2021/22			Note	2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
29,009	(11,498)	17,511		14,170	(5,328)	8,842
131,202	(8,721)	122,481		163,494	(12,320)	151,174
1,357	(7)	1,350		2,383	(20)	2,363
161,568	(20,226)	141,342		180,047	(17,668)	162,379
5,953	(797)	5,156	8	2,277	(882)	1,395
36,800	(23)	36,777	9	44,584	(526)	44,058
-	(160,824)	(160,824)	10	-	(169,361)	(169,361)
204,321	(181,870)	22,451		226,908	(188,437)	38,471
-	(2,484)	(2,484)	27	-	(2,058)	(2,058)
-	(145,200)	(145,200)	29	-	(592,530)	(592,530)
-	(147,684)	(147,684)		-	(594,588)	(594,588)
204,321	(329,554)	(125,233)		226,908	(783,025)	(556,117)

There were no acquisitions or discontinued operations in the current year or preceding year.

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 requires that the Comprehensive Income and Expenditure Statement (CIES) reflects the internal management reporting and decision-making arrangements of the organisation.

The end of the strategic partnership contract managed by the PCC in March 2022 has resulted in a cost movement in the current year from PCC to Chief Constable.

The year-to-year variance on actuarial (gains) or losses on the pensions assets and liabilities relates largely to losses arising on changes in financial assumptions due to market conditions.

PCC Comprehensive Income and Expenditure Statement 2022/23

The Comprehensive Income and Expenditure 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. The PCC Group raises taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2021/22				2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
29,009	(11,498)	17,511		14,170	(5,328)	8,842
682	(2)	680		542	(2)	540
29,691	(11,500)	18,191		14,712	(5,330)	9,382
			Cost of Services			
4,327	(139)	4,188	8	219	(91)	128
2,439	(23)	2,416	9	1,160	(526)	634
-	(160,824)	(160,824)	10	-	(169,361)	(169,361)
126,101	-	126,101		159,098	-	159,098
162,558	(172,486)	(9,928)		175,189	(175,308)	(119)
			(Surplus) or Deficit on the Provision of Services			
-	(2,484)	(2,484)	27	-	(2,058)	(2,058)
-	(8,296)	(8,296)	29	-	(24,348)	(24,348)
			Other Comprehensive Income and Expenditure			
-	(10,780)	(10,780)		-	(26,406)	(26,406)
162,558	(183,266)	(20,708)		175,189	(201,714)	(26,525)
			Total Comprehensive Income and Expenditure			

There were no acquisitions or discontinued operations in the current year or preceding year.

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 requires that the Comprehensive Income and Expenditure Statement (CIES) reflects the internal management reporting and decision-making arrangements of the organisation.

The end of the strategic partnership contract managed by the PCC in March 2022 has resulted in a cost movement in the current year from PCC to Chief Constable.

Group Movement in Reserves Statement 2022/23

The Movement in Reserves Statement shows the movement in the year on the reserves held by the PCC Group, analysed into usable reserves and unusable reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the PCC Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the PCC Group.

Group	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Earmarked Reserves £000	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Group Reserves £000
Balance at 31 March 2021	-	-	14,256	5,979	20,234	(1,735,405)	(1,715,171)
Movement in Reserves during 2021/22							
Surplus or (Deficit) on the provision of services	-	-	-	(22,451)	(22,451)	-	(22,451)
Other Comprehensive Income and Expenditure	-	-	-	-	-	147,684	147,684
Total Comprehensive Income and Expenditure	-	-	-	(22,451)	(22,451)	147,684	125,233
Adjustments between accounting basis and funding basis under regulations (Note 6)	-	188	-	31,291	31,479	(31,479)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	188	-	8,840	9,028	116,205	125,233
Net transfers (to)/from Earmarked Reserves (Note 7)	-	-	8,840	(8,840)	-	-	-
Increase/(Decrease) in 2021/22	-	188	8,840	-	9,028	116,205	125,233
Balance at 31 March 2022 carried forward	-	188	23,096	5,979	29,262	(1,619,200)	(1,589,938)
Movement in Reserves during 2022/23							
Surplus or (Deficit) on the provision of services	-	-	-	(38,471)	(38,471)	-	(38,471)
Other Comprehensive Income and Expenditure	-	-	-	-	-	594,588	594,588
Total Comprehensive Income and Expenditure	-	-	-	(38,471)	(38,471)	594,588	556,117
Adjustments between accounting basis and funding basis under regulations (Note 6)	-	93	-	43,528	43,621	(43,621)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	93	-	5,057	5,150	550,967	556,117
Net transfers (to)/from Earmarked Reserves (Note 7)	-	-	5,057	(5,057)	-	-	-
Increase/(Decrease) in 2022/23	-	93	5,057	-	5,150	550,967	556,117
Balance at 31 March 2023 carried forward	-	281	28,153	5,979	34,412	(1,068,233)	(1,033,821)

PCC Movement in Reserves Statement 2022/23

The Movement in Reserves Statement shows the movement in the year on the different reserves held by the PCC, analysed into usable and unusable reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the PCC's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the PCC.

PCC	Capital Receipts Reserve	Capital Grants Unapplied	Earmarked Reserves	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total PCC Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021 carried forward	-	-	14,256	5,978	20,234	(15,750)	4,484
Movement in Reserves during 2021/22							
Surplus or (Deficit) on the provision of services	-	-	-	9,928	9,928	-	9,928
Other Comprehensive Income and Expenditure	-	-	-	-	-	10,780	10,780
Total Comprehensive Income and Expenditure	-	-	-	9,928	9,928	10,780	20,708
Adjustments between accounting basis and funding basis under regulations (Note 6)	-	188	-	(1,088)	(900)	900	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	188	-	8,840	9,028	11,680	20,708
Net transfers (to)/from Earmarked Reserves (Note 7)	-	-	8,840	(8,840)	-	-	-
Increase/(Decrease) in 2021/22	-	188	8,840	-	9,028	11,680	20,708
Balance at 31 March 2022 carried forward	-	188	23,096	5,978	29,262	(4,071)	25,191
Movement in Reserves during 2022/23							
Surplus or (Deficit) on the provision of services	-	-	-	119	119	-	119
Other Comprehensive Income and Expenditure	-	-	-	-	-	26,406	26,406
Total Comprehensive Income and Expenditure	-	-	-	119	119	26,406	26,525
Adjustments between accounting basis and funding basis under regulations (Note 6)	-	93	-	4,938	5,031	(5,031)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	93	-	5,057	5,150	21,375	26,525
Net transfers (to)/from Earmarked Reserves (Note 7)	-	-	5,057	(5,057)	-	-	-
Increase/(Decrease) in 2022/23	-	93	5,057	-	5,150	21,375	26,525
Balance at 31 March 2023 carried forward	-	281	28,153	5,978	34,412	17,303	51,715

Group and PCC Balance Sheet as at 31 March 2023

The Balance Sheet shows the value of the assets and liabilities recognised by the PCC Group and the PCC. For each entity the net assets are matched by the reserves held. Reserves are reported as Usable and Unusable Reserves. Unusable reserves include reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2022				31 March 2023		
PCC £000	Group £000	Note		PCC £000	Group £000	
51,718	51,718	13	Property, Plant and Equipment	49,467	49,467	
977	977	15	Intangible Assets	4,356	4,356	
24	24	21	Long-Term Debtors	23	23	
52,719	52,719		Long-Term Assets	53,846	53,846	
1,506	1,506	19	Assets Held for Sale	1,506	1,506	
398	398	20	Inventories	526	526	
14,858	14,858	21	Short-Term Debtors	22,543	22,543	
14,216	14,216	22	Cash and Cash Equivalents	9,782	9,782	
30,978	30,978		Current Assets	34,357	34,357	
(1,087)	(1,087)	46	Short-Term Borrowing	(1,057)	(1,057)	
(14,489)	(14,489)	23	Short-Term Creditors	(15,333)	(15,333)	
-	-	18	Other Short Term Liabilities	-	-	
(732)	(747)	24	Short-Term Provisions	(812)	(828)	
(5)	(5)	11	Revenue Grants Receipts in Advance (< 1 yr)	(124)	(124)	
(16,313)	(16,328)		Current Liabilities	(17,326)	(17,342)	
(27,298)	(27,298)	46	Long-Term Borrowing	(26,417)	(26,417)	
(14,894)	(1,629,934)	44	Pension Liabilities	7,258	(1,078,203)	
-	-	18	Other Long-Term Liabilities	-	-	
-	(75)	24	Long-Term Provisions	-	(62)	
(42,192)	(1,657,307)		Long-Term Liabilities	(19,159)	(1,104,682)	
25,192	(1,589,938)		Net Assets	51,717	(1,033,821)	
29,262	29,262	25	Usable Reserves	34,412	34,412	
(4,070)	(1,619,200)	26	Unusable Reserves	17,305	(1,068,233)	
25,192	(1,589,938)		Total Reserves	51,717	(1,033,821)	

These unaudited accounts were signed on 31 May 2023.

Julie Flint CPFA MSc
Chief Finance Officer

Group and PCC Cash Flow Statement 2022/23

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCC Group during the financial year. The statement shows the cash and cash equivalents by operating, investing and financing activities. The net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCC Group are funded by way of taxation and grant income or from the recipients of services provided by the PCC Group. Investing activities represent the cash outflows relating to resources that contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting commitments to future cash flows by providers of capital to the PCC Group.

2021/22		Note	2022/23	
PCC £000	Group £000		PCC £000	Group £000
(9,928)	22,451		(119)	38,471
(11,092)	(43,471)	32	(1,995)	(40,586)
139	139	33	91	91
(20,881)	(20,881)		(2,024)	(2,024)
6,878	6,878	35	5,666	5,666
8,693	8,693	36	793	793
(5,309)	(5,310)		4,435	4,435
8,906	8,906	22	14,215	14,216
14,215	14,216	22	9,782	9,782

Police and Crime Commissioner for Lincolnshire

Notes to the Accounts

The notes below provide additional explanation or support for the information contained within the main financial statements for the PCC Group and PCC (Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement). Where the balances and transactions explained are the same between the PCC Group and PCC the note will only provide one explanation, where there are differences between the PCC Group and PCC balances, the notes will outline both in the required detail.

Values are rounded to nearest £1,000 unless specified otherwise. Please note some slight rounding differences may occur.

1. Accounting Policies

1.1. General Principles

The Statement of Accounts summarises the PCC's transactions for the 2022/23 financial year and its position at the year end of 31 March 2023. The PCC is required to prepare an Annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which require the statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

All accounting policies that are material to the production of the accounts are described in this section.

1.2. Prior period adjustments, Changes in Accounting Policies and Estimate and Errors

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 the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the PCC's 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.

1.3. 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.

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- 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 receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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 revenue 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.4. Non-Current Assets – Property, Plant and Equipment

Property, plant and equipment are tangible items that are:

- Held for operational use, for rental to others, or for administrative purposes; and
- Expected to be used during more than one period.

Classification

Property, plant and equipment is classified under the following headings in the PCC's balance sheet:

- Operational Assets:
 - Land and Buildings;
 - Vehicles, Plant, Furniture and Equipment;
- Non-Operational Assets:
 - Surplus Assets; and
 - Assets Under Construction.

Initial Recognition

- Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the PCC 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.

- Measurement

Assets are initially measured at cost, comprising:

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

The PCC Group does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the PCC Group). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the PCC Group.

De Minimis Level

The PCC has a de minimis level of £10k for recognising property, plant and equipment. This means that any item or scheme which meets the above criteria which is greater than £10k will be treated as capital. Items below £10k may also be considered for capital expenditure on a case-by-case basis. This relates to initial recognition and subsequent expenditure on assets.

Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses. Where considered appropriate, the cost of the replacement is capitalised if it meets the criteria for recognition above.

Where material the carrying value of the component replaced is de-recognised. Where the value is not known the value of the enhancement is used as a proxy. Indexation is used to deduce historic cost and a revaluation reserve. De-recognition costs are charged initially against any revaluation reserve for the asset and then to the relevant service lines in the Comprehensive Income and Expenditure Statement.

Measurement after Recognition – Valuation Approach

Property, plant and equipment assets are valued on the basis recommended by CIPFA and in accordance with the Practice Statements in the Appraisal and Valuation Standards published by The Royal Institution of Chartered Surveyors (RICS), in particular UK Practice Statement 1.1 – 1.3. The PCC may rely on the advice of other relevant expert managers to value other assets.

Property, plant and equipment assets are classified into the groupings required by the Code of Practice on Local Authority Accounting. All operational and non-operational land and properties were subjected to a full revaluation exercise at 1 April 2019. This valuation has been updated as at 31 March each year since, by way of a desktop revaluation of all assets.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

All valuations are in accordance with the capital accounting rules.

1.5. Operational Assets

1.5.1. Land and Operational Properties:

Where the assets are considered by the Valuers to be specialist in nature (for example custody suites in operational police stations) they are valued at current value with depreciated replacement cost (DRC) methodology, reflecting their value to the PCC in their current use. Due to the specialist nature of these buildings, the DRC value is normally higher than open market value. Where the assets are not considered to be specialist in nature, they are valued at current value, determined as the amount that would be paid for the asset in its existing use (EUV). This requirement is met by providing a valuation on the basis of existing use value (EUV) in accordance with UKPS 1.3 of the RICS Valuation Standards.

It should be noted that the Blue Light Campus, Lincoln's new joint fire, police and ambulance station on South Park is considered as wholly specialised by the Valuers and is therefore valued at DRC.

1.6. Non-Operational Assets

1.6.1. Surplus assets

Assets which the PCC no longer operates or are no longer used for service delivery, but are not investment properties or meet the definition for held for sale. They are valued at fair value and measured and depreciated in line with the operational asset class. Current value, determined as the amount that would be paid for the asset in its existing use (EUV), is used.

1.6.2. Assets Under Construction

Assets Under Construction are held at historical cost. When these assets are operationally complete, they will be reclassified into the appropriate asset class and valued under the adopted approach.

1.7. Valuation Programme

In years when there is a full revaluation (every 5 years) the steps to account for assets involve valuing assets at the start of the financial year, and then considering impairment issues at the end of the year.

In all other years, the year-end valuation encompasses all changes in value, whether from additions, disposals, changes in market value, impairment or other consumption of economic benefits.

The next full valuation will be carried out in 2024/25.

1.8. Component Accounting for Property, Plant and Equipment

1.8.1. The PCC's Componentisation Policy

The Code requires that:

- Land and buildings should be accounted for separately;
- Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

1.8.2. Identifying Components

Consideration should be given to the potential impact of different asset lives on depreciation calculations. These will be large value items where asset lives are greatly exaggerated by ignoring the fact that parts of the asset need regular replacement over the life of the main asset.

Only those components with material values and significantly different useful lives are classified as separate components in the asset register. Only assets with a value of at least £500k are reviewed for potential components.

Component assets will have their own life applied as appropriate and the table below should be used where a valuation has not been provided at the time of capitalisation.

The table should also be used to apply useful existing life for MRP calculations. (N.B. It may not be prudent to charge MRP over the life of an existing building).

Component	Asset Life
Structure	50 years
Roof	35 years
Windows	45 years
Mechanical and Engineering	15 years

1.8.3. Subsequent Capital Expenditure

The process of improving and renovating existing buildings means that some parts of the structure need to be derecognised before capitalisation of the new expenditure can take place. The steps will be:

- Treat the subsequent expenditure as an addition, with the appropriate new asset life value;
- De-recognise the original asset, treat as a loss on disposal;
- Adopt method for appropriate value for de-recognition for part of a component such as part of a roof. May take value of replacement part to be proxy value of old part but will need to discount back to start of asset life;
- Compare the valuation of the asset with its new carrying value for impairment or revaluation.

1.8.4. Revaluation Reserve

Each component will be separately recognised in the revaluation reserve and hence easy to identify for any future asset replacement.

1.9. Revaluation Gains and Losses

Movements in value arising from revaluation of assets are reflected in the value of the assets held on the balance sheet.

1.9.1. Recognizing a Revaluation Gain or Loss

Increases as a result of revaluations are debited to the appropriate asset account, with the opposite entry going to the Revaluation Reserve to recognise unrealised gains, except to the extent where it reverses a previous revaluation loss that was charged to a service revenue account within the Comprehensive Income and Expenditure Statement. In this case the revaluation gain will first be used to offset the previous loss and any further gain is then taken to the Revaluation Reserve. Component assets are treated as separate assets and therefore revalued separately. Revaluation gains charged to Surplus or Deficit on Provision of Services are transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

Decreases as a result of revaluation which are not specific to one asset but affect several are revaluations losses rather than impairments. The decrease is recognised in the Revaluation Reserve up to the balance in respect of each asset affected and then in Surplus or Deficit on Provision of Services. Any such charge taken to Surplus or Deficit on Provision of Services is then transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

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

1.10. Depreciation

Depreciation is charged on all assets with a finite useful life which is determined at the time of acquisition. (The life may be revalued by valuers, in accordance with the revaluation program). Depreciation is charged against assets from after the month they are capitalised, to the month that they are disposed, decommissioned or reach the end of their useful life.

The policy on useful asset life at acquisition is as follows:

Asset category	Asset life*	Comments
Operational buildings	50 yrs	May vary from 25 to 75 years, due to revaluation or other justification to change the life at acquisition. Justification to use a life other than 50 years will be provided for audit purposes. See section 1.8 for component policy and asset useful lives.
Vehicles	3 - 5 yrs	This reflects the longer UEL of the assets in the force.
ICT equipment	5 - 8 yrs	This covers the operational day to day ICT equipment. Special projects and new Implementations will be covered by specialist and other projects.
Specialist equipment	10 - 15 yrs	This covers all other projects e.g. IT projects and office refurbishment and other assets over £10,000 not covered by the above. Justification of life used to be provided to ensure consistency.

*at acquisition

Depreciation is calculated as the current value of the asset divided by the useful existing life of the asset. Revaluation gains are depreciated along with the historic cost of the asset. The difference between current value depreciation and the depreciation that would have been chargeable based on the historic cost is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

For surplus assets awaiting disposal, depreciation is not charged to services. No depreciation is charged on Land, Assets Under Construction and Assets Held for Sale. Depreciation of an asset begins when the asset becomes available for use and ceases when the asset has been de-recognised.

New assets that enhance or improve an existing asset will take the remaining life of that asset for depreciation purposes. Where an asset is componentised the component assets will have their own life applied as appropriate. See section 1.8 for componentisation policy.

1.11. Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale. An item of property, plant and equipment shall be de-recognised on disposal; or when no future economic benefits are expected from its use or disposal.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also 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 accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the PCC's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Where specialised equipment assets have reached the end of their useful economic life and have a net book value of zero, these will be retired in the following year and subsequently removed from the fixed asset register.

1.12. Impairment of Non-Current Assets

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

Where impairment losses 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 Comprehensive Income and Expenditure Statement.

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

1.13. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the PCC as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the PCC.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the PCC will be able to generate future economic benefits or deliver service

potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the PCC's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the PCC can be determined by reference to an active market. In practice, no intangible asset held by the PCC meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired, any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. 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.

1.13.1. De Minimis Level

The PCC has no de minimis level for recognising intangible assets. This relates to initial recognition and subsequent expenditure on assets.

1.14. Charges to Revenue for the use of Non-Current Assets

Police services and central support services are charged with a capital charge for all non-current assets used in the provision of services to record the real cost of holding fixed assets during the year. The total charge covers:

- The annual provision for depreciation;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- Amortisation of intangible assets.

The PCC is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make a prudent annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. This is known as the Minimum Revenue Provision.

1.15. Minimum Revenue Provision

The PCC makes provision for the repayment of debt in accordance with the Local Authorities (Capital Finance and Accounting, England, Amendment) Regulations 2008. This requires the PCC to set a Minimum Revenue Provision (MRP) which it considers to be prudent.

The accounts are charged with a capital charge for all non-current assets used in the provision of services. The total charge covers:

- The annual provision for depreciation;
- Impairment losses attributable to the clear consumption of economic benefits on non-current assets used by the PCC and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off;
- Amortisation of intangible assets attributable to the service;
- The annual contribution towards the reduction in overall borrowing, in accordance with the PCC's approved policy;
- 4% of the Capital Financing Requirement as at 31 March 2008, adjusted for repayments made since that date;
- All borrowing from 2008/09 onwards, a repayment based on the asset life method.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by a revenue provision in the Movement in Reserves Statement, by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

1.16. Revenue Expenditure Financed through Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset in the Balance Sheet has been charged as expenditure to the relevant service revenue account in the Comprehensive Income and Expenditure Statement in the year.

Statutory provision reverses these charges from the surplus or deficit on provision of services by debiting the Capital Adjustment Account and crediting the General Fund balance through the Movement in Reserves Statement.

1.17. Classification of Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

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. Leases are classified as a finance lease or an operating lease depending on the extent to which risks and rewards of ownership (substance of the transaction over its legal form) of a leased asset lie with the lessor (landlord) or the lessee (tenant).

1.18. The PCC as Lessee

1.18.1. Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's

inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the PCC are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment where applied to write down the lease liability; and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the 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 PCC at the end of the lease period).

The PCC is not required to raise council tax to cover depreciation 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 requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue 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.

1.18.2. Operating Leases

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

1.19. The PCC as Lessor

1.19.1. Finance Leases

Where the PCC grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the PCC's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also 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), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property which is applied to write down the lease debtor (together with any premiums received); and

- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

1.19.2. Operating Leases

Where the PCC grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.20. Government Grants and Contributions

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

- The PCC will comply with the conditions attached to the payments;
- The grants or contributions will be received.

Amounts recognised as due to the PCC are not credited to the Comprehensive Income and Expenditure Statement 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 in the form of 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 and Expenditure (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in

Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied 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.

1.21. Debtors

Debtors are recognised in the accounts when the ordered goods or services have been delivered or rendered by the PCC by the 31 March but the income has not yet been received. Debtors are recognised and measured at fair value in the accounts.

There is no de minimis for capital or revenue income accruals.

Where there are differences between the Group and PCC balance at 31 March the note will show both balances.

1.22. Creditors

Creditors are recorded where goods or services have been supplied to the PCC by 31 March, but payment is not made until the following financial year. Creditors are recognised and measured at fair value in the accounts.

There is no de minimis for capital or revenue accruals.

Where there are differences between the Group and PCC balance at 31 March the note will show both balances.

1.23. Debt impairment

The PCC makes a provision for debts which may go bad or not be paid in full. Where it is doubtful that debts will be settled, the fair value of that debt is written down accordingly and a charge made to the Comprehensive Income and Expenditure Statement for the income that might not be collected.

The PCC's policy is to review outstanding debts annually in order to allow for debt impairment.

1.24. Inventories

Inventory assets include materials or supplies to be consumed or distributed in the rendering of services. This includes fuel, uniforms and general stores. These are carried at the lower of cost (calculated as an average price) or current replacement cost (at the Balance Sheet date for an equivalent quantity).

A de minimis of £5k is set before a group of stock items would need to be accounted for at the year end.

1.25. Investments and Cash and Cash Equivalents

1.25.1. Investments

The PCC will classify these as follows:

- Short-term deposits (due to be returned within 12 months after 31 March) held for investment purposes for the returns offered are classed as Short-term Investments;
- Deposits held for investment purposes for the returns offered which are due for return more than a year after 31 March are classed as Long-Term Investments.

1.25.2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the cash flow statement cash and cash equivalents are shown net of bank overdrafts that are repayable on demand or form an integral part of the PCC's cash management.

1.26. Provisions

Provisions are made where an event has taken place that gives the PCC a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the PCC may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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

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 where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service.

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

1.27. Contingent Liabilities

A contingent liability is where there is a possible obligation to transfer economic benefits due to a past event, but the possible obligation will only be confirmed by the occurrence or non-occurrence of one or more events in the future, not wholly within the control of the PCC. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

The PCC discloses these obligations in the narrative notes to the accounts if greater than £100k.

These amounts are not recorded in the PCC's accounts because:

- It is not probable that an outflow of economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability at the year end.

1.28. Contingent Assets

A Contingent Asset is where there is a possible transfer of economic benefit to the PCC from a past event, but the possible transfer will only be confirmed by the occurrence or non-occurrence of one or more events in the future. These events may not wholly be within the control of the PCC.

The PCC discloses these rights in the narrative notes to the accounts if greater than £100k.

1.29. Reserves

The PCC sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from reserves is incurred it is charged to the appropriate service in that year against the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

1.29.1. Usable Reserves

The PCC's general revenue balances are held in the General Fund. The PCC also maintains a number of specific 'earmarked' reserves for future expenditure on either target service areas or to cover contingencies. They are described in more detail in notes to the accounts.

1.29.2. Unusable Reserves

Certain reserves are kept to maintain the accounting processes for non-current assets, financial instruments and retirement benefits. These reserves do not represent usable resources for the PCC.

1.30. Events after the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period where the Statement of Accounts is adjusted to reflect such events;
- Those that are indicative of conditions that arose after the reporting period where the Statement of Accounts is not adjusted to reflect such events, but where a category of

events would have a material effect. Disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

1.31. Recognition of Revenue (Income and Expenditure)

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the PCC.

1.32. Costs of Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the PCC Group's arrangements for the accountability and financial performance.

1.33. Value Added Tax (VAT)

The PCC's Comprehensive Income and Expenditure Statement excludes VAT. All VAT must be passed on to (where output tax exceeds input tax) or repaid by (where input tax exceeds output tax) HM Revenue and Customs.

The net amount due to, or from, HM Revenue and Customs for VAT at the year-end shall be included as part of creditors or debtors balances.

1.34. Fair Value Measurement

The PCC measures some of its non-financial assets, such as surplus assets and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The PCC 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 of a non-financial asset, the PCC 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.

The PCC 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 PCC'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 PCC 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.

1.35. Employee Benefits

1.35.1. Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the PCC. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) 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 surplus or deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs

1.35.2. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the PCC to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the PCC can no longer withdraw the offer of those benefits or when the PCC recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the PCC 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 the 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.

1.35.3. Post-employment Benefits

Employees of the PCC Group are members of two separate pension schemes:

- The Police Officer Pension Scheme, for which the scheme manager is the Chief Constable, administered by XPS Administration;
- The Local Government Pensions Scheme, for which the scheme manager is the Executive Director of Resources within the Administering Authority, Lincolnshire

County Council. The scheme itself is administered by West Yorkshire Pension Fund on behalf of Lincolnshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees.

1.35.4. The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Lincolnshire pension fund attributable to the PCC are included in the Balance Sheet on an actuarial basis using the projected unit 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 projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate of 2.7% (based on the indicative rate of return on high quality AA index corporate bonds);
- The assets of Lincolnshire pension fund attributable to the PCC are included in the Balance Sheet at their fair value as follows:
 - Quoted securities – current bid price;
 - Unquoted securities – professional estimate;
 - Unitised securities – current bid price;
 - Property – market value.

1.35.5. Percentage Entity Split

Both the member and employer contributions for the G4S participants within the Local Government Pension Scheme will be allocated to the PCC in line with the Strategic Partnership arrangement. The entity split was reviewed in 2018/19 and will be reviewed every 5 years as this will be a decreasing percentage as the number of G4S participants lessen over time. A change in the percentage as a result of a review will require a restatement. The current percentage entity split is 30.5% PCC and 69.5% Chief Constable. It should be noted that this scheme is a closed scheme.

1.35.6. The Police Officer Pension Scheme

The Police Officer Pension Schemes (both the old and new schemes) are accounted for as a defined benefit scheme:

- The liabilities of the Lincolnshire pension fund attributable to the Chief Constable are included in the Balance Sheet on an actuarial basis using the projected unit 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 projected earnings for current employees;

- Liabilities are discounted to their value at current prices, using a discount rate of 2.6% (based on the indicative rate of return on high quality AA index corporate bonds).

1.35.7. Pension Scheme Policies

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - Current service cost. The increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - Past service cost. The increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement to a corporate service segment;
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the PCC, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - The return on plan assets. Excluding amounts included in net interest on the net defined benefit liability (asset) charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - Actuarial gains and 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 charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - Contributions paid to the Lincolnshire pension fund. Cash paid as employer's contributions to the pension fund in settlement of liabilities. Not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the PCC to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers 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 fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than when the benefits are earned by employees.

1.35.8. Discretionary Benefits

The PCC also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.35.9. Police Officer Pensions – Home Office Memorandum Account

From 1 April 2006 the Home Office changed the methods of financing police pensions. Effectively the PCC has continued to make payments but accounts for these outside of the accounts in a separate memorandum account. This is included as supplementary statement to the accounts.

1.36. Joint Operations

Joint operations are joint arrangements in which the PCC and other venturers have joint control of the arrangement. The parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The PCC accounts for only its share of the joint operations assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint operation and income that it earns from the venture.

1.37. Financial Instruments

1.37.1. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For all of the borrowings that the PCC has, this means that:

- The amount presented in the Balance Sheet is the outstanding principal repayable, plus accrued interest and;
- Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

1.37.2. Financial Assets

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

- Amortised cost;
- Fair value through Profit or Loss (FVPL); and
- Fair value through Other Comprehensive Income (FVOCI).

The PCC's business model is to hold investments to collect contractual cash flows. Financial assets are therefore measured at amortised cost.

1.37.3. Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the PCC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the PCC, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

2. Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the PCC Group has had to make certain judgements about complex transactions or those involving uncertainty about future events. The significant judgements made in the Statement of Accounts are:

- There is uncertainty about service provision following government decisions to reduce future levels of funding for the PCC Group. However, the Group has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Group might be impaired as a result of a need to close facilities and reduce levels of service provision;
- For retirement benefits, the interpretation of CIPFA guidance differs from that of the Code itself. CIPFA guidance expects plan assets to be included in the financial statements, but the Code says not to include them. This means that by following the CIPFA guidance, the PCC has treated Police Pensions Payments grant as an employers' contribution, reducing the overall pension liability. The impact of this on the General Reserve is reversed through the Movement in Reserves Statement, with a corresponding entry in the Pensions Reserve. The PCC and the Chief Finance Officer have concluded that this approach presents a true and fair view of the PCC's financial position, financial performance and cash flow;
- The Scheme of Arrangements within the PCC Group and the governance arrangements indicate that the Chief Constable controls police officers and police staff, with the exception of PCC staff. The PCC controls income, assets and usable reserves;
- All G4S employees who transferred under TUPE arrangements to the Chief Constable for Lincolnshire on 1st April 2022 were enrolled in the Local Government Pension Scheme and the IAS 19 results as at 31 March 2023 reflect the full pension fund assets and liabilities for all police staff;
- The split of the pension liability within the Local Government Pensions Scheme is allocated between the PCC and the Chief Constable. The current percentage entity split is 30.5% PCC and 69.5% Chief Constable;
- In November 2019, the PCC Group moved into the Blue Light Campus, Lincoln's new joint fire, police and ambulance station on South Park. The property is a Right of Use lease that the PCC have with Lincolnshire County Council. As the PCC Group had already paid contributions prior to the lease inception they do not have a lease liability.

Any revaluation increase will be treated as an addition to the finance lease to reflect the fair value of the asset and credited to the revaluation reserve.

3. Assumptions and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the PCC 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 PCC's Group Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are described below. The main area of fluctuation is the assessment of pension's assets and liabilities. Hence, these are considered separately.

Item	Uncertainties	Effect if actual results differ from assumptions
Pension liability (Group) £1,078,203k of which (£7,258k) relates to the PCC	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the PCC with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions have been measured and described in the tables below. The tables give an indication of the impact of changes in the main assumptions but are not an exhaustive list of the variables involved.
Actuarial Assumptions (Group) £1,078,203k of which (£7,258k) relates to the PCC	The actuaries have assumed that CPI will be approximately 1% p.a. below RPI on average.	As a market in CPI linked bonds does not exist the actuaries need to make an estimate of the long term gap between RPI and CPI in order to arrive at a CPI assumption for the accounts.

The items in the PCC's Group Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are described below. The main area of fluctuation is the assessment of pension's assets and liabilities. Hence, these are considered separately.

3.1. Pension assumptions

The sensitivity analyses for the Police and Local Government Pension Schemes are set out in the tables below. Sensitivity analysis is based on changes to the assumptions occurring at the end of the reporting period and with only one assumption changing at a time rather than assumptions changing in combination with each other. The sensitivity on the longevity assumption, for example, is based upon life expectancy increasing or decreasing for both men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The sensitivities regarding the Police Pension Scheme liabilities are set out below.

Change in financial and demographic assumptions	Approximate percentage increase to Employer Liability	Approximate monetary amount (£m)
0.5% decrease in the Real Discount Rate	10%	156
1 year increase in member life expectancy	3%	47
0.5% in the Salary Increase Rate	<1%	10
0.5% increase in the Pensions Increase Rate (CPI)	8%	126

The sensitivities regarding the Police Pension Scheme current service costs are set out below:

Change in financial and demographic assumptions	Approximate percentage increase to Projected Current Service Cost	Approximate monetary amount (£m)
0.5% decrease in the Real Discount Rate	22%	6
1 year increase in member life expectancy	3%	1
0.5% in the Salary Increase Rate	<1%	0
0.5% increase in the Pensions Increase Rate (CPI)	9%	3

The sensitivities regarding the principal assumptions used to measure the liabilities in the Local Government Pension Scheme are set out below.

	£000	£000	£000	£000	£000
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	138,067	147,699	150,271	152,914	164,240
Projected Service Cost	5,166	5,884	6,079	6,280	7,153
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	151,404	150,494	150,271	150,051	149,186
Projected Service Cost	6,099	6,083	6,079	6,075	6,059
Adjustment to pension increase and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	163,318	152,740	150,271	147,869	138,879
Projected Service Cost	15,086	6,283	6,079	5,882	5,137
Adjustment to life expectancy assumptions		+ 1 year	None	- 1 year	
Present value of total obligation		156,143	150,271	144,643	
Projected Service Cost		6,322	6,079	5,843	

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3.2. Other Areas of Estimation Uncertainty

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment £49,467k	Valuations are provided at a specific date. Market conditions can change at short notice.	The last year has seen a 4% decrease in the PPE figures. Much of this is due to depreciation and revaluation decreases.
Collection fund balances £393k	<p>Estimates have been used to show the proportion of income due to the PCC for council tax, but held by the district councils in their collection fund account.</p> <p>Some councils have estimated their year-end surplus and the associated Balance Sheet figures, but have had to do so several months before the collection fund accounts are prepared.</p>	<p>There is no impact on the General Fund Balance.</p> <p>The surplus in the Comprehensive Income and Expenditure Statement and the associated Balance Sheet figures could vary.</p>
Accumulated Absences (Group) £2,503k	<p>The calculation is based on the balance of hours owed to or owing by each individual recorded in the Duty Management System which includes Annual Leave, Time Off In Lieu and Rest Days in Lieu.</p> <p>Adjustments have been made to remove negative balances and reduce high carry forward balances that significantly exceed policy.</p> <p>Annual Leave is restricted to 5 days, as per policy. The hourly rate used is based on the average pay from the March payroll files.</p>	Actual balances have since been calculated for approved carry forward and the figures are not materially different to the estimates, therefore no adjustments have been made.

4. Expenditure and Funding Analysis

2021/22				Note	Group	2022/23			
Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000			Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
(4,707)	1,061	(25)	(3,671)		Police and Crime Commissioner	3,199	1,835	(548)	4,486
-	(1,982)	-	(1,982)		Chief Constable	-	(4,834)	-	(4,834)
-	-	-	-		Joint Services	-	-	-	-
(4,707)	(921)	(25)	(5,653)		Cost of Services	3,199	(2,999)	(548)	(348)
4,192	-	-	4,192	8	Other Operating Expenditure	135	-	-	135
-	34,783	-	34,783	9	Financing and Investment Income and Expenditure	-	43,785	-	43,785
(1,544)	-	(487)	(2,031)	10	Taxation and Non-Specific Grant Income	(266)	-	222	(44)
(2,059)	33,862	(512)	31,291		Difference between General Fund (Surplus) or Deficit and CIES (Surplus) or Deficit	3,068	40,786	(326)	43,528

2021/22				Note	PCC	2022/23			
Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000			Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
(4,707)	1,061	(25)	(3,671)		Police and Crime Commissioner	3,199	1,835	(548)	4,486
-	-	-	-		Joint Services	-	-	-	-
(4,707)	1,061	(25)	(3,671)		Cost of Services	3,199	1,835	(548)	4,486
4,192	-	-	4,192	8	Other Operating Expenditure	135	-	-	135
-	422	-	422	9	Financing and Investment Income and Expenditure	-	361	-	361
(1,544)	-	(487)	(2,031)	10	Taxation and Non-Specific Grant Income	(266)	-	222	(44)
(2,059)	1,483	(512)	(1,088)		Difference between General Fund (Surplus) or Deficit and CIES (Surplus) or Deficit	3,068	2,196	(326)	4,938

4.1. Adjustments for Capital Purposes

Adjustments for Capital Purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other Operating Expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- Financing and Investment Income and Expenditure - the statutory charges for capital financing, i.e. Minimum Revenue Provision, and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices;
- Taxation and Non-Specific Grant Income and Expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

4.2. Net Change for the Pensions Adjustments

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

- For services this represents the removal of the employer pension contributions made by the PCC Group as allowed by statute and the replacement with current service costs and past service costs;
- For Financing and Investment Income and Expenditure this is the net interest on the defined benefit liability is charged to the CIES.

4.3. Other Differences

Other differences between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute:

- For Financing and Investment Income and Expenditure the other differences recognizes adjustments to the General Fund for the timing differences for premiums and discounts;
- The charge under Taxation and Non-Specific Grant Income and Expenditure represents the difference between what is chargeable under statutory regulations for council tax that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

5. Expenditure Analysed by Nature

2021/22 £000	Group Expenditure and Income	2022/23 £000
	Expenditure	
56,624	Police Pay and Allowances	59,245
26,422	Police Staff Pay and Allowances	49,211
1,644	Other Employee Expenses	2,585
1,456	Police Pensions	2,052
30,532	Pension costs inc IAS19	29,163
2,991	Premises	5,162
1,465	Transport	2,234
16,985	Supplies and Services	19,794
17,581	Third Party Payments	4,139
1,154	Capital Financing	1,312
4,714	Depreciation and amortisation	5,151
4,327	Losses on the disposal of assets	219
955	Precepts and levies	1,255
671	Seconded Officers	803
36,800	Interest and investment expenditure	44,584
204,321	Total expenditure	226,909
	Income	
(10,581)	Fees, charges and other service income	(11,789)
(9,646)	Other Grant Income	(5,880)
(658)	Seconded Officers	(791)
(139)	Proceeds from the disposal of assets	(91)
(23)	Interest and investment income	(526)
(62,978)	Income from council tax	(66,316)
(97,846)	Government grants and contributions	(103,045)
(181,871)	Total income	(188,438)
22,451	(Surplus) or Deficit on the Provision of Services	38,471

The year-on-year variance between police staff pay and allowances above and intra-group financing below is due to the end of the Strategic Partnership with G4S and the subsequent TUPE transfer of staff to the Chief Constable in April 2022.

2021/22 £000	PCC Expenditure and Income	2022/23 £000
	Expenditure	
4,509	Police Staff Pay and Allowances	5,576
8	Other Employee Expenses	28
17	Premises	285
45	Transport	21
2,613	Supplies and Services	919
16,631	Third Party Payments	1,420
1,154	Capital Financing	1,312
4,714	Depreciation and amortisation	5,151
4,327	Losses on the disposal of assets	219
2,439	Interest and investment expenditure	1,161
126,101	Intra Group financing	159,098
162,558	Total expenditure	175,190
	Income	
(2,497)	Fees, charges and other service income	(282)
(9,003)	Other Grant Income	(5,048)
(139)	Proceeds from the disposal of assets	(91)
(23)	Interest and investment income	(526)
(62,978)	Income from council tax	(66,316)
(97,846)	Government grants and contributions	(103,045)
(172,486)	Total income	(175,308)
(9,928)	(Surplus) or Deficit on the Provision of Services	(118)

6. Adjustments Between Accounting Basis and Funding Basis Under Regulations

Adjustments are made to the total comprehensive income and expenditure recognised by both the PCC Group and the PCC in the year in accordance with accounting practice.

The following set out a description of the reserves that the adjustments are made against.

6.1. General Fund Balance

The General Fund is the statutory fund into which all the receipts are required to be paid and out of which all liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the PCC is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the PCC is required to recover) at the end of the financial year.

6.2. Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

6.3. Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects, for which the PCC has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

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2021/22 Adjustment between Accounting Basis and Funding Basis

2021/22 Group	Usable Reserves			Movement in Usable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £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:				
Pensions costs (transferred to (or from) the Pensions Reserve)	33,862	-	-	(33,862)
Council tax (transferred to or from Collection Fund)	(487)	-	-	487
Unused Leave (transferred to the Accumulated Absences Reserve)	(25)	-	-	25
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account):	8,836	-	-	(8,836)
Total Adjustments to Revenue Resources	42,186	-	-	(42,186)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(132)	132	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(10,102)	-	-	10,102
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(473)	-	-	473
Total Adjustments between Revenue and Capital Resources	(10,707)	132	-	10,575
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(132)	-	132
Application of capital grants to finance capital expenditure	(188)	-	188	-
Total Adjustments to Capital Resources	(188)	(132)	188	132
Total Adjustments	31,291	-	188	(31,479)

2021/22 PCC	Usable Reserves			Movement in Usable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £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:				
Pensions costs (transferred to (or from) the Pensions Reserve)	1,483	-	-	(1,483)
Council tax (transferred to or from Collection Fund)	(487)	-	-	487
Unused Leave (transferred to the Accumulated Absences Reserve)	(25)	-	-	25
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account):	8,836	-	-	(8,836)
Total Adjustments to Revenue Resources	9,807	-	-	(9,807)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(132)	132	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(10,102)	-	-	10,102
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(473)	-	-	473
Total Adjustments between Revenue and Capital Resources	(10,707)	132	-	10,575
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(132)	-	132
Application of capital grants to finance capital expenditure	(188)	-	188	-
Total Adjustments to Capital Resources	(188)	(132)	188	132
Total Adjustments	(1,088)	-	188	900

2022/23 Adjustment between Accounting Basis and Funding Basis

2022/23 Group	Usable Reserves			Movement in Usable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £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:				
Pensions costs (transferred to (or from) the Pensions Reserve)	40,786	-	-	(40,786)
Council tax (transferred to or from Collection Fund)	222	-	-	(222)
Unused Leave (transferred to the Accumulated Absences Reserve)	(548)	-	-	548
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account):	6,514	-	-	(6,514)
Total Adjustments to Revenue Resources	46,974	-	-	(46,974)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(89)	89	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,059)	-	-	3,059
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(205)	-	-	205
Total Adjustments between Revenue and Capital Resources	(3,353)	89	-	3,264
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(89)	-	89
Application of capital grants to finance capital expenditure	(93)	-	93	-
Total Adjustments to Capital Resources	(93)	(89)	93	89
Total Adjustments	43,528	-	93	(43,621)

2022/23 PCC	Usable Reserves			Movement in Usable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £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:				
Pensions costs (transferred to (or from) the Pensions Reserve)	2,196	-	-	(2,196)
Council tax (transferred to or from Collection Fund)	222	-	-	(222)
Unused Leave (transferred to the Accumulated Absences Reserve)	(548)	-	-	548
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account):	6,514	-	-	(6,514)
Total Adjustments to Revenue Resources	8,384	-	-	(8,384)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(89)	89	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,059)	-	-	3,059
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(205)	-	-	205
Total Adjustments between Revenue and Capital Resources	(3,353)	89	-	3,264
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(89)	-	89
Application of capital grants to finance capital expenditure	(93)	-	93	-
Total Adjustments to Capital Resources	(93)	(89)	93	89
Total Adjustments	4,938	-	93	(5,031)

7. Transfers Between Earmarked Reserves

Group / PCC	Balance at 31 March 2021 £000	Transfers Out 2021/22 £000	Transfers In 2021/22 £000	Transfer Between Reserves 2021/22 £000	Balance at 31 March 2022 £000	Transfers Out 2022/23 £000	Transfers In 2022/23 £000	Transfer Between Reserves 2022/23 £000	Balance at 31 March 2023 £000
Major Incidents	1,850	-	-	-	1,850				1,850
Insurance	1,000	-	-	-	1,000				1,000
Proceeds of Crime Act	334	-	479	(500)	313		4		317
Development and Partnership Working	894	(112)	36	-	818	(186)			632
Victims Major Incidents	269				269				269
Partner Agency Funding	89	(8)	-	-	81				81
Performance and Productivity	1,114	(165)	-	-	949				949
Body Worn Cameras	76	(76)	-	-	-				-
Strategic Partnership	20	-	-	(20)	-				-
Regional NICHE Innovation Funds	406	(248)	-	-	158			(158)	-
Capital Financing Reserve	1,000	-	1,100	-	2,100	(166)			1,934
Ill Health Pension Reserve	487	-	252	-	739	(252)			487
Staffing (Risk Mitigation)	100				100			(100)	-
PCC Regional Staffing	49	(24)	1	-	26		8		34
ARV Grant Notts	189	(189)	-	-	-				-
Domestic Abuse PIF Grant	43	-	-	-	43				43
Police Officer Bank Holiday Overtime	294	(294)	250	-	250				250
West Division Football	40	-	-	-	40			(40)	-
Mini Police Income	46	(10)	-	-	36	(4)			32
Crime Review Building Works	88	-	-	-	88			(88)	-
Violence and Vulnerability Fund	2,324	-	13	766	3,103			(743)	2,360
Excellence in Police Finance	40	(20)	-	-	20				20
Earmarked non-recurrent funding for use in 2021/22	167	-	-	(167)	-				-
Funding of fixed term staff posts 21/22	492	(73)	-	(419)	-				-
Airwave Boosters	40	(40)	-	-	-				-
Complaints Handling	20	-	-	-	20				20
Revenue Budget Support (was Operation Priorities Reserve)	1,171	(119)	5,571	-	6,623		6,716	2,936	16,275
ICT WIFI Installations	50	(50)	50	-	50	(50)			-
Central Operations Tasers	53	(53)	-	-	-				-
Chief Constable Carry Forward	99	(62)	540	(37)	540	(431)		(109)	-
PCC & Joint Services Carry Forward	394	(352)	18	(42)	18				18
Non Recurrent Fixed Term Posts >21/22	481	-	-	-	481			(481)	-
Victim Services DA Funding	28	(28)	-	-	-				-
National Police Air Support	-	-	230	-	230				230
Equality and Diversity Team	-	-	-	419	419			(419)	-
Transitional Costs	-	-	250	-	250			500	750
Inflationary Pressures	-	-	500	-	500			(500)	-
ICT minor equipment budget - new starters	-	-	100	-	100	(100)			-
ICT minor equipment budget - replacements	-	-	50	-	50	(50)			-
Commanders discretionary budgets	-	-	200	-	200	(200)			-
Chief Constable Contingency	-	-	400	-	400	(400)			-
PUP Grant & East Coast C/fwd	-	-	798	-	798			(798)	-
Automation and IOM 18-25 Cohort	-	-	-	-	-		12		12
Supply of PPE	-	-	-	-	-		6		6
Culture	-	-	-	-	-		66		66
Vehicle equipment	-	-	-	-	-		30		30
CBRN Compliant Headsets	-	-	-	-	-		16		16
Subtotal	13,747	(1,923)	10,838	-	22,662	(1,839)	6,858	-	27,681
Regional Reserve	510	(75)			435	38			473
Total	14,257	(1,998)	10,838	-	23,096	(1,801)	6,858	-	28,153
Net transfers (to)/from Earmarked Reserves			8,840				5,057		

Descriptions of the Earmarked Reserves

Earmarked Reserves - Group / PCC Balance at 31 March 2023	£000	Description of Reserve
Major Incidents	1,850	The requirements of operational policing vary significantly from year to year. The reserve ensures that the PCC Group has funds available to respond to the requirements of major incidents.
Insurance	1,000	To support the costs of on-going claims and for future unforeseen claims which have not yet arisen and for which revenue provision is insufficient.
Proceeds of Crime	317	The police share of assets recovered from the proceeds of crime is reserved for funding local crime reduction initiatives to benefit the community.
Development and Partnership Working	632	Reserve to be used for development and initiatives held by the OPCC.
Victims Major Incidents	269	Fund set aside towards funding victim support for those affected by Major Incidents.
Partner Agency Funding	81	Reserve for funding received from NHS (custody transformation) and LCJB.
Performance and Productivity	949	Reserve to fund business change and efficiency projects.
Capital Financing Reserve	1,934	Reserve allocation set aside to fund future capital programme items.
Ill Health	487	Reserve to ensure Force can meet the cost of potential Ill Health retirements.
PCC Regional Collaboration Staffing	34	Surplus from past financial years to be used in 2021/22.
Domestic Abuse PIF Grant	43	Balance of funding to cover contribution to project in future accounting periods.
Police Officer Bank Holiday Overtime	250	To smooth out the effect of certain years having more bank holidays than others.
Mini Police Income	32	Ring fence of underspend from 2019/20.
Violence & Vulnerability Fund	2,360	Fund for innovation and service development, bids to be made
Excellence in Police Finance	20	To develop and improve financial management within the organisation through the CIPFA Finance Excellence in Policing programme.
Complaints Handling	20	Risk mitigation for PCC when handling complaints.
Revenue Budget Support (was Operation Priorities Reserve)	16,275	Ringfence of non-recurrent funding for use in future years.
PCC & Joint Services Carry Forward to 21/22	18	Various small items of carry forward due to expenditure being delayed in to 2021/22.
National Police Air Support	230	Risk mitigation for potential rises in air support usage and cost
Transitional Costs	750	Potential exit costs arising on strategic partnership termination
Automation and IOM 18-25 Cohort	12	Allocation to increase 2022/23 Force Executive budget
Supply of PPE	6	Allocation to increase 2022/23 Crime budget
Culture	66	Allocation to increase 2022/23 Strategic Development budget
Vehicle equipment	30	Allocation to increase 2022/23 Operations budget
CBRN Compliant Headsets	16	Allocation to increase 2022/23 Operations budget
Sub-Total	27,681	
Regional Reserve	473	Reserves from surplus of funding relating to regional expenditure.
Total	28,153	

8. Other Operating Expenditure

2021/22			Group	2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
4,327	(139)	4,188	(Gains) or Losses on the Disposal of Property, Plant and Equipment	219	(91)	128
955		955	Levies	1,255		1,255
671	(658)	13	Seconded Officers	803	(791)	12
5,953	(797)	5,156		2,277	(882)	1,395

2021/22			PCC	2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
4,327	(139)	4,188	(Gains) or Losses on the Disposal of Property, Plant and Equipment	219	(91)	128
4,327	(139)	4,188		219	(91)	128

Levies are the Chief Constable's contributions towards national police computing systems provided by the Home Office.

9. Finance and Investment Income and Expenditure

2021/22			Group	2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
837	-	837	Interest Payable on Debt	799	-	799
1,180	-	1,180	Interest Element of Finance Lease (Lessee)	-	-	-
34,783	-	34,783	Pensions Interest Cost and Expected Return on Pensions Assets	43,785	-	43,785
-	(23)	(23)	Investment Interest Income		(526)	(526)
36,800	(23)	36,777		44,584	(526)	44,058

2021/22			PCC	2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
837	-	837	Interest Payable on Debt	799	-	799
1,180	-	1,180	Interest Element of Finance Lease (Lessee)	-	-	-
422	-	422	Pensions Interest Cost and Expected Return on Pensions Assets	361	-	361
-	(23)	(23)	Investment Interest Income		(526)	(526)
2,439	(23)	2,416		1,160	(526)	634

10. Taxation and Non-Specific Grant Income

2021/22			Group / PCC	2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000	£000	£000	£000	
-	(62,978)	(62,978)	Council Tax Income	-	(66,316)	(66,316)
-	(67,553)	(67,553)	General Government Grants	-	(71,329)	(71,329)
-	(5,775)	(5,775)	Council Tax Support Grant	-	(5,677)	(5,677)
-	(1,059)	(1,059)	Council Tax Freeze Grant	-	(1,059)	(1,059)
-	(21,914)	(21,914)	Home Office Grant Payable towards the Cost of Retirement Benefits	-	(24,715)	(24,715)
-	(1,497)	(1,497)	Recognised Capital Grants and Contributions	-	(241)	(241)
-	(47)	(47)	Regional Capital Grant	-	(25)	(25)
-	(160,824)	(160,824)		-	(169,361)	(169,361)

11. Grant Income

The PCC Group credited the following grants to the Comprehensive Income and Expenditure Statement:

Group / PCC	2021/22 £000	2022/23 £000
Credited to Taxation and Non Specific Grant Income		
Central Government:		
Police Grant	(67,553)	(71,329)
Home Office Pension Grant	(21,914)	(24,715)
Capital Grants and Contributions	(1,497)	(241)
Council Tax Support Grant	(5,775)	(5,775)
Council Tax Freeze Grant	(1,059)	(961)
Regional Capital Grant	(47)	(25)
Total	(97,845)	(103,045)

Group / PCC	2021/22 £000	2022/23 £000
Credited to Services		
Other Grant Income		
Special Grant	(5,483)	(582)
Ers Contribution Pension Shortfall Grant	(1,175)	(1,175)
Armed Response Vehicle (ARV) Grant	-	(94)
Home Office PUP Grant	(899)	(1,123)
Apprenticeship Levy Grant	(68)	(73)
Safer Streets Grant	-	(336)
Victim Services Grant	(1,270)	(1,546)
Regional External Grant	(643)	(738)
Other Grants	(108)	(213)
Total	(9,646)	(5,880)

PCC	2021/22 £000	2022/23 £000
Credited to Services		
Other Grant Income		
Special Grant	(5,483)	(582)
Ers Contribution Pension Shortfall Grant	(1,175)	(1,175)
Other Home Office Grants	-	(1,123)
Home Office PUP Grant	(899)	(73)
Apprenticeship Levy Grant	(68)	-
COVID Support Grant	-	(336)
Safer Streets Grant	-	(1,546)
Victim Services Grant	(1,270)	(213)
Other Grants	(108)	
Total	(9,003)	(5,048)

Where the Group has received grants with conditions attached that it has not met at year end, these have yet to be recognised as income.

Group / PCC	2021/22 £000	2022/23 £000
Revenue Grants Receipts in Advance <1 year		
Home Office Special Grant	(5)	(124)
Total	(5)	(124)

12. Intra-Group Financing

An annual intra-group transfer of funds is made by the PCC to the Chief Constable. This intra-group transfer will equal the income requirement for the Chief Constable.

13. Property Plant and Equipment

Movements and closing balances in 2021/22 Group / PCC	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation					
Balance at 31 March 2021 carried forward	37,955	22,766	1,506	3,362	65,589
Additions	822	4,604	-	1,332	6,758
Asset Additions Leased	37	3,600	-	587	4,224
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve including Leased Assets	614	-	-	-	614
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,154)	-	-	-	(1,154)
Derecognition - Disposals	(42)	(1,564)	-	-	(1,606)
Derecognition - Leased assets	-	(3,600)	-	(587)	(4,187)
Assets reclassified to/from Surplus Assets	-	-	-	-	-
Assets reclassified to/from Assets Held For Sale	-	-	(1,375)	-	(1,375)
Assets reclassified to/from Assets Under Construction	224	823	-	(1,047)	
At 31 March 2022	38,456	26,629	131	3,647	68,863
Depreciation and Impairment					
Balance at 31 March 2021 carried forward	(2)	(16,198)	-	-	(16,200)
Depreciation written out through the revaluation reserve	1,739	-	-	-	1,739
Derecognition - Disposals	-	1,468	-	-	1,468
Revaluation increases/(decreases) recognised in CIES	-	-	-	-	-
Depreciation charge in year	(1,759)	(2,262)	(131)	-	(4,152)
At 31 March 2022	(22)	(16,992)	(131)	-	(17,145)
Net Book Value:					
At 31 March 2022	38,434	9,637	-	3,647	51,718
At 31 March 2021	37,953	6,568	-	3,362	49,389

A combination of Level 1 and 2 inputs have been adopted in arriving at the opinions of the Fair Values of the PCC's Surplus Assets by the Valuers. Fair Values are explained in the Accounting Policies in section 1.35.

Movements and closing balances in 2022/23 Group / PCC	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation					
Balance at 31 March 2022 carried forward	38,456	26,629	131	3,647	68,863
Additions	1,279	2,340	-	491	4,110
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve including Leased Assets	(60)	-	-	-	(60)
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,335)	-	-	-	(1,335)
Derecognition - Disposals	(130)	(1,040)	-	-	(1,170)
Assets reclassified to/from Surplus Assets	-	-	-	-	-
Assets reclassified to/from Assets Held For Sale	-	-	-	-	-
Assets reclassified to/from Assets Under Construction	492	131	-	(2,663)	(2,040)
At 31 March 2023	38,702	28,060	131	1,475	68,368
Depreciation and Impairment					
Balance at 31 March 2022 carried forward	(22)	(16,992)	(131)	-	(17,145)
Depreciation written out through the revaluation reserve	2,117	-	-	-	2,117
Derecognition - Disposals	-	946	-	-	946
Revaluation increases/(decreases) recognised in CIES	-	-	-	-	-
Depreciation charge in year	(2,138)	(2,681)	-	-	(4,819)
At 31 March 2023	(43)	(18,727)	(131)	-	(18,901)
Net Book Value:					
At 31 March 2023	38,659	9,333	-	1,475	49,467
At 31 March 2022	38,434	9,637	-	3,647	51,718

13.1. Major Non-Current Assets

Analysis of the numbers of major non-current assets:

Group / PCC	2021/22 (Numbers)	2022/23 (Numbers)
Force Headquarters	1	1
Police Stations	36	36
Former Lincoln Police Station (now Asset Held For Sale)	1	1
Sexual Assault Referral Centre	1	1
Major Aerial sites	3	3
Vehicles	440	446
Police Dog Training Establishment	1	1
Bluelight South Park Campus	1	1
East Coast Training Centre	1	1

N.B. Excludes share of regional buildings as these are not on the PCC's Fixed Asset Register

14. Valuation of Non-Current Assets

Land and buildings have been revalued, on the basis described in Note 1, and in accordance with the principles of the Accounting Code of Practice, as at the 1 April 2021 by Chartered Surveyors Align Property Partners who are RICS Registered Valuers and independent of the PCC. It should be noted that a separate valuation was commissioned for the Blue Light Campus by Kier Specialist Services for leasing purposes.

The next desktop review which will be as at 1 April 2023 will take place at the end of January 2024.

15. Intangible Assets

The movement on Intangible Asset balances during the year is as follows:

Group / PCC	2021/22 £000	2022/23 £000
Balance at start of year:		
Gross carrying amounts	6,367	6,370
Accumulated amortisation	(4,831)	(5,393)
Net carrying amount at start of year	1,536	977
Amortisation for the period	(562)	(309)
Additions:		
Purchases	3	1,647
Transfer From Assets Under Construction	-	2,041
Net carrying amount at end of year	977	4,356
Comprising:		
Gross carrying amounts	6,370	10,058
Accumulated amortisation	(5,393)	(5,702)
	977	4,356

The PCC has no internally generated assets. All other assets have finite useful lives of 8 years and are amortised on a straight-line basis. The amortisation of £309k charged to revenue in the year was charged to the capital financing cost centre and then absorbed as an overhead by the PCC in the Cost of Services.

16. Capital Commitments

Carry forward from 2022/23 of £1.962m was approved within the 2023/24 capital programme. A further 2022/23 year end carry forward of £2.020m was requested giving rise to the following commitments:

- Carry forward of £209k largely in respect of electric vehicle charging points, security improvements and the decarbonisation programme
- Carry forward of £1.484m relating to Digital Data and Technology projects which have been delayed considering emerging priorities including hardware, infrastructure, datacentre provision, mobile devices and the potential for migrating to cloud-based technology
- Carry forward of £688k for the Command and Control project with completion expected early in 2023/24
- Carry forward of £384k relating to various other smaller capital projects
- Due to delivery issues, the vehicles replacement programme continues to suffer long delays in lead time. This has seen a commitment made for £1.217k in the 2022/23 capital programme with delivery anticipated during 2023/24

17. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is financed in future years by charges to revenue, the expenditure results in an increase in Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the PCC that has yet to be financed. The CFR is analysed in the second part of this note.

Group / PCC	2021/22 £000	2022/23 £000
Opening Capital Financing requirement	42,017	40,939
Capital Investment		
Land and Buildings	859	1,279
Plant and Equipment	4,604	2,340
Assets Under Construction	1,332	491
Intangible Assets	3	1,647
G4S Leased Assets	4,187	-
Sources of Finance		
Capital Receipts	(132)	(89)
Government Grants and other Contributions	(1,356)	(173)
Direct Revenue Financing	(473)	(205)
Minimum Revenue Provision	(2,524)	(3,059)
Revenue Provision	(7,578)	-
Closing Capital Financing Requirement	40,939	43,170
Explanation of Movements in Year		
Assets acquired under finance leases	4,187	-
Increase / (decrease) in underlying need to borrow	(5,265)	2,231
Increase/(decrease) in Capital Financing Requirement	(1,078)	2,231

18. Finance Leases

18.1. PCC as Lessee - Finance Leases

Net Carrying Amount - Group / PCC	2021/22 £000	2022/23 £000
Land and Buildings	14,743	14,956
Vehicles, Plant, Furniture and Equipment	8,746	-
	23,489	14,956

Minimum Lease Payments - Group / PCC	2021/22 £000	2022/23 £000
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-

The PCC Group has a Police dog training establishment with kennels and a radio mast under a 99-year finance lease. The asset acquired under this lease is carried as Property, Plant and Equipment in the Balance Sheet, and as Land and Buildings in the table below. There is no corresponding liability to recognise as the PCC paid the full costs of

constructing the premises at the inception of the lease. If demanded the annual rent is one peppercorn per annum, so there are no minimum lease payments to disclose.

In November 2019, the PCC Group moved into the Blue Light Campus, Lincoln's new joint fire, police and ambulance station on South Park, occupied through a 70-year finance lease with Lincolnshire County Council. This asset is classed as Property, Plant and Equipment in the Balance Sheet as a finance lease at a value of £14.5m. There is no corresponding lease liability to recognise as the PCC Group paid a contribution prior to the inception of the lease. Any revaluation amount has been credited to the revaluation reserve. If demanded the annual rent is one peppercorn per annum.

The assets are carried in the PCC Group asset register and are subject to depreciation.

18.2. PCC as Lessee - Operating Leases

The PCC has acquired a number of assets by entering into operating leases, typically on a short-term basis. The future minimum lease payments due under non-cancellable leases in future years are:

Group / PCC	2021/22 £000	2022/23 £000
Not later than one year	29	54
Later than one year and not later than five years	85	137
Later than five years	-	-
	114	191

The expenditure charged against the cost of services section of the Comprehensive Income and Expenditure Statement during the year in relation to leases was:

Group / PCC	2021/22 £000	2022/23 £000
Minimum lease payments	53	98
	53	98

The PCC Group has additional licenses to occupy premises on a peppercorn rent basis, which are cancellable by either party at between 1 and 3 months' notice. These premises are typically utilised by Neighbourhood Police Teams. No payments are made for these licenses and as such no value is recorded in the tables above in relation to them.

18.3. PCC as Lessor - Operating Leases

The PCC leases out office accommodation and space on radio masts under operating leases for the following purposes:

- Office accommodation for the provision of probation services;
- Office accommodation for the provision of UK immigration services;
- Space on radio masts for telecommunication services.

The future minimum lease payments receivable under non-cancellable leases in future years are:

Group / PCC	2021/22 £000	2022/23 £000
Not later than one year	58	58
Later than one year and not later than five years	241	186
Later than five years	586	563
	885	807

Lincolnshire Fire and Rescue occupied 8.32% of the shared Headquarters site. The annual rental cost is on a peppercorn basis.

A service charge of £89k was levied to facilitate Lincolnshire Police recovering expenditure incurred on items such as rates and utilities. In accordance with guidance, this service charge is not included in the above table as service charges are excluded from minimum lease payments.

19. Assets Held for Sale

Group / PCC	2021/22 £000
Cost or Valuation	
Balance at 31 March 2021 carried forward	-
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve	-
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	-
Derecognition - Disposals	-
Assets reclassified to Assets Held for Sale from PPE	1,375
At 31 March 2022	1,375
Depreciation and Impairment	
Balance at 31 March 2021 carried forward	-
Depreciation written out through the revaluation reserve (prior to reclassification)	131
Revaluation increases/(decreases) recognised in CIES	-
Derecognition - Disposals	-
Depreciation charge in year	-
At 31 March 2022	131
Net Book Value:	
At 31 March 2022	1,506
At 31 March 2021	-

Group / PCC	2022/23 £000
Cost or Valuation	
Balance at 31 March 2022 carried forward	1,375
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve	-
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	-
Derecognition - Disposals	-
Assets reclassified to Assets Held for Sale from PPE	
At 31 March 2023	1,375
Depreciation and Impairment	
Balance at 31 March 2022 carried forward	131
Depreciation written out through the revaluation reserve (prior to reclassification)	-
Revaluation increases/(decreases) recognised in CIES	-
Derecognition - Disposals	-
Depreciation charge in year	-
At 31 March 2023	131
Net Book Value:	
At 31 March 2023	1,506
At 31 March 2022	1,506

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20. Inventories

Group / PCC	Uniform and Equipment		Canteen		Diesel		Fleet Maintenance		Other		Total	
	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000	2022/23 £000
Balance at Start of Year	243	225	-	-	105	130	40	42	1	1	389	398
Purchases	165	249		20	532	700	111	150	3	3	811	1,122
Recognised as an Expense in the year	(183)	(177)		(13)	(507)	(668)	(109)	(133)	(3)	(3)	(802)	(994)
Balance at End of Year	225	297	-	7	130	162	42	59	1	1	398	526

The Canteen stock transferred into the Force at the start of April 2022 as a result of the end of the strategic partnership.

21. Debtors

2021/22			Group / PCC			2022/23		
Local/Central Government Bodies £000	Other Entities and Individuals £000	Total £000				Local/Central Government Bodies £000	Other Entities and Individuals £000	Total £000
			Amounts falling due within one year:					
653	60	713	Trade Receivables			1,290	91	1,381
3,959	501	4,460	Accrued Income			4,223	196	4,419
3,725	-	3,725	Local Taxation Receivable			4,031	-	4,031
1,062	-	1,062	VAT Claim Receivable			869	-	869
3,011	-	3,011	Home Office Retirement Benefits Grant Receivable			5,591	-	5,591
26	1,861	1,887	Prepayments and Other Receivable Amounts			11	6,241	6,252
12,436	2,422	14,858	Total Debtors falling due within one year			16,015	6,528	22,543

2021/22	Group / PCC	2022/23
Other Entities and Individuals £000		Other Entities and Individuals £000
	Amounts falling due after one year:	
24	Long Term Debtors	23
24	Total Debtors falling due after one year	23

22. Cash and Cash Equivalents

Group / PCC	2021/22 £000	2022/23 £000
Cash Held by the PCC	20	28
Bank Current Accounts	956	537
Insurance Imprest Account	12	28
Confiscated Account	(198)	(310)
Short-term Deposits	13,425	9,500
Total Cash and Cash Equivalents	14,216	9,782

Any cash confiscated as part of police operations is paid into and held in the bank current account until a later date when it is decided by the court whether it should be paid back to the individual from whom it was confiscated or paid over to the Home Office as a result of criminal activity.

23. Creditors

Other entities and individuals include supplies and services, pay accruals, receipts in advance, other creditors and employee benefits. Employee benefits are the theoretical value of annual leave or time owed to staff at the Balance Sheet date.

2021/22			Group / PCC	2022/23		
Local/Central Government Bodies	Other Entities and Individuals	Total		Local/Central Government Bodies	Other Entities and Individuals	Total
£000	£000	£000		£000	£000	£000
(321)	(569)	(890)	Trade Payables	(450)	(1,112)	(1,561)
(2,100)	(2,584)	(4,684)	Accruals and Receipts in Advance	(1,711)	(2,198)	(3,909)
(2,148)	(3,434)	(5,582)	Police and Police Staff Pay Creditors	(2,786)	(3,185)	(5,971)
(3,110)	-	(3,110)	Local Taxation Payable	(3,638)	-	(3,638)
-	(223)	(223)	Other Amounts Payable	-	(255)	(255)
(7,679)	(6,810)	(14,489)	Total Short-Term Creditors	(8,584)	(6,749)	(15,333)

2021/22			PCC	2022/23		
Local/Central Government Bodies	Other Entities and Individuals	Total		Local/Central Government Bodies	Other Entities and Individuals	Total
£000	£000	£000		£000	£000	£000
(321)	(569)	(890)	Trade Payables	(450)	(1,112)	(1,561)
(2,100)	(2,584)	(4,684)	Accruals and Receipts in Advance	(1,711)	(2,198)	(3,909)
(2,148)	(383)	(2,531)	Police and Police Staff Pay Creditors	(2,786)	(683)	(3,468)
(3,110)	-	(3,110)	Local Taxation Payable	(3,638)	-	(3,638)
-	(223)	(223)	Other Amounts Payable	-	(255)	(255)
-	(3,051)	(3,051)	Inter Group	-	(2,503)	(2,503)
(7,679)	(6,810)	(14,489)	Total Short-Term Creditors	(8,584)	(6,749)	(15,333)

24. Revenue provisions

The PCC Group has made provisions to meet the costs of the liabilities described below. They are classified as provisions because there is a present obligation to transfer economic benefit as a result of a past event, payment is probable and the amount can be reliably estimated.

Short Term Provisions - Group	Balance 31 March 2022	Additional provisions made in 2022/23	Amounts used in 2022/23	Unused amounts reversed in 2022/23	Balance 31 March 2023
Legal Services	(500)	(368)	71	266	(531)
Termination Benefits of Employment	(15)	(1)			(16)
Demand Analysis	(30)			30	-
SPOC Overtime (Source Handlers)	(38)	(65)	38		(65)
Ill Health Reserve	-	(85)			(85)
Source Handlers Legal Costs	(80)	(46)			(126)
Stores Provision	(23)	(5)	7	16	(5)
Fleet Liability with G4S	(50)			50	-
GMP Pension Reconciliation	(11)			11	-
Total	(747)	(570)	116	373	(828)

Short Term Provisions - PCC	Balance 31 March 2022	Additional provisions made in 2022/23	Amounts used in 2022/23	Unused amounts reversed in 2022/23	Balance 31 March 2023
Legal Services	(500)	(368)	71	266	(531)
Demand Analysis	(30)	-	-	30	-
SPOC Overtime (Source Handlers)	(38)	(65)	38	-	(65)
Ill Health Reserve	-	(85)	-	-	(85)
Source Handlers Legal Costs	(80)	(46)	-	-	(126)
Stores Provision	(23)	(5)	7	16	(5)
Fleet Liability with G4S	(50)	-	-	50	-
GMP Pension Reconciliation	(11)	-	-	11	-
Total	(732)	(569)	116	373	(812)

All provisions are held by the PCC except for the termination benefits of employment relating to the pension payments which are held by the Chief Constable along with the IAS19 Pension Liability.

Long Term Provisions - Group	Balance 31 March 2022	Additional provisions made in 2022/23	Amounts used in 2022/23	Unused amounts reversed in 2022/23	Balance 31 March 2023
Termination Benefits of Employment	(74)	-	-	12	(62)
Total	(74)	-	-	12	(62)

25. Usable Reserves

Movements in the PCC's Usable Reserves are detailed in the Movement in Reserves Statements. The PCC keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

Usable Reserves - Group	Capital Grants Unapplied £000	Earmarked Reserves (PCC) £000	Earmarked Reserves (Region) £000	Earmarked Reserves Total £000	General Fund Balance £000	General Fund Balance (Region) £000	General Reserve Total £000	Total Usable Reserves £000
Balance as at 31 March 2022	188	22,661	435	23,096	5,944	34	5,979	29,262
Movements during the year								
Surplus / (Deficit) on the provision of services				-	(38,509)	38	(38,471)	(38,471)
Adjustments between accounting basis and funding basis under regulations	93			-	43,528		43,528	43,621
Income and Expenditure contribution		6,858	-	6,858	(6,858)	-	(6,858)	-
Used in the year		(1,839)	38	(1,801)	1,839	(38)	1,801	-
Adjustments to usable reserves		-		-	-		-	-
Total reserve movements 2022/23	93	5,019	38	5,057	-	-	-	5,150
Balance as at 31 March 2023	281	27,680	473	28,153	5,944	34	5,979	34,412

Usable Reserves - PCC	Capital Grants Unapplied £000	Earmarked Reserves (PCC) £000	Earmarked Reserves (Region) £000	Earmarked Reserves Total £000	General Fund Balance £000	General Fund Balance (Region) £000	General Reserve Total £000	Total Usable Reserves £000
Balance as at 31 March 2022	188	22,661	435	23,096	5,944	34	5,979	29,262
Movements during the year								
Surplus / (Deficit) on the provision of services					81	38	119	119
Adjustments between accounting basis and funding basis under regulations	93			-	4,938		4,938	5,031
Income and Expenditure contribution		6,858	-	6,858	(6,858)	-	(6,858)	-
Used in the year		(1,839)	38	(1,801)	1,839	(38)	1,801	-
Adjustments to usable reserves		-		-	-		-	-
Total reserve movements 2022/23	93	5,019	38	5,057	-	-	-	5,150
Balance as at 31 March 2023	281	27,680	473	28,153	5,944	34	5,979	34,412

26. Unusable Reserves

Unusable Reserves - Group	2021/22 £000	2022/23 £000
Revaluation Reserve	14,370	14,852
Capital Adjustment Account	(1,110)	(2,695)
Pensions Reserve	(1,630,024)	(1,078,280)
Collection Fund Adjustment Account	615	393
Accumulated Absences Account	(3,051)	(2,503)
Total Unusable Reserves	(1,619,200)	(1,068,233)

Unusable Reserves - PCC	2021/22 £000	2022/23 £000
Revaluation Reserve	14,370	14,852
Capital Adjustment Account	(1,110)	(2,695)
Pensions Reserve	(14,896)	7,256
Collection Fund Adjustment Account	615	393
Accumulated Absences Account	(3,051)	(2,503)
Total Unusable Reserves	(4,072)	17,303

27. Revaluation Reserve

The Revaluation Reserve records the accumulated gains on the long-term assets held by the PCC arising from increases in value. The Reserve is also debited with amounts equal to the part of depreciation charges on assets that have been incurred only because the asset has been re-valued. The balance is reduced when assets with accumulated gains are:

- Re-valued 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.

2021/22 £000	Group / PCC	2022/23 £000
12,866	Balance at 1 April	14,370
2,567	Upward revaluation of Property, Plant and Equipment	3,341
(214)	Downward revaluation of Property Plant and Equipment, and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(1,283)
131	Upward valuation of Assets Held for Sale	-
2,484	Surplus / (Deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	2,058
(980)	Difference between fair value depreciation and historical cost depreciation and adjustment on revaluation reserve	(1,576)
(980)	Amount written off to the Capital Adjustment Account	(1,576)
14,370	Balance at 31 March	14,852

28. 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 amortisation 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 by the PCC Group as finance for the costs of acquisition, construction and enhancement.

2021/22 £000	Group / PCC	2022/23 £000
(3,961)	Balance at 1 April	(1,110)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(4,152)	Charges for depreciation and impairment on non-current assets	(4,819)
(1,154)	Revaluation losses on Property, Plant and Equipment	(1,335)
(562)	Amortisation of intangible assets	(309)
(4,324)	Amounts of non-current assets written off on disposal or sale as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement	(224)
(10,192)		(6,687)
980	Amounts written out of the Revaluation Reserve	1,576
(9,212)	Net written out amount of the cost of non-current assets consumed in the year	(5,111)
	Capital financing applied in the year:	
132	Use of Capital Receipts Reserve to finance new capital expenditure	89
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing:	
473	Capital expenditure charged against the general fund	205
1,356	Application of capital grants and contributions to capital financing transferred to the CAA	173
1,961		467
	Items not debited or credited to the Comprehensive Income and Expenditure Statement:	
10,102	Revenue provision for the repayment of debt	3,059
10,102		3,059
(1,110)	Balance at 31 March	(2,695)

The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains. Note 6 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

29. 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 PCC 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 a benefit earned to be financed, as the PCC 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 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 have been set aside by the time the benefits come to be paid.

2021/22 PCC £000	2021/22 Group £000		2022/23 PCC £000	2022/23 Group £000
(21,707)	(1,741,362)	Balance at 1 April	(14,896)	(1,630,024)
8,296	145,200	Actuarial gains or losses on pensions assets and liabilities	24,348	592,530
(2,915)	(77,557)	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	(4,206)	(86,489)
1,432	40,683	Employers contributions payable to scheme	2,010	42,679
-	-	Contributions in respect of unfunded benefits	-	-
	3,011	Employers contributions payable to schemes - Cash Top-up		3,011
	1	Other unfunded termination benefits		13
(14,896)	(1,630,024)	Balance at 31 March	7,256	(1,078,280)

30. Collection Fund

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax 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.

2021/22 £000	Group / PCC	2022/23 £000
128	Balance at 1 April	615
487	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(222)
615	Balance at 31 March	393
	Represented by:	
5,738	Council tax arrears	6,434
(2,013)	Impairment for doubtful debts	(2,403)
(1,821)	Council tax overpayments and prepayments	(2,372)
(1,289)	Creditors, billing authorities	(1,265)
615	Collection fund surplus / (deficit)	393

31. Accumulated Absences

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.

2021/22 £000	Group / PCC	2022/23 £000
(3,076)	Balance at 1 April	(3,051)
3,076	Settlement or cancellation of accrual made at the end of the preceding year	3,051
(3,051)	Amounts accrued at the end of the current year	(2,503)
25	Amount 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	548
(3,051)	Balance at 31 March	(2,503)

32. Cash Flow – Adjustments on Provision of Services for Non-Cash Movements

2021/22 £000		Cash Flow - Non Cash Movements	2022/23 £000	
PCC	Group		PCC	Group
(4,152)	(4,152)	Depreciation of Non-Current Assets	(4,819)	(4,819)
(1,154)	(1,154)	Impairment and Downward Valuations of Non-Current Assets	(1,335)	(1,335)
(476)	(476)	(Increase)/Decrease in Impairment Provisions for Bad Debts	2,860	2,860
(226)	(226)	(Increase)/Decrease in Creditors	(844)	(844)
711	711	Increase/(Decrease) in Debtors	4,824	4,824
9	9	Increase/(Decrease) in Inventories	128	128
(1,483)	(33,863)	Pension Liability	(2,196)	(40,799)
(4,325)	(4,325)	Carrying Amount of Non-Current Assets Sold and Assets Held for Sale	(224)	(224)
566	567	Contributions to Provisions	(80)	(68)
(11,092)	(43,471)	Non Cash Movements	(1,995)	(40,586)

33. Cash Flow – Adjustments on Provision of Services for Investing and Financing Activities

2021/22 £000	Group / PCC	2022/23 £000
139	Proceeds from the Sale of Property, Plant and Equipment and Intangible Assets	91
139		91

34. Cash Flow Statement – Operating Activities

2021/22 £000	Group / PCC	2022/23 £000
(23)	Interest received	(526)
2,017	Interest paid	799

35. Cash Flow Statement – Investing Activities

2021/22 £000	Group / PCC	2022/23 £000
7,017	Purchase of Property, Plant and Equipment and Intangible Assets	5,757
(139)	Proceeds from the Sale of Property, Plant and Equipment and Intangible Assets	(91)
6,878	Net Cash Flows from Investing Activities	5,666

36. Cash Flow Statement – Financing Activities

2021/22 £000	Group / PCC	2022/23 £000
-	Cash Receipts of Short and Long-Term Borrowing	-
196	Revenue Grant Receipts in Advance	(119)
7,577	Cash Payments for the Reduction of the Outstanding Liability Relating to a Finance Lease	-
920	Repayments of Short and Long-Term Borrowing	912
8,693	Net Cash Flow from Financing Activities	793

37. Joint Operations

37.1. Sexual Assault Referral Centre

The SARC is a one stop location where victims of sexual assault can receive medical care and counselling whilst at the same time having the opportunity to assist the police investigation into alleged offences. It is a joint operation between Lincolnshire Police and Lincolnshire Partnership NHS Foundation Trust, with Lincolnshire Police acting as the lead body. The financial statements include the PCC Group's share of non-current assets, primarily the purchase and refurbishment costs associated with Spring Lodge (the PCC for Lincolnshire's share is 65%). The financial statements also include the PCC's share of income £19k and revenue expenditure £113k compared to income of £10k and revenue expenditure of £92k in 2021/22 (the PCC for Lincolnshire's share is 50%).

37.2. Regional Collaboration

The East Midland Regional Collaboration consists of:

- East Midlands Special Operations Unit (EMSOU) including Regional Asset Recovery Team, Regional Review Unit, Collaboration Team, Protected Persons Unit and Technical Support Unit. The lead body is Leicestershire;
- EMSOU Major Crime. Lead body Leicestershire;
- Forensics. Lead body Derbyshire;
- Occupational Health Unit (OHU) (ceased during 2022/23). Lead body Leicestershire;
- Emergency Services Network (ESN). Lead body Leicestershire;
- Specialist Operations Training (SOT) (ceased during 2022/23). Lead body Leicestershire;

- East Midlands Criminal Justice Services (EMCJS) (ceased during 2022/23). Lead body Leicestershire, Finance Lincolnshire;
- East Midlands Legal Services. Lead body Derbyshire.

As all assets, liabilities and reserves are held by the PCC; only the operational policing costs have been shown in the Chief Constable's Comprehensive Income and Expenditure Statement. The PCC's share of assets and liabilities is included in the PCC Group accounts. The transactions relating to Lincolnshire's share of a five Force collaboration is set at 13.2%, in the case of 3 Force collaborations such as SOT, Lincolnshire's share is 25.9% of revenue expenditure. These allocations from regional forces have been included in the Comprehensive Income and Expenditure Statement.

Lincolnshire's Share of Regional Balance Sheet as at 31 March 2023:

2021/22 £000	Group / PCC	2022/23 £000
1,357	Property, Plant and Equipment	1,327
5	Intangible Assets	2
3	Asset Under Construction	3
1,365	Long Term Assets	1,332
6	Payments In Advance	10
590	Cash and Cash Equivalents	469
513	Short-Term Debtors	323
1,109	Current Assets	802
(641)	Short-Term Creditors	(296)
-	Receipts In Advance	
(84)	Employee Benefits	(85)
(725)	Current Liabilities	(381)
1,749	Net Assets	1,753
34	General Fund Balance	34
435	Earmarked Reserves	473
469	Usable Reserves	507
1,364	Capital Adjustment Account	1,331
(84)	Accumulated Absences Account	(85)
1,280	Unusable Reserves	1,246
1,749	Total Reserves	1,753

Lincolnshire's Share of Regional Comprehensive Income and Expenditure Statement:

2021/22 £000		2022/23 £000
1,627	Police Pay and Allowances	1,647
2,870	Police Staff Pay and Allowances	2,872
101	Other Employee Expenses	71
74	Premises	94
87	Transport	104
616	Supplies and Services	607
573	Agency and Contracted Services	564
226	Depreciation	129
4	Amortisation	1
-	(Surplus) or Deficit on revaluation of non current assets (not covered by accumulated revaluation gains)	23
6,178	Gross Operating Expenditure	6,112
(170)	Other Income	(139)
(1)	(Gains) or Losses on Disposal of Non Current Assets	(2)
6,007	Amount to be met from Partners	5,971
	Financed by:	
(5,213)	Contributions from Partners	(5,213)
(643)	External Grants	(738)
(47)	Capital Grants and Contributions	(25)
104	(Surplus) or Deficit on the Provision of Services	(5)
104	Total Comprehensive Income and Expenditure	(5)

38. Funded Partnerships Outside Scope of Collaborative Arrangements

Lincolnshire Road Safety Partnership (LRSP) was formed in order to reduce the number of people killed or injured on Lincolnshire's roads. LRSP is a unique multi-agency partnership that brings together road safety professionals from the Police, Lincolnshire County Council, Fire and Rescue, the NHS, the Highways Agency and the Probation Service.

Income received in the year was £1,261k which was less than the previous year figure of £1,653k. The expenditure in year was £821k compared with £1,254k in 2021/22.

39. Audit Committee Allowances and Expenses

The amount paid to members of the Joint Independent Audit Committee equated to £5,000 for the year compared to £7,966 in 2021/22. £468 of the amount paid to members is charged to the PCC based on the percentage split used for allocating finance joint services costs (9.37%).

40. Senior Officers

Remuneration includes all sums paid to or receivable by an employee. Pension contributions payable by the employee are excluded.

The Accounting Code of Practice requires detailed disclosure for specific senior officers. These are disclosed in the tables below.

2021/22 details

2021/22 Senior Officers' Remuneration	Notes	Salaries, fees or allowances £	Relocation benefits received in role £	Car benefits receivable in the role £	Compensation for loss of office £	Total remuneration excluding pension contributions 2021/22 £	Employer's pension contribution £	Total remuneration including pension contributions 2021/22 £
Police and Crime Commissioner		66,300	-	-	-	66,300	10,807	77,107
Office of the Police and Crime Commissioner								
Chief Executive		107,229	-	1,239	-	108,468	17,478	125,946
Chief Finance Officer		78,994	-	1,239	-	80,233	12,876	93,109
Police Officers								
Chris Haward (Chief Constable)		164,491	13,212	7,115	-	184,818	37,459	222,277
Deputy Chief Constable		127,435	-	6,360	-	133,795	34,847	168,642
Assistant Chief Constable		121,623	-	5,605	-	127,228	36,958	164,186
Assistant Chief Constable	Started May 2021	105,177	-	1,239	-	106,416	28,442	134,858
Police Staff of the Chief Constable								
Director of Finance & Corporate Services (S151)		103,169	-	5,047	-	108,216	16,816	125,032
Assistant Chief Officer (Resources)	Redundant May 2021	12,178	-	573	313,034	325,785	1,985	327,770

2022/23 details

2022/23 Senior Officers' Remuneration	Notes	Salaries, fees or allowances £	Relocation benefits received in role £	Car benefits receivable in the role £	Compensation for loss of office £	remuneration excluding pension contributions 2022/23 £	Employer's pension contribution £	remuneration including pension contributions 2022/23 £
Police and Crime Commissioner		68,042				68,042	11,091	79,133
Office of the Police and Crime Commissioner								
Chief Executive		109,131		1,239		110,370	17,788	128,158
Chief Finance Officer		80,515		1,239		81,754	13,124	94,878
Police Officers								
Chris Haward (Chief Constable)		165,600		7,115		172,715	-	172,715
Deputy Chief Constable	Retired May 2022	25,657		1,060		26,717	-	26,717
Deputy Chief Constable	Started June 2022	101,913		10,400		112,313	30,756	143,069
Assistant Chief Constable	Retired December 2022	93,767		3,948		97,715	26,199	123,914
Temporary Assistant Chief Constable		105,177		1,239		106,416	28,442	134,858
Temporary Assistant Chief Constable	Started in Role Feb 2023	101,757		3,737		105,494	28,786	134,280
Police Staff of the Chief Constable								
Director of Finance & Corporate Services (S151)		106,902		5,605		112,507	17,425	129,932
Director of People Services	Started April 2022	123,907		3,850		127,757	15,977	143,734
Chief Digital & Data Officer	Started April 2022	100,058		5,231		105,289	16,309	121,598

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40.1. Remuneration Banding

The table below highlights the number of employees within defined remuneration ranges. This excludes the senior employees who are shown in more detail in the tables above.

Remuneration Range	2021/22 Number of employees	2022/23 Number of employees
£50,000 to £54,999	-	1
£55,000 to £59,999	-	-
£60,000 to £64,999	4	2
£65,000 to £69,999	-	1
£70,000 to £74,999	1	-
£75,000 to £79,999	-	1
£80,000 to £84,999	-	-
£85,000 to £89,999	1	1
£90,000 to £94,999	4	4
£95,000 to £99,999	-	2
£100,000 to £104,999	-	-
£105,000 to £109,999	-	-

41. Termination Benefits

Group Cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number by cost band		Total cost in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22 £000	2022/23 £000
£0,000 to £20,000	-	-	-	-	-	-	-	-
£20,001 to £40,000	-	-	-	-	-	-	-	-
£40,001 to £60,000	-	-	-	-	-	-	-	-
£60,001 to £80,000	-	-	-	-	-	-	-	-
£80,001 to £100,000	-	-	-	-	-	-	-	-
over £150,000	1	-	-	-	1	-	313	-
Total	1	-	-	-	1	-	313	-

PCC Cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number by cost band		Total cost in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22 £000	2022/23 £000
£0,000 to £20,000	-	-	-	-	-	-	-	-
£20,001 to £40,000	-	-	-	-	-	-	-	-
£40,001 to £60,000	-	-	-	-	-	-	-	-
£60,001 to £80,000	-	-	-	-	-	-	-	-
£80,001 to £100,000	-	-	-	-	-	-	-	-
over £150,000	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

42. Audit Fees

Group	2021/22 £000	2022/23 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	34	34
Total	34	34

PCC	2021/22 £000	2022/23 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	23	23
Total	23	23

43. Related Party Transactions

The entity is required to disclose details of any material transactions with related parties - bodies or individuals that have the potential to control or influence the PCC Group or, to be controlled or influenced by the PCC Group. Disclosure of these transactions allows readers to assess the extent to which the entity 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 it.

43.1. UK Central Government

The UK central government has effective control over the general operations of the PCC. It is responsible for establishing the statutory framework within which the PCC operates. It provides a large proportion of the PCC's funding in the form of grants and prescribes the terms of many of the transactions that the PCC has with other parties.

Further details of the grants received by the PCC Group are set out in Note 10 Taxation and Non-Specific Income and Note 11 Grant Income.

43.2. Chief Constable for Lincolnshire

Within the Group, the Chief Constable is accountable to the Police and Crime Commissioner for Lincolnshire. The PCC provides all funding to the Chief Constable for the discharge of his duties. The total funding is shown in the PCC's Comprehensive Income and Expenditure Statement.

43.3. Officers

The total remuneration to senior staff in 2022/23 is shown in Note 40. All senior officers employed by the PCC Group at the 31 March 2023 have completed a Related Party Transaction Declaration for the financial year in respect to themselves and close family members to identify any business dealings with the Group that fall into this category. No further disclosures are required.

43.4. Other Public Bodies

Joint Operations and Funded Partnerships are disclosed in Notes 37 and 38.

44. Retirement Benefits

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

The Group participates in two pensions schemes:

- The Local Government Pension Scheme (LGPS) for police staff is administered by West Yorkshire Pension Fund on behalf of Lincolnshire County Council. This is a funded

defined benefit scheme, meaning that the PCC Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Due to changes under the Public Pension Services Act 2013, from the 1 April 2014 scheme members now accrue pension entitlements based on their career-average rather than their final salary.

All G4S employees who transferred under TUPE arrangements to the Chief Constable for Lincolnshire on 1st April 2022 were enrolled in the Local Government Pension Scheme and the IAS 19 results as at 31 March 2023 reflect the full pension fund assets and liabilities for all police staff;

- The Police Pension Scheme for police officers is an unfunded defined benefit scheme. This means that there are no investment assets built up to meet the pensions' liabilities and cash has to be generated to meet actual pensions' payments as they eventually fall due. From the 1 April 2015 The Police Pension Scheme 2015 (CARE) scheme was introduced (under the Public Pension Services Act 2013), and members now accrue pension entitlements based on their career-average rather than their final salary.

Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year are less than amounts payable, the PCC must transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, this cost is met by a central government Police Pensions Payments grant.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. 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.

44.1. 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 scheme assets built up to meet these pension liabilities.

44.2. Transactions Relating to Retirement Benefits

In order to comply with IAS 19, employer's pension contributions have been replaced with current service costs as estimated by the independent actuaries. The PCC Group recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the PCC Group is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The reversal of the IAS 19 transactions ensures that there is no effect on the amounts to be met from government grant and the local taxpayers.

44.3. Transactions Relating to Retirement Benefits

	Local Government Pension Scheme				Police Pension Scheme (Group Only)		Comprehensive Income and Expenditure Account			
	2021/22		2022/23		2021/22	2022/23	2021/22		2022/23	
	PCC £000	Group £000	PCC £000	Group £000	Group £000	Group £000	PCC £000	Group £000	PCC £000	Group £000
Comprehensive Income and Expenditure Statement										
Cost of Services:										
Current service cost	(2,354)	(7,718)	(3,805)	(12,476)	(34,400)	(29,300)	(2,354)	(42,118)	(3,805)	(41,776)
Past service costs	(104)	(342)	-	-	(200)	(800)	(104)	(542)	-	(800)
Effect of settlements	-	-	-	-	-	-	-	-	-	-
	(2,458)	(8,060)	(3,805)	(12,476)	(34,600)	(30,100)	(2,458)	(42,660)	(3,805)	(42,576)
Other Operating Expenditure:										
Home Office Grant					(21,914)	(24,715)	-	(21,914)	-	(24,715)
Financing and Investment Income and Expenditure:										
Net interest expense	(422)	(1,383)	(361)	(1,185)	(33,400)	(42,600)	(422)	(34,783)	(361)	(43,785)
Administrative Expenses	(35)	(114)	(39)	(128)			(35)	(114)	(39)	(128)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(2,915)	(9,557)	(4,206)	(13,789)	(89,914)	(97,415)	(2,915)	(99,471)	(4,206)	(111,204)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement										
Return on scheme assets (excluding the amount included in the net interest expense)	4,584	15,030	(2,682)	(8,793)			4,584	15,030	(2,682)	(8,793)
Actuarial gains and losses arising on changes in demographic assumptions	2,065	6,770	-	-	16,000	17,900	2,065	22,770	-	17,900
Actuarial gains and losses arising on changes in financial assumptions	3,058	10,026	32,244	105,718	105,300	546,900	3,058	115,326	32,244	652,618
Other experience	(372)	(1,219)	(10,428)	(34,190)		546,900	(372)	(1,219)	(10,428)	512,710
Other actuarial Gains / (Losses)	(1,039)	(3,407)	-	-	(3,300)	(52,100)	(1,039)	(6,707)	-	(52,100)
Subtotal Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	8,296	27,200	19,134	62,735	118,000	1,059,600	8,296	145,200	19,134	1,122,335
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	5,381	17,643	14,929	48,946	28,086	962,185	5,381	45,729	14,929	1,011,131
Movement in Reserves Statement										
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	2,915	9,557	4,206	13,789	68,000	72,700	2,915	77,557	4,206	86,489
Actual Amount charged against the General Fund Balance for pensions in the year:										
Employers contributions payable to scheme	(1,432)	(4,694)	(2,010)	(6,590)	(42,011)	(42,111)	(1,432)	(46,705)	(2,010)	(48,701)
Contributions in respect of unfunded benefits	-	-	-	-			-	-	-	-
Employers contributions payable to schemes - Cash Top-up					3,011	3,011		3,011		3,011
Retirement benefits payable to pensioners										
Movement from Comprehensive Income and Expenditure Statement to the General Fund	1,483	4,863	2,196	7,199	29,000	33,600	1,483	33,863	2,196	40,799

44.4. Pensions Assets and Liabilities in Relation to Retirement Benefits

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

LGPS	2021/22		2022/23	
	PCC £000	Group £000	PCC £000	Group £000
Present value of the defined benefit obligation	67,782	222,237	45,753	150,009
Fair value of scheme assets	(52,973)	(173,683)	(53,091)	(174,068)
Sub-total	14,809	48,554	(7,338)	(24,059)
Other movements in the liability (asset)	85	280	80	262
Net liability arising from the defined benefit obligation	14,894	48,834	(7,258)	(23,797)

Discretionary Benefits Police Pension Scheme	2021/22	2022/23
	Group £000	Group £000
Present value of the defined benefit obligation	1,516,700	1,057,100
Fair value of scheme assets	-	-
Sub-total	1,516,700	1,057,100
Other movements in the liability (asset)	64,400	44,900
Net liability arising from the defined benefit obligation	1,581,100	1,102,000

44.5. Reconciliation of the Movements in the Fair Value of the Scheme Assets

LGPS	2021/22		2022/23	
	PCC £000	Group £000	PCC £000	Group £000
Opening fair value of scheme assets	48,262	158,237	52,973	173,683
Interest income	967	3,172	1,396	4,577
Administrative Expenses	(35)	(114)	(39)	(128)
Remeasurement gain / (loss):	-	-	-	-
The return on scheme assets, excluding the amount included in the net interest expense	4,584	15,030	(2,682)	(8,793)
Other actuarial Gains / (Losses)	(1,039)	(3,407)	-	-
Effect of changes in foreign exchange rates	-	-	-	-
Contributions from employer	1,432	4,694	2,010	6,590
Contributions in respect of unfunded benefits	-	-	-	-
Contributions from employees in the scheme	352	1,155	574	1,881
Benefits paid	(1,551)	(5,084)	(1,141)	(3,742)
Other	-	-	-	-
31 March	52,973	173,683	53,091	174,068

44.6. Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

LGPS Liabilities	2021/22		2022/23	
	PCC £000	Group £000	PCC £000	Group £000
Opening balance at 1 April	69,969	229,408	67,868	222,517
Current service cost	2,354	7,718	3,805	12,476
Interest cost	1,389	4,555	1,757	5,762
Contributions from scheme participants	352	1,155	574	1,881
Re-measurement (gain) / loss:	-	-	-	-
Actuarial gains / losses arising from changes in demographic assumptions	(2,065)	(6,770)	-	-
Actuarial gains / losses arising from changes in financial assumptions	(3,058)	(10,026)	(32,244)	(105,718)
Other	372	1,219	5,214	17,095
Past service cost	104	342	-	-
Losses / (gains) on curtailment	-	-	-	-
Liabilities assumed on entity combinations	-	-	-	-
Benefits paid	(1,551)	(5,084)	(1,141)	(3,742)
Liabilities extinguished on settlements (where relevant)	-	-	-	-
31 March	67,868	222,517	45,833	150,271

Unfunded liabilities Police Pension Scheme	2021/22	2022/23
	Group £000	Group £000
Opening balance at 1 April	1,670,100	1,581,100
Current service cost	34,400	29,300
Interest cost	33,400	42,600
Contributions from scheme participants	5,700	5,800
Re-measurement (gain) / loss:		
Actuarial gains / losses arising from changes in demographic assumptions	(16,000)	(17,900)
Actuarial gains / losses arising from changes in financial assumptions	(105,300)	(546,900)
Other	3,300	52,100
Past service cost	200	800
Losses / (gains) on curtailment	-	-
Liabilities assumed on entity combinations	-	-
Benefits paid	(44,700)	(44,900)
Liabilities extinguished on settlements (where relevant)	-	-
31 March	1,581,100	1,102,000

44.7. Pension Scheme Assets

The Police Pension Schemes are unfunded in nature and hence have no scheme assets.

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

	2021/22		2022/23	
	Bid Value %	Bid Value %	Bid Value %	Bid Value %
	Quoted in active market	Not quoted in active market	Quoted in active market	Not quoted in active market
Fixed Interest Government Securities				
UK	1	-	1	-
Overseas	-	-	-	-
Index Linked Government Securities				
UK	2	-	1	-
Overseas	-	-	-	-
Corporate Bonds				
UK	9	-	9	-
Overseas	-	-	-	-
Equities				
UK	16	-	15	-
Overseas	40	-	41	-
Property				
All	7	-	6	1
Others				
Hedge fund	-	3	-	4
Private Equity	-	7	-	7
Infrastructure	1	3	-	4
Commodities	1	-	-	-
Bonds	5	-	-	-
Credit Diversified Income	-	-	5	-
Private Debt	-	1	-	2
Other Diversified Alternatives	-	-	-	1
Forward Currency Contracts	1	-	-	-
Cash/Temporary Investments	-	-	3	-
Net Current Assets				
Debtors	-	-	1	-
Creditors	-	-	-	-
Net Assets	85	15	81	19

44.8. Basis for Estimating Assets and Liabilities

The Police Pension Scheme has been assessed by Hymans Robertson (an independent firm of actuaries). The Local Government Pension Scheme has been assessed by Barnett Waddingham (an independent firm of actuaries). The value of the liabilities is an estimate of the pensions that will be payable in future years dependent on assumptions about uncertain variables.

For the Local Government Pension Scheme, liabilities have been assessed on an actuarial basis using the projected unit method. Estimates are based on the latest full valuation of the scheme as at April 2022.

For the Police Pension Scheme liabilities have been assessed on an actuarial basis using the projected unit method. The last formal valuation of the schemes was carried out as at 31 March 2023.

	Local Government Pension Scheme		Police Pension Scheme	
	2021/22	2022/23	2021/22	2022/23
	Longevity at 65		Longevity at 60	
	Years	Years	Years	Years
Mortality assumptions				
Longevity for current pensioners:				
Men	19.8	19.8	27.1	26.7
Women	22.7	22.9	29.4	29.2
Longevity for future pensioners:				
Men	21.0	21.1	28.4	28.1
Women	24.3	24.4	30.8	30.6
Financial assumptions	%	%	%	%
Market derived RPI	0.0	0.0	0.0	0.0
Rate of increase in salaries	4.2	4.2	3.7	3.2
Rate of increase in pensions	3.2	3.2	3.2	3.0
Rate for discounting scheme liabilities	2.6	2.6	2.7	4.8

The Local Government Pension Scheme longevity assumptions are as per the latest full valuation as at April 2022, the Police Pension Scheme longevity assumptions are remodelled annually in the actuarial review.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

44.9. Present Value of Liabilities

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Present value of liabilities						
Local government pension scheme	(178,307)	(206,391)	(170,472)	(229,408)	(222,517)	(150,271)
Police pension scheme	(1,331,600)	(1,476,800)	(1,371,300)	(1,670,100)	(1,581,100)	(1,102,000)
Fair value of assets in the local government pension scheme	125,670	137,833	125,792	158,237	173,683	174,068
Surplus / (deficit) in the scheme	(1,384,237)	(1,545,358)	(1,415,980)	(1,741,271)	(1,629,934)	(1,078,203)
Local government pension scheme	(52,637)	(68,558)	(44,680)	(71,171)	(48,834)	23,797
Police pension scheme	(1,331,600)	(1,476,800)	(1,371,300)	(1,670,100)	(1,581,100)	(1,102,000)
Total surplus / (deficit) in the scheme	(1,384,237)	(1,545,358)	(1,415,980)	(1,741,271)	(1,629,934)	(1,078,203)

44.10. Impact on the PCC Group's Cash Flows

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

The objectives of the local government scheme are to keep employers' contributions at as constant a rate as possible. The PCC Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. At the last triennial valuation, it was agreed that in order to mitigate for the effect of fluctuations in membership numbers that a lump sum contribution towards meeting the deficit would also be paid alongside the percentage of pay contribution.

The minimum employer contributions payable over the next year for the PCC Group is 24.4% of pensionable pay. Estimated employer's contribution for 2023/24 amount to £8.4m on the Local Government Pension Scheme.

Funding levels are monitored through the triennial valuation process and the last triennial valuation was as at 31 March 2022.

For police pensions, the rate (%) at which employer contributions are made to the police pension fund is set by the Home Office. An actuarial valuation during 2014/15 resulted in a reduction in the employers' contribution rate from 24.2% to 21.3% from 1 April 2015. The difference between the old employer contribution rate of 24.2% and the new rate will be retained by the Exchequer by means of a reduction in the Police Pensions Payments grant from the Home Office, therefore the actual cost to the PCC Group of the employer's contribution is still 24.2%.

Estimated employer contributions for 2023/24 at 28.7% of pensionable pay amount to £14.2m.

The Local Government Pension Scheme and the Police Pension Scheme take account of the national changes required under the Public Pensions Services Act 2013. Under the Act, the main public service pension schemes may not provide benefits on a final salary basis in relation to service after 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new, career average, revalued earnings schemes to pay pensions and other benefits to certain public servants. For the Local Government Pension Scheme these changes came into operation on 1 April 2014 and for the Police scheme from 1 April 2015.

Maturity profile of the defined benefit obligation:

	LGPS			Police Pension Scheme		
	Liability Split as at 31 March 2023	Liability Split as at 31 March 2023	Weighted Average Duration at Previous Formal Valuation	Liability Split as at 31 March 2023	Liability Split as at 31 March 2023	Weighted Average Duration at Previous Formal Valuation
	£000	%		£000	%	
Active Members	70,956	49.3%	25.0	349,200	33.0%	26
Deferred Members	42,394	25.8%	26.9	48,000	4.5%	26
Pensioner Members	55,971	24.8%	12.2	659,900	62.4%	13
Total	169,321	100.0%	20.6	1,057,100	100.0%	18.1
Contingent Injuries				17,500	39.0%	26
Injury pension liabilities				27,400	61.0%	16
Total	-	-	-	44,900	100.0%	20.6

45. Contingent Liabilities

A number of legal claims are being pursued against the Group. They are all being rigorously defended but provisions have been made for those claims where it is likely that the outcome will be in favour of the claimant.

- The claims are motor, public liability, employer's liability and employment tribunal cases brought against the Group;
- It is not expected that any material awards will be made against the Group other than those already included in the Provisions;
- As with any legal claim, the final outcome and timing of each case will depend upon many factors, some of which had not been determined at the Balance Sheet date;
- The Group will be reimbursed for any costs which exceed the insurer's excess for an individual case.

46. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet within Net Assets (which also include elements that do not constitute a financial instrument; the definition of which being, a contract that gives rise to a financial asset of one entity and a financial liability of another):

Group / PCC	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		2021/22	2022/23
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Financial Assets										
Amortised Cost	-	-	-	-	13,791	9,568	4,657	8,285	18,448	17,853
Total Financial Assets	-	-	-	-	13,791	9,568	4,657	8,285	18,448	17,853

Group / PCC	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		2021/22	2022/23
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Financial Liabilities										
Amortised Cost	(27,298)	(26,416)	-	-	(1,087)	(1,057)	(8,484)	(8,970)	(36,869)	(36,443)
Total Financial Liabilities	(27,298)	(26,416)	-	-	(1,087)	(1,057)	(8,484)	(8,970)	(36,869)	(36,443)

The Police and Crime Commissioner is exposed to minimum risk. Any short-term deposits are included in the cash and cash equivalents Note 22.

Financial Liabilities consists of borrowing with the Public Works Loan Board (PWLB) and two SALIX interest free loans. The total PWLB amount outstanding at 31 March 2023 is £27.3m. The total SALIX amount outstanding at 31 March 2023 is £222k.

No additional borrowing from PWLB took place in 2022/23. Repayments of the principal were made totalling £804k and there was a decrease in loan interest accrual of £9k. Repayments of £99k were made to SALIX resulting in a decrease in the PCC's borrowing from £28.4m to £27.5m in the year.

The debtors and creditors figures have been adjusted for non-contractual obligations. For debtors these are VAT debtors, Statutory Maternity, Paternity and Adoption Pay debtors, payments in advance, grant income and collection fund adjustments. For creditors these are receipts in advance, tax and NI and collection fund adjustments. There are no concerns over the recoverability of debtors that are past due and not impaired.

Group / PCC	Range of interest rates payable %	As at March 31 2022 £000	As at March 31 2023 £000
PWLB	2.14 - 7.75	(28,065)	(27,251)
Salix Interest Free Loan	Interest Free	(320)	(222)
		(28,385)	(27,473)

Note that the above amount is the total of long-term and short-term borrowing shown separately on the balance sheet.

A full analysis of loans by maturity is shown in Note 47 under 'liquidity risk exposure.'

46.1. Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

Income, Expense, Gains and Losses Group / PCC	31 March 2022		31 March 2023	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£000	£000	£000	£000
Financial assets measured at amortised cost	23	-	526	-
Total interest revenue	23	-	526	-
Interest expense	(837)	-	(799)	-

46.2. Fair Values of Financial Assets

None of the PCC's financial assets are measured at fair value.

46.3. The Fair Values of Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required)

Financial liabilities for which fair value disclosures are required held by the PCC are shown in the table below and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows:

Financial liabilities - Group / PCC	Fair Value Hierarchy Measurement	31 March 2022		31 March 2023	
		Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
PWLB	Level 2	28,065	35,395	27,251	22,410
Salix Interest Free Loan	Level 2	320	320	222	222

The fair value of PWLB loans is lower than the carrying amount because the PCC's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2023) arising from a commitment to pay interest to lenders below current market rates.

The fair value at 31 March 2023 is lower than last year due to the higher interest rate environment this year which impacts the prevailing market rates used in calculating fair value.

However, the PCC has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the movement in interest that the PCC will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. The PCC review the carrying amounts and potential penalty charge for early redemption regularly to ensure that opportunities to make savings through re-financing are maximised. Currently the penalty charges are much higher than the savings that would be made through current interest rates.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

The table above excludes other financial liabilities such as cash overdrawn. The carrying amount as shown in the Balance Sheet is assumed to approximate to fair value, as the instrument will mature in the next 12 months.

The fair value hierarchy is as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets at the Balance Sheet Date;
- Level 2 – comparators other than quoted prices included in Level 1 that are observable for that asset, either directly or indirectly;
- Level 3 – unobservable comparators for the asset.

The financial liabilities held by the PCC are Level 2 in the fair value Hierarchy Level of Measurement and there has been no change to this level during the year.

The fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the investments using the following assumptions:

- For loans from the PWLB, equivalent borrowing rates available from the PWLB at 31 March 2023 have been applied to provide the fair value under the PWLB debt redemption procedures;
- No early repayment or impairment is recognised.
- The SALIX loans have been accounted for on the basis of outstanding principal amounts as defined by statutory arrangements and will be repaid by 31 March 2026.

47. Nature and Extent of Risks Arising from Financial Instruments

47.1. Credit Risk Exposure

This is the risk that one party to a financial instrument will fail to meet their contractual obligations, causing a loss for the other party. Exposure to this risk is managed through the PCC's detailed Treasury Management Strategy, which is available at the following web address: www.lincolnshire-pcc.gov.uk/finance.

The PCC only invests in approved institutions with secure credit ratings, there are also limits in place on how much can be invested with counterparties. These counterparties are reviewed weekly, and the loan limits are detailed in the table below:

Specified Investments	Max % of total investments/£ limit per institution	Max. maturity period
DMADF - UK Government	Unlimited	6 months
Money market funds	£4m	Liquid
Local Authorities	£4m / 20%*	1 Year
Term deposits with banks and building societies	£4m / 20%*	3months - 1 year

The PCC does not allow extended credit for customers. Due to the nature of the debtors being principally relating to Government funding, there are no concerns about their credit worthiness. The amounts not impaired are analysed by age as follows:

Sales Ledger - Aged Debt Analysis	2021/22 £000	2022/23 £000
Current	594	1,194
Up to one month	36	23
Up to six months	27	43
Up to one year	(2)	25
More than one year	53	120
Total:	708	1,405
Other debtors	3,949	6,880
Total:	4,657	8,285

Note that this table shows the aged debt analysis from the trade debtors account, with all other debtors included at the 'Other Debtor' line.

47.2. Liquidity Risk Exposure

This is the risk that a party will be unable to raise funds to meet its commitments associated with financial instruments. As the PCC currently has ready access to borrowings from the Public Works Loan Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the PCC will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The financial liabilities however all mature at different times. The maturity analysis of financial liabilities is as follows:

2021/22 Borrowing	PWLB £000	Deferred Liabilities £000	Total £000
Less than 1 year	988	99	1,087
Between one and two years	783	99	882
Between two and five years	2,239	123	2,362
More than five years	24,054	-	24,054
Total	28,064	320	28,385

2022/23 Borrowing	PWLB £000	Deferred Liabilities £000	Total £000
Less than 1 year	958	99	1,057
Between one and two years	778	99	877
Between two and five years	2,152	24	2,176
More than five years	23,364	-	23,364
Total	27,251	222	27,473

This excludes trade and other payables (creditors and other liabilities) which are due to be paid in less than one year.

The PCC does not have any amounts arising from expected credit losses.

47.3. Market Risk Exposure

Market risk is the risk that the value of an instrument will fluctuate because of changes in interest rates, market prices and foreign currency exchange rates. The PCC has limited risk. PWLB interest rates are fixed, and no short-term investments were held at the end of 2022/23. The PCC does not invest in equity shares and has no financial assets or liabilities in foreign currencies.

The following sensitivity analysis shows the financial effect on the fair value of a one percent point movement in average interest rates as at 31 March 2022 and 31 March 2023:

2021/22 Sensitivity Analysis	Fair Value 2020/21 £000	Fair Value at 1% Higher £000	Fair Value at 1% Lower £000
PWLB Long Term Fixed Borrowing	35,395	35,387	35,404

2022/23 Sensitivity Analysis	Fair Value 2022/23 £000	Fair Value at 1% Higher £000	Fair Value at 1% Lower £000
PWLB Long Term Fixed Borrowing	22,410	22,402	22,418

48. Accounting Standards Issued but Not Yet Adopted

The following Accounting Standards may be relevant for additional disclosures that will be required in the financial statements in respect of accounting changes in the Code:

- IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- Where an authority adopted IFRS 16 in 2022/23 but choose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- IAS 8 – providing a definition of accounting estimates.
- IAS 1 / IFRS Practice Statement 2 – to provide guidance on the application of materiality judgements to accounting policy disclosures.
- Deferred Tax related to Assets and Liabilities arising from a single transaction (amendments to IAS 12) - requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- IFRS 3 Business Combinations – updating a reference to the Conceptual Framework

If these had been adopted for the financial year 2022/23 there would be no known material changes as many do not apply to the PCC. If further information becomes available that requires changes to 2022/23 these will be restated in the 2023/24 financial statements.

The government's Financial Reporting Advisory Board has advised CIPFA/LASAC that it agreed with their decision to defer the implementation of IFRS 16 Leases until 1 April 2024. The 2023/24 Code will allow for early adoption should the PCC wish to do so.

Police Officer Pensions – Home Office Memorandum Account 2022/23

This statement shows the transactions relating to retirement benefits paid to Police Officers and for how those costs are paid.

2021/22 £000	Fund account	2022/23 £000
	Contributions Receivable	
	From Employer:	
13,077	Normal	13,540
404	Early Retirements	698
	From Members:	
5,593	Contributions	5,805
329	Individual Transfers in from Other Schemes	248
19,403		20,291
	Benefits Payable	
35,753	Pensions	37,306
5,350	Commutations	7,154
-	Lump Sum Death Benefits	137
	Payments To and On Account of Leavers	
23	Refunds of Contributions	119
-	Individual Transfers Out	-
191	Scheme Pays	238
-	Lifetime Allowance (25%)	52
-	Equivalent Premium	-
41,317		45,006
21,914	Sub-total for the year before transfer from the PCC Group for Lincolnshire of amount equal to the deficit	24,715
(21,914)	Additional funding payable by the PCC Group for Lincolnshire to meet deficit for the year	(24,715)
-	Net Amount payable/(receivable) by the PCC Group for Lincolnshire	-

Disclosure Notes

1. The operation of the Pension Fund for Police and Crime Commissioners in England and Wales is controlled by the Police Pension Fund Regulations 2007 (SI 2007 No 1932). It covers both old, new and Career Average Revalued Earnings (CARE) Police Officer occupational pension schemes but has no impact on the benefit structure of either scheme. The Public Service Pensions and Judicial Offices Act 2022 closed the legacy schemes (old and new schemes) and moved all officers in the CARE scheme from 1st April 2022. Injury and ill health awards continue to be paid from the PCC's operating account. The employer contribution rate is 24.2% of pensionable pay. In the 2015 CARE scheme employees contribute either 12.44%, 13.44% or 13.78% of pensionable pay dependent on their salary earned.
2. The fund is administered by XPS on behalf of Lincolnshire Police. Salary deductions are made from members of the scheme, and payments are made to retiring officers and pensioners in accordance with Police Pension Fund Regulations 2007. Returns are made to the Home Office for the projected and actual costs in each year, and funds are transferred accordingly.
3. There are no investment assets; the fund is balanced to nil each year by receipt of a Police Pensions Payments grant from the Home Office (via PCC for Lincolnshire). Payments are made monthly to pensioners, with the pension fund entries being kept separate, outside of the PCC's general ledger accounts. Details of the PCC's long-term pension obligations can be found in the main statements at Note 44.

4. The accounting policies followed are in accordance with Note 1.
5. The Police Officer Pensions – Home Office Memorandum Account does not take account of liabilities to pay pensions and benefits after the period end.
6. The net amount receivable of £5,591,161.66 is shown in PCC for Lincolnshire accounts as due from the Home Office.
7. The McCloud judgement continues to impact on the Police Officer Pension schemes. When changes were made to public sector schemes in April 2015, they introduced protections for older members to ensure that the changes would not negatively impact their pension. In December 2018, the Court of Appeal ruled that younger member had been discriminated against because they did not receive the protections allowed to older members. The Government has laid primary legislation before Parliament at the start of 2022 which will be in two parts –
 - to ensure equal treatment for all members within each of the main public service pension schemes by moving all members into the new schemes on 1 April 2022 irrespective of age – moving all remaining members on the legacy pension schemes onto the CARE scheme on 1st April 2022 and closing the old schemes.
 - to remove the effect of transitional protection by offering eligible members a choice over the set of benefits (legacy scheme or new scheme) they wish to receive for any pensionable service during the period 1 April 2015 to 31 March 2022 – further work is still to be done on this part of the remedy plan (including further legalisation) before the work can be completed for the target deadline of October 2023.
8. Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

Aarons & Ors - Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent.

Therefore, no liability in respect of compensation claims is recognised in these accounts.

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

9. The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members. The main elements of the Act are:
- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
 - Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
 - Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Pennington’s.
 - From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
 - Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.
10. Impact on pension liability - Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For Lincolnshire Police, this effects around 1,000 members. Scheme actuaries originally estimated the increase in scheme liabilities for the Lincolnshire Police to be 4% or £56m of pension scheme liabilities. This was recognised in the 2018/19 accounts. In 2019/20, the estimate increase was a further £8m reflecting an additional year’s benefits from the remedy and a reduction resulting from the eligibility criteria for members set out on HM Treasury’s consultation. In 2020/21, a further, more detailed, estimated of 1.3% of pensions scheme liabilities or £21m was calculated using actual membership data and reflected in the accounts (again reflecting an additional year’s benefits from the remedy).

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/24, although this timetable is subject to change.

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

11. The April Pensions payroll was due to be paid on 1st April 2023, which fell on a weekend. The payroll was therefore made on the last available working day before the weekend which was Friday 31 March 2023. The payment of £2,931,918.78 was therefore a payment in advance and is shown in the Debtors note 21 as a non-government prepayment.

Glossary of Terms

Term	Definition
Accrual	An adjustment to ensure that expenditure and income are reflected in the appropriate accounting period.
Actuary/Actuarial	A person professionally qualified to advise on pension matters and undertakes calculations on pension costs, allowing for risk and demographic factors.
Amortisation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Intangible Assets.
Balances	The total revenue Reserves required to provide a working balance during the financial year, for example in periods when expenditure exceeds income.
Blue Light Project	Lincolnshire's joint fire, police and ambulance collaboration project which includes the building of the South Park Emergency campus.
Capital Adjustment Account	A reserve primarily designed to represent timing differences between the amount of the historical cost of Property Plant and Equipment that has been consumed and the amount that has been financed in accordance with statutory requirements.
Capital Expenditure	Expenditure on assets, which have a long term value. Includes the purchase of land, purchase or construction of new buildings and vehicles.
Capital Grants	Grants received towards capital outlay on a particular service or project.
Capital Receipts	Proceeds received from the sale of Property, Plant and Equipment (assets which have value beyond one financial year).
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the main professional body for accountants working in the public service.
Collection Fund	A fund administered by each billing authority. Council tax monies are paid into the fund. These are distributed to precepting and billing authorities in proportion to the council tax set.
Creditors	Amounts owed by the PCC for work done, goods received or services rendered but for which payment has not been made at 31 March.
Debtors	Sums of money due to the PCC but unpaid at 31 March.

Depreciation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.
Direct Revenue Financing	This refers to financing of capital expenditure directly from revenue rather than loans or other sources.
Earmarked Reserves	The elements of total PCC Reserves retained for specific purposes.
EMSOU	East Midland Special Operations Unit
EMCJS	East Midland Criminal Justice Service
Finance lease	Where the conditions of the lease amount to recognising all the costs of an asset but legal title is with a third party.
Financial instruments	Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another. For local authorities, this will normally mean contracts which involve the right to transfer cash or other financial assets
Flexi Time	Police Staff may utilise the flexi time scheme to accrue additional hours worked that are held pending their utilisation at a future date.
FRS	Financial Reporting Standards, as agreed by the UK accountancy profession and the Accounting Standards Board.
Government Grants	Payments by Central Government towards the PCC's expenditure. They are receivable in respect of both revenue and capital expenditure.
IFRS	International Financial Reporting Standards: the accounting standards which determine the production and disclosure of financial statements.
Impairment	An adjustment to the value of long-term assets.
ISG	Integrated Scheme of Governance
JIAC	Joint Independent Audit Committee
Long Term Debtors	Sums of money due to the PCC originally repayable within a period in excess of twelve months and where payment is not due until future years.
Materiality	An item that is not material will not be relevant, cannot influence a user's decision and need not be reported in the financial statements.

Minimum Revenue Provision (MRP)	The statutory requirement to set aside a minimum revenue provision for the repayment of external loans.
Net Book Value	Long-term assets are depreciated in accordance with their asset life. The net book value is the value remaining after cumulative depreciation has been taken away.
NICHE	A Police Records Management System that manages information in relation to the core Policing entities.
Non Domestic Rates	Rates levied on business properties, collected by District Councils, which are then distributed amongst local authorities as income.
Non Operational Assets	Property, Plant and Equipment held by the PCC Group but not directly occupied, used or consumed in the delivery of services. These will include buildings under construction and surplus assets.
OJEU	Official Journal of the European Union
Operating lease	A lease where the asset is only used for part of its useful life, and lease payments amount to rental of the asset.
PCC Group	The Police and Crime Commissioner and the Chief Constable are separate legal entities. They are part of the same PCC Group whose combined accounts are presented collectively.
PEEL	Police Effectiveness, Efficiency and Legitimacy board.
Precept	The amount levied by one authority which is collected by another, e.g. the PCC Group is the precepting authority and the District Councils are the collecting authorities.
PUP	Police Uplift Programme – nationwide recruitment programme of an additional 20,000 officers
PWLB	Public Works Loan Board, a body providing debt funding to local authorities.
Revaluation Reserve	A reserve designed to represent the amount by which the current value of long-term assets carried in the Balance Sheet is greater, because they are carried at revalued amounts rather than depreciated historical cost.
Revenue Contributions	The financing of capital expenditure directly from revenue rather than from loans or other sources.

Revenue Expenditure	The day to day expenditure of the PCC group on such items as employees and supplies and services.
SALIX	Salix Finance Ltd. provides interest-free Government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills.
Section 22 Agreement	Section 22 of the Police Act 1996 provides for joint working between police forces and/or Police & Crime Commissioners where, in the opinion of the Chief Constable or the Commissioner, collaboration would deliver greater efficiency or effectiveness.
Straight Line Depreciation	The writing down of Property, Plant and Equipment values by an equal amount for each year of that asset's life.
Strategic Partner	G4S are the Strategic Partner with the Force until 31 March 2022. G4S Policing Support Services deliver a range of administrative and operational services formerly delivered by a combination of civilian employees and police officers – including Finance, HR, Fleet Management, Custody, Support Services and Control Room.
TOIL	Time Off In Lieu may be accrued by both Police Officers and Staff when working additional hours for which payment is not made.
UEL	Useful Economic Life
Virement	Transfers between budget headings, in accordance with Financial Regulations, reflecting changes in the PCC's expenditure plans.
WYPF	West Yorkshire Pension Fund.
XPS	XPS Pensions Group, the pension administrators of the Lincolnshire Police Pension Fund.