



Lincolnshire
POLICE & CRIME COMMISSIONER

SAFER TOGETHER

Police and Crime Commissioner for Lincolnshire

Financial Statements

2023/24

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Police and Crime Commissioner for Lincolnshire
PCC Group and PCC Statement of Accounts 2023/24

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Introduction to the Financial Statements

Police and Crime Commissioner Marc Jones



I was elected to serve by the people of Lincolnshire as Police and Crime Commissioner (PCC) in May 2016 and for a second term in May 2021. The PCC's primary functions are to secure the maintenance of Lincolnshire Police and secure its efficiency and effectiveness. I must also hold the Chief Constable to account for a number of duties. The primary legislative provisions setting out the PCC's obligations are the Police Reform and Social Responsibility Act 2011, the Policing and Crime Act 2017 and the Police Act 1996.

All the financial transactions incurred during 2023/24 for policing Lincolnshire have been recognised and recorded in this Statement of Accounts. The statement sets out the financial performance and financial position of the PCC and the Group (PCC and Chief Constable) as at 31 March 2024 and how the financial position has changed over time.

The PCC has the legal power and duty to set the strategic direction and objectives of Lincolnshire Police through the Police and Crime Plan and must also scrutinise, support and challenge the overall performance of the Force against the priorities agreed within the Plan.

I issued my Community Safety, Policing and Criminal Justice Plan for the period 2021 – 2025 in November 2021; this was updated in September 2023. It is built around four key principles:

- community safety and prevention in partnership;
- listening and responding and being accountable;
- protecting and supporting victims and the vulnerable; and
- policing that works.

In February 2024, following three successful years leading Lincolnshire Police, Chief Constable Chris Haward retired. I appointed Paul Gibson as the new Chief Constable of Lincolnshire Police in February 2024. I am confident that Mr Gibson will build on the excellent work done by his predecessor and I very much look forward to working with Paul in the coming years to keep our communities safe.

Lincolnshire Police's overall performance continues to be good when compared to other police forces. In 2023/24, total crime across Lincolnshire dropped by 5.25% to 55,689 – more than 3,000 fewer crimes than the previous 12 months. The issue of the future funding for Lincolnshire Police continues to be a crucial one for my office and for me personally. I have been heavily involved, at a national level, in working with policing and political colleagues from

across England and Wales to develop a new funding formula which should make an impact on our funding.

I published my budget decision in February 2023 for the 2023/24 financial year. This included an increase in Police Grant of £0.2m, a ringfenced grant allocation of £2.3m dependent upon Lincolnshire maintaining the police officer uplift target and a precept increase of £14.94 per band D property.

The medium-term financial plan indicated a budget gap of £8.3m in 2023/24, addressed by savings of £2m together with use of reserves £6.3m. After planned savings of £3m p.a., the budget gap is forecast to increase to £11.2m by 2026/27. Further measures to address the forecast budget gap are being developed and include ongoing dialogue with the government to secure fairer funding for Lincolnshire.

During 2023/24 I have been successful in securing £5.7m of special grant from the government to support Lincolnshire's funding challenges. Whilst this is welcome, it is one off funding and does not provide sustainability for the medium to long term position in Lincolnshire.

Despite Lincolnshire Police's position as one of the lowest funded Forces in the country, we continue to innovate and look to secure best value for money from the available funds. Investments in 2023/24 included:

- Increasing in the number of call takers in the Force Control Room to improve call response times.
- Investing in the Serious Collisions Investigation Unit to improve the safety of Lincolnshire's roads.
- Following a review of the force Officer Deployment Model, investment in a revised model to place more officers on duty in peak demand periods thereby improving incident response times.
- Increase of 9 police staff in the Safeguarding Hub to ensure effective safeguarding, management of the Domestic Violence disclosure scheme, information sharing with relevant partners and swift referrals into the Protecting Vulnerable People (PVP) Unit.
- Investing in 12 additional detectives in the PVP unit to protect the most vulnerable children and adults in our communities.

However successful these developments are in tackling crime there will always be victims and that is why I have made it a priority to provide the best services possible to support people in coping with, and recovering from, the emotional or physical consequences. My office continues to provide the highest quality victims' services and was awarded the Victims Choice Quality Mark in 2023 in recognition of their provision of a consistently high quality of experience.

All of these investments are designed to ensure that our force has the capability to help prevent harm in our communities as well as find, intercept and arrest criminals wherever and whenever they try to strike, and where there are victims to provide the support they deserve.

More detail on performance in 2023/24 can be found in my annual report which is available at: <https://lincolnshire-pcc.gov.uk/transparency/what-our-priorities-are-and-how-we-are-doing/annual-reports/>

Roles and responsibilities

The Commissioner and the Chief Constable have specific roles and responsibilities as determined under the Police Reform and Social Responsibility Act 2011. The Commissioner provides a link between the police and the community, he sets out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan and also sets the policing and crime precept. The Chief Constable is operationally independent of the Commissioner but must have regard to the Commissioner's Police and Crime Plan.

The Statement of Accounts

The preparation of the 2023/24 financial statements has been challenging due to the continuing impact of the delays in Local Audit. My thanks go to staff for their efforts in these circumstances to produce the financial statements in a timely manner.

The 2023/24 Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2020/21. The accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (the Act);
- The Home Office Revised Financial Management Code of Practice for the Police Service of England and Wales 2018; and
- The Commissioner's Governance Arrangements including Financial and Contract Regulations.

Further information about the Financial Statements is available from:

PCC's Chief Finance Officer
Police Headquarters
Deepdale Lane
Nettleham
Lincoln
LN2 2LT

In addition interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection has been advertised in the local press.

Marc Jones
Police and Crime Commissioner for Lincolnshire

Annual Governance Statement 2023/24

Below are details of the Police and Crime Commissioner for Lincolnshire's governance arrangements in operation during 2023/24 including plans for the financial year 2024/25.

1. INTRODUCTION

- 1.1. Good governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities.
- 1.2. All Police and Crime Commissioners and Chief Constables are required by regulation to produce an Annual Governance Statement (AGS). This is a document which accompanies the statement of accounts and describes how good their respective governance arrangements have been over the last 12 months and sets out areas for development.

2. SCOPE OF RESPONSIBILITIES

- 2.1. The Police and Crime Commissioner for Lincolnshire ("the Commissioner") is responsible for ensuring his business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2. The Commissioner has a duty under the Policing Protocol Order 2011 to secure value for money on behalf of the public that he serves.
- 2.3. In discharging this overall responsibility, the Commissioner is required to put in place proper arrangements for the governance of his affairs and which facilitate the exercise of his functions. This includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the Commissioner places reliance on the Chief Constable of Lincolnshire Police to support the governance and risk management processes.
- 2.4. The Lincolnshire Police Annual Governance Statement is signed by the Chief Constable in his own set of accounts and supports the group governance arrangements.
- 2.5. The Commissioner has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. A copy is available on the Commissioner's website at <http://www.lincolnshire-pcc.gov.uk/Transparency/Corporate-Governance.aspx> or can be obtained from the Office of the Police and Crime Commissioner for Lincolnshire, Police Headquarters, Deepdale Lane, Nettleham, Lincoln, LN2 2LT. Telephone 01522 212351 or email lincolnshire-pcc@lincs.police.uk.
- 2.6. This statement explains how the Commissioner has complied with the Code and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an annual governance statement.

3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 3.1. The governance framework comprises the systems and processes, and culture and values utilised in the discharge of the Commissioner's statutory functions. It enables the Commissioner to monitor the achievement of his policies and strategic plans (as outlined in the Community Safety, Policing and Criminal Justice Plan for Lincolnshire and

associated strategies) and to consider whether those plans have led to the delivery of appropriate services and value for money.

- 3.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commissioner's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.
- 3.3. The governance framework has been in place for the year ended 31 March 2024 and up to the date of approval of the statement of accounts.

4. THE GOVERNANCE FRAMEWORK

- 4.1. The governance regime introduced by the Commissioner gives effect to the provisions of the Police Reform and Social Responsibility (PR&SR) Act 2011. This framework was designed so that:
 - where statutory powers provide for non-operational decision making that rests with the Commissioner, the Commissioner may give consent for certain decisions to be reached by the Chief Constable;
 - there is clarity on which statutory powers of the Commissioner have been delegated to the Commissioner's staff;
 - the decision making structure provides for effective management of resources;
 - proportionate control mechanisms are in place in order to secure probity in the use of public resources and value for money;
 - the Commissioner can be assured of the highest standards of openness, transparency, integrity, respect for others and corporate governance in the exercise of functions;
 - the Commissioner is seen to be accountable to the people of the area for the delivery of the service.
- 4.2. By law the Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of Lincolnshire Police. It is however the Commissioner who is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. This is done in a manner that recognises the commitment of the Commissioner and Chief Constable to abide by the working principles of the Policing Protocol as set out in the Schedule to the Policing Protocol Order 2011.
- 4.3. The key elements of the systems and processes that comprise the governance arrangements put in place for the Commissioner and the Chief Constable are measures:
 - for identifying and communicating the Commissioner's vision, purpose and intended outcomes;
 - for reviewing the Commissioner's vision and its implications for governance arrangements;
 - for measuring the quality of services for users, for ensuring they are delivered in accordance with the Commissioner's objectives and for ensuring that they represent the best use of resources;
 - for defining and documenting the roles and responsibilities of the Commissioner and Force and the senior officers of each, setting out clear delegation arrangements and

protocols for effective communication, and arrangements for challenging and scrutinizing Force activity;

- for developing, communicating and embedding codes of conduct, defining the standards of behaviour for officers and staff;
- for reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- for undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities and Police*;
- for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- for whistle blowing and for receiving and investigating complaints from the public and handling redress;
- for identifying the development needs of senior officers in relation to their strategic roles, supported by appropriate training;
- for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- for incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Commissioner's overall governance arrangements.

4.4 The governance framework has been adopted by the Commissioner and the Chief Constable. The Commissioner's Code of Corporate Governance together with the Governance Framework is available at: <http://www.lincolnshire-pcc.gov.uk/Transparency/Corporate-Governance.aspx>

5. REVIEW OF EFFECTIVENESS

- 5.1. The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control.
- 5.2. This review has been informed by the work of the Chief Financial Officer (CFO) and the Chief Executive (CE), who also undertake the roles of Monitoring Officer and Head of Paid Service. In addition, the work of the internal auditors, plus members of the Commissioner's staff, who have the responsibility for the development, maintenance and operation of the governance environment also inform the review. Comments made by the internal and external auditors and other review agencies and inspectorates are also considered as part of this review.
- 5.3. The Commissioner and Chief Constable have a Joint Independent Audit Committee (JIAC) that meet at least 4 times a year. The JIAC provides advice on matters relating to the adequacy and effectiveness of the financial and other controls, corporate governance, financial and contract regulations and risk management arrangements operated by both the Commissioner and the Chief Constable. The JIAC is subject to an annual self-assessment.
- 5.4. The JIAC has received and considered independent reports from both Internal and External Audit and monitored the implementation of action plans drawn up to address identified internal control weaknesses. The Head of Internal Audit provides an opinion for each of the Police and Crime Commissioner and Chief Constable corporations sole, based on the work undertaken in the year, on the adequacy and effectiveness of the

assurance framework, risk management, internal control and governance, in compliance with the Public Sector Internal Audit Standards (PSIAS).

- 5.5. Mazars LLP will present the Internal Audit Annual Report for 2023/24 in respect of the Police & Crime Commissioner for Lincolnshire & the Chief Constable of Lincolnshire to the JIAC in July 2024, with the following opinion:

*“On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Moderate** in its overall adequacy and effectiveness. This opinion is provided on the basis that there are some improvements required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.*

Certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions were provided during the period in respect of Learning & Development, Business Continuity & Emergency Planning, Health & Safety and IT Identity Access Management.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as “High” and “Medium” priority. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04 [of the Internal Audit Annual Report to Management].”

- 5.6. The External Auditor provides an opinion on the financial statements and value for money and cross referenced to location in accounts.
- 5.7. There are a number of internal groups that meet on a regular basis to enable the Commissioner to carry out effective monitoring and review of the Force’s performance and assess progress made against the objectives stated in the Police and Crime Plan. The Public Assurance Meetings (PAM) consider police performance (Crime) and the Police and Crime Strategic Board considers financial, people, estates and ICT resources, as well as long term strategy development, significant and emerging risk areas and the Chief Constable’s report. The Professional Standards Governance meeting reviews matters relating to the conduct of police officers and staff.
- 5.8. In response to the COVID pandemic , virtual working arrangements were introduced, with most governance meetings having been undertaken virtually, using web conferencing technology and, where appropriate, being live streamed to the internet. Internal controls were modified to ensure they remained effective during periods of remote working. During 2023/24, governance meetings have been conducted virtually or in person, as appropriate.,.
- 5.9. The effectiveness of the governance framework has been reviewed by the Commissioner’s Executive Team¹ in the year 2023/24. The review has included:
- the internal audit reports, including: governance (decision making) and delivery of the police and crime plan;
 - review of the Commissioner’s risk strategy, risk appetite, associated processes and overall approach to risk management;
 - the code of corporate governance and the annotated code providing sources of evidence;

¹ Chief Executive, Chief Finance Officer

- the Commissioner's Decision Making Framework and practical application of the significant public interest policy statement;
 - the Commissioner's Publication Scheme and approach to ensuring that information is publicly available and transparent;
 - the Integrated Scheme of Governance (ISG) that includes the Scheme of Consent, Commissioner's and Chief Constable's Scheme of Delegation and the Financial and Contract regulations;
 - consideration of the Chief Constable's assurance map;
 - ongoing development and review of the Commissioner's Operational Delivery Monitoring Plan;
 - review and monitoring of Lincolnshire Police performance (both organisational and operational) through the governance meeting structure and written and oral briefings;
 - external auditors and their formal reporting;
 - feedback received from the JIAC.
- 5.10. Assurance on the effectiveness of the Commissioner's regulatory framework has been provided by the CE who, as Monitoring Officer, has a legal duty to ensure the lawfulness and fairness of decision-making. Specialist legal advice is available to the Monitoring Officer as required.
- 5.11. Assurance on the effectiveness of the Commissioner's financial controls has been provided by the CFO who is designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision-making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of the CIPFA Statement on the Role of the CFOs in Policing (2021).
- 5.12. The ISG was first published in 2014 to reflect the new governance arrangements arising from the PRSR Act 2011. The JIAC has been consulted on the scheme and its content is reviewed annually. Review of the online ISG training package was undertaken during the 2023/24 year. Originally it was designed to allow staff positively to confirm their understanding of the policies relating to the scheme and the financial and contract regulations. The online package was found to be on hold as it had not been updated for some years and in need of significant update and redesign. Finance & Governance training sessions have therefore been delivered to Senior Leaders and First Line Leader courses throughout 2024 by way of face-to-face training sessions. These training sessions aim to provide a basic understanding of the ISG, related legal requirements, financial awareness, value for money and efficient use of resources, budget management and resource management.
- 5.13. The Commissioner's risk management arrangements are well developed and embedded. The JIAC reviews the Commissioner's risk management strategy on an annual basis and monitors the Commissioner's strategic risk register and the Chief Constable's assurance map quarterly. The Executive team consider and review risks on a monthly basis through management meetings. The risk registers and assurance framework are aligned and drive improvement activity where assurance on the effectiveness of controls needs to be strengthened.
- 5.14. The Commissioner is committed to promoting fairness and equality and ensuring that people are treated with respect and dignity at all times. The monitoring and review of equality and diversity issues is carried out through a member of the Commissioner's staff attending the Equality and Diversity Board meetings for which minutes and actions

are recorded. The Commissioner also has oversight of the Chief Constable's approach to stop and search activity. The Police and Crime Panel in Lincolnshire exist to scrutinise the Commissioner (not the Chief Constable), to promote openness in the transaction of PCC business and to support the Commissioner in the effective exercise of his functions. In Lincolnshire, the Commissioner and his senior staff have attended every meeting of the Police and Crime Panel.

- 5.15. The Commissioner published his Annual Report in September 2023 and presented it to the Police and Crime Panel. The Annual Report demonstrates how the Commissioner has carried out his legal duties, sets out what has been achieved over the year and reports on the progress that has been made in meeting the objectives set out in the Police and Crime Plan. The audited Financial Statements are published on the PCC's website to complement the Annual Report which is available at: <https://lincolnshire-pcc.gov.uk/transparency/what-our-priorities-are-and-how-we-are-doing/annual-reports/>. Ongoing delays in the commencement and completion of external audits, as a result of resourcing issues being experienced in the public sector external audit environment, has meant that, as at May 2024, the audits of the Financial Statements for 2021/22 and 2022/23 remain outstanding.
- 5.16. The Commissioner has had a bespoke media and communications contract in place with a specialist provider since November 2016 and the contract was reproced in 2021. This arrangement allows the Commissioner to have a service tailored and responsive to his specific requirements. In addition, the OPCC supplements this arrangement with social media content based on awareness of local and national communication campaigns.
- 5.17. The Commissioner engages in widespread consultation on a range of subjects, key examples include, the annual budget, and the development of his Police and Crime Plan. A major consultation was again undertaken by the Commissioner in December 2023 following the success of the previous year's county-wide 'Crime & Policing Survey'. This seeks the views of Lincolnshire residents on a range of subjects including their priorities for policing and their own personal experience and perception of crime. The bespoke survey has been designed to provide insights from across a broad range of respondents representative of Lincolnshire residents. The survey will help to guide the Commissioner's funding priorities and inform key decisions faced by the Commissioner.
- 5.18. The Commissioner is committed to being accessible to the public through a wide range of channels. Over the course of the year, the Commissioner received just under 3,500 pieces of correspondence (excluding routine correspondence from Policing Bodies), and 57 Freedom of Information (FOI) Requests². In addition, the Commissioner participated in 463 meetings and events engaging with a wide variety of groups and organisations dedicated to making their communities better places to live, visit and work. The Commissioner has used social media, including his Twitter profile, to enhance his public visibility and reach. For example, he has attracted over 7.6 thousand Twitter 'followers' since taking office in May 2016. This demonstrates an effective link between the public and the elected individual charged with governance. The Commissioner is also committed to openness and transparency and maintains a dedicated section on his website to meet his statutory obligations in this area, including the publication of expenses, salaries of senior staff and expenditure over £500 and a list of assets held. In addition, the Commissioner also publishes a quarterly performance report provided by the force, as part of the supporting information for the Public Assurance Meetings. This report consists of statistical indicators and a narrative report from the Chief Constable providing contextual explanation of the data, and guidance explaining the

² Total number of requests in the period April 2022 to March 2023

performance measures used. This provides incremental information on the forces' performance against key areas of the Commissioners Community Safety, Policing and Criminal Justice Plan.

- 5.19. Lincolnshire Police and the Commissioner have a joint Anti-fraud and Corruption strategy and Policy in place which have been reviewed during the year. Quarterly meetings ensure that current and emerging risks and issues in relation to anti-fraud and corruption are regularly discussed and reviewed and the JIAC are kept abreast of any issues arising. In addition, a joint fraud risk matrix has been developed to help in proactively identifying and assessing current and emerging fraud risks and potential actions to mitigate the risks identified.
- 5.20. The Commissioner and Chief Constable adopted the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption published in 2014. The OPCC and Force are members of the Lincolnshire Counter Fraud Partnership (LCFP) which involves working with key partners to share information and expertise to help both organisations maintain their vigilance in tackling fraud and corruption.
- 5.21. The Commissioner has ensured he has arrangements in place for receiving and handling complaints from the public that are aligned with the changes in complaints legislation that came into force from the 1st February 2020.
- 5.22. CIPFA's Financial Management Code (FM Code) was published in October 2019 and provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that local authorities, including policing bodies, are managing resources effectively, regardless of their current level of financial risk. A self-assessment of the PCC's compliance with the code has been undertaken, will be considered by the JIAC and an action plan developed to ensure full compliance; a further self-assessment is planned for 2024/25 to assess progress.
- 5.23. The Chief Constable has undertaken his own review of governance and his own Annual Governance Statement has informed and supports this statement.
- 5.24. The Commissioner has been advised on the implications of the result of the review of the effectiveness of the governance framework by the executive team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

6. SIGNIFICANT GOVERNANCE ISSUES

- 6.1. The Risk Register is a tool that identifies the risks that would prevent or distract the Commissioner from achieving his objectives. During the year a number of governance issues emerged that were not identified within the risk register
- 6.2. Alongside the Risk Register, the Chief Constable's assurance map is recognised by the Commissioner and the Chief Constable as a vital tool for effective corporate governance. It provides information on the effectiveness of the management of major strategic risks and significant control issues; it also provides a view of assurance across the risk environment. The assurance map and the Joint Assurance Review (JAR) meetings, held quarterly, provide much of the evidence base for this annual governance statement.
- 6.3. The Commissioner's significant governance issues are detailed below, sourced from the Chief's assurance map and Commissioner's risk register. They include an outline of the actions taken or further work that is required to address the issues and whom has responsibility for these.

6.4 The risk of failure of government to address Lincolnshire's case for a fairer share of national funding.

6.4.1 During the latter part of 2016/17, the Home Office initiated a process for fundamental review of the national police funding formula; the Commissioner's CFO participated in this work as a member of the Technical Working Group. Consultation on the conclusion of this work was placed on hold. In 2021, the Home Office initiated a further review of the police funding formula with the stated aim of putting in place a revised approach before the end of the current Parliament (2024). The PCC, as Chair of the APCC, was a member of the Sector Steering Group (SSG) for this review and the next step is for the Home Office to consult on the proposed revised formula. Both the PCC and Chief Constable are supportive of revision of the national police funding formula; previous attempts at reform suggested that Lincolnshire might benefit by around £8 million annually.

The PCC's medium term financial plan indicates a funding gap increasing to £17m pa by 2027/28, despite both additional government grant in support of the national police officer uplift programme and increased council tax receipts. A fairer share of government grant is considered essential to ensure that the Force can continue to deliver an appropriate level of service into the medium term.

6.5 The risk of failure to achieve and demonstrate efficiencies and value for money

6.5.1 The Commissioner and Chief Constable both have a statutory duty to make the best use of resources available to them. The Police and Crime Plan commits to obtaining value for money from all funding and avoiding waste. The capital programme continues to support this by investing in kit and technology which improves operational efficiency such as vehicle replacement, mobile devices, and infrastructure upgrades. Investment decisions and benefits realisation are undertaken by the Force Capability Board and monitored by the Police and Crime Strategic Board; independent assurance is gained through HMICFRS via the Efficiency pillar of their PEEL inspection programme. The Financial Strategy includes performance measures relating to both financial health and financial performance, supported by - plans and policies.

6.6 The risk of failing to maintain or develop beneficial regional collaborations

6.6.1 Regional Collaboration arrangements are subject to robust review and scrutiny to achieve agreement on service delivery and related budgets.. Work is underway to develop and agree a new Target Operating Model for EMSOU in 2024/25. Given the national funding landscape, challenges remain over the size and composition of regional resources, but an effective and active dialogue is underway; a no nonsense focus on open and evidence based decisions will support effective navigation of any changes.

6.7 Failure to evidence and articulate solutions to the resource and capacity challenges faced in securing the maintenance of an effective and efficient police service, specifically including the SPR

6.7.1 The operational effectiveness of the Force has been dependent on successfully taking on the responsibilities previously managed by G4s and reshaping the whole Force to improve its operational effectiveness. The renewed vigour that the Chief and his senior team have put into strategic and operational planning has provided a strong basis for future planning. The Force Management Statement highlights resource and capacity challenges, including in delivery of the SPR. An annual assurance report is provided to the Commissioner on Lincolnshire Police compliance with the SPR. The Force introduced a new Neighbourhood Policing Model in 2023/24 and the PCC has

commissioned the College of Policing to undertake an independent review of the model, to be delivered in 2024/25.

6.8 Failure to maintain a strong working relationship with the Police and Crime Panel

6.8.1 The Police and Crime Panel is a key part of the governance landscape for police and crime commissioners and the Lincolnshire PCC and his staff have worked persistently and consistently over many years to maintain a strong, appropriate and professional relationship. That relationship has been tested in the last four years following issues outstanding from the recruitment process for Chief Constable that could not be completed in 2020 and the subsequent investigation and referral by the Police and Crime Panel to the Independent Office of Police Conduct (IOPC). The completion of the IOPC investigation should clear the way for outstanding issues to be addressed and pave the way for a stronger working relationship going forward.

6.9 Failure to obtain satisfactory value for money from the disposal of 'West Parade' Police Station (Lincoln City)

6.9.1 Following the development of the Lincoln South Park police station, shared with Lincolnshire Fire & Rescue and East Midlands Ambulance Service, West Parade Police Station has been surplus to requirements.

6.10 Failure to deliver new Enterprise Resource Planning (ERP) system concurrent with a supported outgoing system

6.10.1 The current ERP, tPolice, is end of life and out of support. Market driven support has been purchased until December 2024. The force has defined the requirements for the replacement ERP which will feed into the procurement activity to find a new system. This system will support crucial enabling functions including Finance, HR, Procurement etc. A replacement ERP will ensure we have a fully supported and maintained system which reduces the Force risk around the current ERP being out of support and an end-of-life system. The current integrated way of working between back-office functions will be maintained and it will also increase the effectiveness and efficiency by interfacing with existing systems which are currently not linked so the force has "a golden thread" approach for records and supports the HMICFRS recommendations. The functionality will also increase the reporting capability which supports the Force Management Statement requirement.

6.11 Failure to prepare for the potential impact on the workforce, service delivery, and commissioned services. because of the sudden rise in the 'cost of living' and the 'cost of doing business'.

6.11.1 The UK has experienced a fall in 'real' disposable incomes (that is, adjusted for inflation and after taxes and benefits) since late 2021. Individuals and businesses are being impacted by increased costs, which has the potential to adversely impact the workforce, service delivery and commissioned services. In response to this, the PCC is continuing to monitor for signs of 'stress' on services through quarterly contract meetings and is supporting service providers in maximising funding opportunities. This included a non-recurrent 5% uplift to VCSE victim support providers in 2023/24.

7. INSPECTORATE FINDINGS

7.1 The PEEL Inspection programme conducted by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) scrutinises all 43 police forces

in England and Wales and examines their Efficiency, Effectiveness and Legitimacy providing comparable grades for each of the forces in England and Wales.

7.2 In 2021/22. HMICFRS moved to a more intelligence-led, continual assessment model, and they also changed their approach to graded judgements, expanding their previous four-tier system to five tiers as listed below,

- Outstanding
- Good
- Adequate
- Requires improvement
- Inadequate

However, these changes mean that it isn't possible to make direct comparisons between the grades awarded for 2021-22 with those from previous PEEL inspections. HMICFRS also stated that a reduction in grade, particularly from good to adequate, does not necessarily mean that there has been a reduction in performance, unless HMICFRS specifically say so in their inspection report.

7.3 Key evidence sources for the continual assessment approach adopted by HMICFRS include:

- findings from other HMICFRS inspections;
- [progress against causes of concern and areas for improvement](#);
- routine data collections; and
- knowledge arising from routine force liaison
- Force Management Statements (FMS)

The FMS is an important tool in the corporate planning process as it contains a self-assessment evaluating the following 4 years across 4 key areas:

- a) The demand likely to be faced by the force;
- b) The condition, capacity, capability, serviceability, performance and security of supply of the workforce and other assets such as ICT
- c) The force's plan to improve efficiency
- d) The force's financial income.

7.4 HMICFRS published The Force's PEEL inspection grades in March 2023 relating to the force's performance for 2021/22, and these are:

- Preventing crime – adequate.
- Treatment of the public – adequate
- Protecting vulnerable people – adequate
- Developing a positive workplace – adequate
- Investigating crime – requires improvement
- Recording data about crime - requires improvement
- Responding to the public - requires improvement

- Managing offenders - requires improvement
- Good use of resources - requires improvement
- Serious and organised crime – requires improvement.

7.5 The next cycle of PEEL inspection in accordance with the HMICFRS 2023-25 plan will commence in April 2024 with the major field-work scheduled for October 2024.

7.6 The commissioner is required by law to publish his response to all force specific HMICFRS inspection reports, including PEEL following their publication, these responses are available on the PCC’s website at <https://lincolnshire-pcc.gov.uk/transparency/what-our-priorities-are-and-how-we-are-doing/hmic-inspections/>

7.7 The force’s progress against ‘areas for improvement’ and recommendations made in inspections continues to be tracked and progress monitored by the force through its HMICFRS tracker. This document is regularly reviewed as part of the Commissioners “holding to account” governance processes and the force provide a summary report on outstanding remedial activity for review by the JIAC. HMICFRS operate a ‘register of recommendations’, to ensure that all recommendations both thematic and force specific have been addressed and remedial work has been fully completed to their satisfaction.

7.8 Outside of the PEEL regime the force did not receive any further inspection visits specifically relating to the force.

7.9 We propose over the coming year to continue our plans to address all of the above matters to further enhance our governance arrangements. We will address the need for improvements that are identified during our review of effectiveness, and we will monitor their implementation and operation as part of our next annual review.

8 CONCLUSION

This statement has been prepared on the basis of the review of effectiveness of governance arrangements. Advice and recommendations on the annual governance statement have been received from internal and external auditors and the JIAC. It represents a fair and reasonable assessment of The Police and Crime Commissioner for Lincolnshire’s current arrangements and plans for improvement.

These arrangements continue to be regarded as fit for purpose in accordance with the governance framework and provide a reasonable level of assurance that such arrangements are effective.

SIGNED

Marc Jones
Police and Crime Commissioner for
Lincolnshire

Malcolm Burch
Chief Executive to the Police and
Crime Commissioner for Lincolnshire

Date

Date

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 2023/24. 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 2024.

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 2023/24 in Lincolnshire increased by only £0.2m (0.3% increase) compared with 2022/23. The pension top-up grant allocation (£1.2m) has been maintained in 2023/24 at the same level since 2020/21. In addition, a ringfenced allocation of £2.3m is available to Lincolnshire on maintaining the police officer uplift target and in accordance with the grant conditions

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 2023/24 was confirmed by the government on 31 January 2023 and subsequently debated by Parliament on 8 February 2023. During the debate, the Policing Minister confirmed that the government was preparing to consult on updating the police funding formula in the near future.

The Ministry of Justice has indicated the allocation of the Victim Services Grant to PCCs for 2023/24, this will remain the same in cash terms as for 2022/23, £0.884m. The budget includes commensurate ring-fenced expenditure. The actual grant received in year was a higher amount of £1.54m.

The Lincolnshire Police and Crime Panel met on 3 February 2023 to consider the PCC's proposed council tax increase. The Panel voted unanimously at the meeting to support the proposed £14.94 increase for a Band D property, a 5.41% increase to the policing element of the council tax in 2023/24. The increase in the precept provided an additional £4.27m in council tax receipts when compared with 2022/23.

The global economy is set to grow at the slowest pace for over thirty years over the next five years according to the International Monetary Fund (IMF). The UK economy is predicted to grow modestly in 2024 with acceleration towards the backend of the year although interest rates could remain stubbornly high. The Treasury continue to limit the spending on the public sector which has resulted in low and short-term grant settlements. Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing into the medium term.

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.

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 36.

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

- 1. County-wide review of CCTV** - The PCC engaged an external provider to undertake a county-wide review of CCTV. The review commenced in 2023 and involved scoping of the fixed and mobile/hotspot public space CCTV managed and operated by local government partners across Lincolnshire. The report identified the need for 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
 - The draft report has been completed and shared with partners.
- 2. Reduce re-offending** - The PCC provided £5,000 of funding from Proceeds of Crime to support the establishment of a teaching restaurant at Lincoln Prison. The project, in conjunction with The Right Course charity, launched in May 2023. The scheme offers selected inmates the chance to achieve City & Guilds Level 2 Diploma in catering and front-of-house qualifications in partnership with the training provider, PeoplePlus. The initiative aims to reduce re-offending and plug the shortage of hospitality staff across the country. Ministry of Justice data demonstrates that 56% of those trained and released at The Right Course's restaurant in HMP Wormwood Scrubs have since found employment.
- 3. Support that changes Women's Lives event** - the PCC, Lincolnshire Action Trust and the Safer Lincolnshire Partnership hosted a 'Support that changes Women's Lives event'. The 27 signatories to the Lincolnshire Women and Girls Concordat were invited to come together to discuss the work undertaken to date and were asked to commit resources on behalf of their agencies to support delivery of the women's centre model, which is a key element of the Women and Girls Strategy. Speakers included best practice examples from the WonderPlus project in Norfolk, women with lived experience and a keynote speech from Lord Bradley, whose 2009 Report resulted in the introduction of liaison and diversion services.
- 4. Integration of women's services** - the PCC has secured joint funding from Probation to recruit to a whole system co-ordinator post and undertake evaluation of the women's centre model provision, which will be delivered by Lincolnshire Action Trust. This will allow us to drive forward delivery of the Women and Girls Strategy by offering new services or interventions for women in or at risk of contact with the criminal justice system and improve the integration of women's services into a Whole System Approach (WSA) to address women's complex needs.
- 5. Women RISE** - In January 2024? the PCC opened the official launch event for Women RISE (Resilient, Informed, Supported, Empowered), a network of pop-up Women's Centres across Lincolnshire to support women to stay out of the Criminal Justice System. Lincolnshire Action Trust secured pilot funding from the Ministry of Justice to establish the service.

6. **The Happening** - the PCC has contributed funding to develop and deliver 'The Happening' which is an immersive, educational experience that aims to prevent and divert young people away from carrying a knife and being involved in serious violence. It will challenge thinking and dispel myths around knives. The project has been built within Sleaford Police station's old custody suite and has seen a number of rooms converted into state-of-the-art spaces. Each room utilises real world props, videos, graffiti, posters, written content and more to help educate and inform young people.

The facility formally opened in January 2024 and is open to Lincolnshire students aged 10 – 18 and hosts small groups of students through a variety of rooms to experience and consider the potential ripple effects of carrying a weapon.

7. **Road Safety Summit** - the PCC held an East and East Midlands Road Safety Summit in September 2023. The event, held at the Epic Centre in Lincoln, was an opportunity for PCCs, road safety experts and law enforcement agencies from around the region to look at how they can tackle road safety together. PCCs and their representatives from Humberside, Derbyshire, Bedfordshire, Cambridgeshire, Northamptonshire, Leicestershire and Nottinghamshire attended – and have all now agreed to collaborate on road safety projects in the future.

It involved workshops on support to road victims and road user conflicts, provided an opportunity to share best practice and highlighted the benefits of 'Vision Zero' - a strategy and set of principles that work from the point of view that no road death is inevitable and that we should strive to see everyone arrive home safely from their journey.

8. **Sexual assault and abuse units** – financial support was given by the PCC for boosting the number of officers and staff in the specialist sexual assault/abuse units. The Protecting Vulnerable People unit was boosted with the addition of one Detective Inspector, three Detective Sergeants and 12 Detective Constables for the investigation hubs. This takes the total number of DC posts to 69 for the investigation hubs. The PVP department deals with numerous offences in addition to RASSO (Rape and Serious Sexual Offences) so these staff are not purely investigating sexual offences.

9. **Serious Collision Unit** – it is crucial to help deliver answers and justice to victims and families of tragic incidents on our roads. The PCC has invested in the creation of a Roads Policing Team which continues to develop and complement our Armed Roads Policing Team in tackling high harm offenders and reducing KSIs on our roads through Operation Excess.

This uses data sets to task the team daily to locations and routes that see the most harm caused to our communities. The RPT now have a full complement of vehicles, equipment and enhanced training required for the role. Unfortunately, collisions and incidents still occur, and we have increased our resources within the Serious Collision Unit to help deliver crucial answers and justice to victims and their families.

10. **Increasing community confidence** – keeping the confidence of the public in policing has been identified as critical by the PCC and he has provided the financial backing to increase resources in Lincolnshire Police's Professional Standards Department. Three additional Detective Constables and two case officers have been added to the team.

11. **New project to keep road users safe** – the PCC has secured £45,000 to launch a pilot project to keep the county's roads safe from reckless motorists. The scheme involves buying 100 dashcams and distributing them to haulage and coach companies who regularly drive the highest risk routes around the county.

Any footage collected on the dashcams showing driving offences will then be uploaded to a police website by the drivers and may be used to take action against the motorist. The funding will also help pay for additional staffing in Lincolnshire Road Safety Partnership to review the footage.

If successful, the scheme could be extended to other road users and members of the public – creating a network of cameras designed to encourage change in driver behaviour and catch dangerous drivers.

12. **Anti-fraud campaign** – the PCC launched a county-wide campaign to give communities the tools to fight back against the criminals. The special project also sought to help parents shield their children from the evils of online grooming and the growing problem of so-called “self generated child sexual abuse material”.

The PCC commissioned almost every local paper in the county to carry pages of material warning them of the dangers and giving them the advice they need to protect themselves. In addition, his office has produced thousands of special free advice packs to help people protect themselves and their families against fraud.

Listening, responding and being accountable

1. **Public opinion survey** – the PCC’s annual consultation continues to get wide public support with this year’s survey receiving 3,434 completed returns including more than 1,000 respondents between the ages of 16-34 – the highest number of responses from that age group since the survey began. 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 the majority (54%) supporting an increase of at least 5% - with a further 6% supporting a rise of 3.4% - only slightly below the proposed increase.

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 2023/24 he participated in just over 100 meetings and events both in person and virtually.

Over the course of 2023/24 the OPCC has received just under 100 pieces of correspondence (excluding routine correspondence from policing bodies), and 10 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 almost 100 ‘followers’ on Twitter since taking office in May 2016.

3. **Representing Lincolnshire on the national stage** – the PCC has lobbied relentlessly for a review of the current police funding formula, which unfairly penalises Lincolnshire. During his tenure as Chair of the Association of Police and Crime Commissioners he carried that fight for a fairer national funding formula to the heart of Westminster and the Government has now committed to delivering the review needed. Over many months the PCC worked with other senior policing leaders to inform and develop the basis of a new formula.

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.

4. **Online meetings with parish councils** – Lincolnshire Police and the PCC hosted a series of on-line meetings with representatives of parish councils from across the county. These sessions provided an opportunity for the Force to update on local and force wide operational matters and to seek input from the Parishes to inform local policing priorities. They also allowed the PCC to hear the concerns and comments of local community representatives directly to aid improving services and holding the Chief Constable to account. The sessions received positive feedback which is being reviewed to influence future sessions.

5. **Presentations to District Councils** - the PCC and a member of the Chief Officer Team delivered presentations to each District Council area on policing and community safety. This ensured councillors were well informed about crime and policing in their local area

and able to cascade information to the public as well as ask important questions on behalf of the community.

- Partnership working** – a great deal of the work undertaken by OPCC is 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.

- 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/>

- 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 100 custody visits were originally scheduled for 2023/24 and split between the four local visiting panels serving Lincoln, Grantham, Boston and Skegness police custody suites. A total of 95 (95%) visits had been successfully completed by the end of March 2024.

A total of 95 (95%) detained persons who were available at the time a custody visit was conducted, gave their consent to be seen by ICVs. Just over 90 (95%) of detained persons refused to be seen.

- 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 have again received this information in hard copy along with their Council tax bills for 2023/24 . The leaflet and supporting information are also published on the PCC website.
- The Safer Together Team** – the team has attended around 100 events, activities or professional meetings across the county in 2023/24. They have represented the OPCC at events including 100. 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.

11. **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. Their findings were fed back to the PCC and senior police officers with suggestions for how to move forward.

Protecting and supporting victims and the vulnerable

1. **Victim and Survivor Services Impact Report** – in July the PCC published the Victim and Survivor Services Impact Report. The report outlined how 12,991 people have been referred to Victim Lincs in the year from April 2022. This is an 'in house' service put in place by the PCC who provide advice and support to victims and survivors, including making referrals to specialist support services. 865 people received Outreach Support and 2,045 survivors of sexual violence were referred to specialist services – with 82% reporting they were better able to cope and recover as a result.
2. **Lincolnshire Domestic Abuse Specialist Service** – was commissioned by Lincolnshire County Council in Spring 2023 with support from the PCC and Integrated Care Board. The service uses Victim Lincs to make initial contact and refer Lincolnshire Police Domestic Abuse referrals to the right service provider.
3. **Sexual violence advisor posts** - the PCC secured funding from the MoJ to recruit an additional 1.5 FTE sexual violence advisor posts in 2023/24, with a further 1.5 posts for 24/25.
4. **You're right, that's wrong' campaign** - the PCC and Lincolnshire Police have jointly funded the 'You're right, that's wrong' campaign which calls on men to act when they see or hear public place harassment towards women or misogynistic attitudes. Home - You're Right, That's Wrong (thatswrong.co.uk)
5. **Research into rape and sexual abuse victims' experience of the criminal justice system** - funding was secured from NHS England and Improvement (NHSEI) to commission an independent specialist organisation to undertake research with adult victim/survivors of rape and sexual abuse about their experiences of the criminal justice system and the services they have accessed. The research will capture key stages of the victim/survivor's journey:
 - Making a report
 - Experience of the Sexual Assault Referral Centre (SARC)
 - Being informed of the progress of the investigation
 - Experience of the Independent Sexual Violence Advisor (ISVA) service (and other services)
 - Communication of the outcome of the investigation
 - Experience of the court process (support/communication pre, during and post court)
 - Findings from the research will help inform the future commissioning of the SARC and ISVA services in 2025/26.
6. **Victim Lincs praised**- the PCCs in-house Victim Lincs service has been re-assessed against the standards within the Victims Choice Quality Mark run by Supporting Justice. The Victims Choice Quality Mark is an independent assessment of the quality of the

service provided to victims and witnesses. It is designed to provide confidence to those who may need to access the service in the future and to help commissioners determine if their resources are being targeted and spent effectively.

The accreditation involves four elements: a self-assessment, review of evidence, site visit, and report. The final report praised Victim Lincs for “cohesion and thoroughness” and the lead assessor said: *“The Victim Lincs service is a remarkable example of best practice. Since the original Quality Mark award, their approach to service development has been characterized by a thorough approach and attention to detail which has resulted in a seamless service for victims of crime.”*

- 7. Independent Assurance Panel Violence Against Women and Girls** – the panel was established by the PCC to scrutinise the work being done to tackle violence against women and girls by Lincolnshire Police. Made up of nine members from across a range of charities, educators and support agencies, the panel released its final report at the end of 2023. Their report concluded that they were “impressed by the rigorous and expert manner in which the Lincolnshire Police VAWG Plan has been developed and implemented across the Force. Panel members accept that there is still much to do to embed a newly focussed culture, new systems, new reporting and measurement mechanisms, but the progress made to date should be applauded”.

Policing that works

- 1. Police Deployment Model** – the PCC has supported the development of a new deployment model for Lincolnshire Police which aims to place more officers on duty in peak demand periods thereby improving incident response times. The shift pattern has enabled the force to keep pace with increasing demand.

The match in resource and demand has allowed an overlap time on shifts to provide the required cover, and furthermore the production of area profiles for neighbourhood officers which has enabled them to pin-point hot spots for crime and disorder, ensuring smart patrolling choices can be made. The investment in our control room staff has also ensured we can answer calls more quickly, to communicate with the public, to resource the demand by allocation of officers, or ensuring appropriate updates are passed on to officers in a timely manner.

- 2. Appointment of new Chief Constable** – the PCC appointed a new Chief Constable for Lincolnshire Police. Paul Gibson, 50, started his career as a PC in Lincolnshire in 1998 and spent 19 years in the force before leaving in 2018 to take on the role of Assistant Chief Constable in Derbyshire Police. Mr Gibson took on the role as Deputy Chief Constable of the East Midlands Special Operations Unit (EMSOU) in January 2021 and served two very successful months supporting Northamptonshire as temporary chief Constable last year.
- 3. Boost the number of call handlers** – as part of the PCC’s council tax commitments an additional 15 call handlers have been recruited, primarily to boost the 101 service. Lincolnshire already has one of the best 999 response times in the UK and the additional call handlers are intended to improve response times for non-emergency calls.
- 4. RAF Scampton funding uplift** - The PCC secured an additional £3.8 million from the Government. The funding comprised £1.8m specifically to support the Force in meeting the challenges presented by the Home Office decision to use RAF Scampton as an immigration facility, and a further £2m to invest in the ongoing digital transformation of Lincolnshire Police.
- 5. Police officer numbers** – the force successfully achieved the national uplift programme requirements to date and also secured additional funding for ten more officers from the national uplift programme. A number of transferees with specialist skills have also joined the force this year.

6. **New staff Apprenticeship Academy** - The Force has launched a new staff Apprenticeship Academy which provides career opportunities for anyone aged 18 and above. The first cohort will be for six Business Administration Apprentices. The scheme provides the opportunity to gain highly transferable knowledge, skills and behaviours whilst studying for a recognised Level 3 Qualification in Business Administration.

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Key Crime Statistics

In the 12 months to March 2024 overall crime recorded was 55,689 incidents – a reduction of 5.25%. 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 2.38% within the year.

Some of the key crime recording statistics are shown below -

- The number of burglaries reduced with the number of overall burglaries at 2,826 (a reduction of 16.1%).
- Theft cases overall (excluding vehicles) were reduced slightly by 0.2%, with a total number of 11,221. Thefts from person reduced to 162 (a reduction of 4.7%) whilst shoplifting grew by 11.8%, with a total of 5,988.
- Vehicle crime overall reduced by 19.5% to 2,081 incidents in year. This included theft of vehicles reduced by 13% and theft from vehicles reduced by 25.9%.
- Arson and criminal damage incidents reduced from the with previous year with 5,687 incidents recorded (reduction of 11.8%).
- There were 14 homicides in the county this was an increase of 180% from the previous year. Violence against the person reduced by 2.93% to 23,020. Of these cases violence without injury constituted the majority these cases at 8,825 (2.84% down). Stalking and harassment cases totalled 7,411 – a reduction of 3.0%. Robbery incidents reduced by 2.6% to 376.
- Sexual offences overall reduction to 2,469 (a reduction of 1.4%) although rape cases recorded showed an increase to 977 (up 6.78%).

Over the 12-month period the force has, on average per month issued the following tickets speed 133, seatbelts 16, mobile phone 64, dangerous driving 47 and drink/drug driving 121. All the driving enforcement activity areas have seen an increase in volumes over the previous year apart from seatbelts which saw a decrease.

Across the year there were 716 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 151,005 calls for service – an increase of 11.3% on the previous 12 months. More than 92.05% of Emergency calls were answered within 10 seconds.

There has been another encouraging increase in the number of crimes reported online with the 12,888 representing an increase of 19.5%.

The Force Urban Response time target for urgent calls is under 15 minutes and over the last 12 months 54.1% 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 64.3% of urgent incidents have been attended within this time.

Lincolnshire Police received 1,121 complaints in the 12 months to March – an increase of 10.66% 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

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	£17.32	£1.53	7.56%
Median hourly rate	£20.13	£15.79	£4.43	21.58%
Total employees - salary quartile bands				
	Lower	Lower-middle	Upper-middle	Upper
Male proportion	42.70%	49.91%	57.20%	66.10%
Female proportion	57.30%	50.09%	42.80%	33.90%
Published bonus information *				
	Male	Female	Gap	Percentage
Mean bonus	£620.12	£625.39	-£5.27	-0.85%
Median bonus	£200.00	£288.00	-£88.00	-43.75%
Proportion receiving a bonus	4.33%	5.27%	0.06%	N/A

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

Summary

For Lincolnshire Police, this is our seventh Gender Pay Gap Report and we remain committed to ensuring fairness and inclusivity in the treatment of all of our workforce, regardless of their protected characteristics.

We are pleased to report that we have seen positive results and a reduction of 1.31% in our Mean pay gap this year, along with an increase in the proportion of the female workforce across all quartiles; particularly in the upper-middle and upper quartiles.

Our recruitment teams have continued to work hard to engage with and recruit new police officers and staff from all under-represented backgrounds and ensure opportunity to progress within our organisation through our future leaders programme, Fast Track schemes and detective pathways. Through our newly established gender steering group, workforce

information is monitored to ensure positive progress, and considers the development of initiatives to further enhance this.

As an organisation we remain determined to tackle the under-representation of women through all grades and ranks and provide every opportunity for women to progress. The Force remains committed to ensuring fairness and inclusivity within Lincolnshire Police and acknowledge the many benefits this brings to our organisation.

This year, additional analysis has been undertaken to break down the gender pay gap for our officer and staff workforce separately due to the potential impact of the different pay and grading structures, and to allow further consideration of specific areas of targeted activity.

This analysis has demonstrated that the pay gap is significantly lower when considering the officer and staff workforce separately. For Police Staff we have a 0.36% Mean pay gap, with over 25% of our Female Staff workforce employed at a Senior Grade. For officers, the mean pay gap is currently 3.92%.

We continue to work to identify opportunities to improve this position further, through the development of a gender action plan.

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Financial Performance

Analysis of Revenue and Capital Expenditure

Total operational expenditure for the 2023-24 financial year was £157.6m compared with £144.6m 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.

2022/23 £000	Total Net Operational Expenditure	Note No.	2023/24 £000
226,908	Gross Expenditure as per Financial Statements	6	229,349
(65,502)	Pensions Accounting	43.3	(53,525)
(3,424)	Capital Accounting	29	(3,673)
548	Accumulated Absence	32	(318)
(222)	Collection Fund	31	(3)
38	Regional Reserves Transfer	8	(96)
158,346	Gross Operational Expenditure		171,734
(13,776)	Fees, Charges and Other Service Income		(14,096)
144,570	Total Net Operational Expenditure		157,638

Expenditure

The table and pie chart over the 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 75% of total spending.

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.

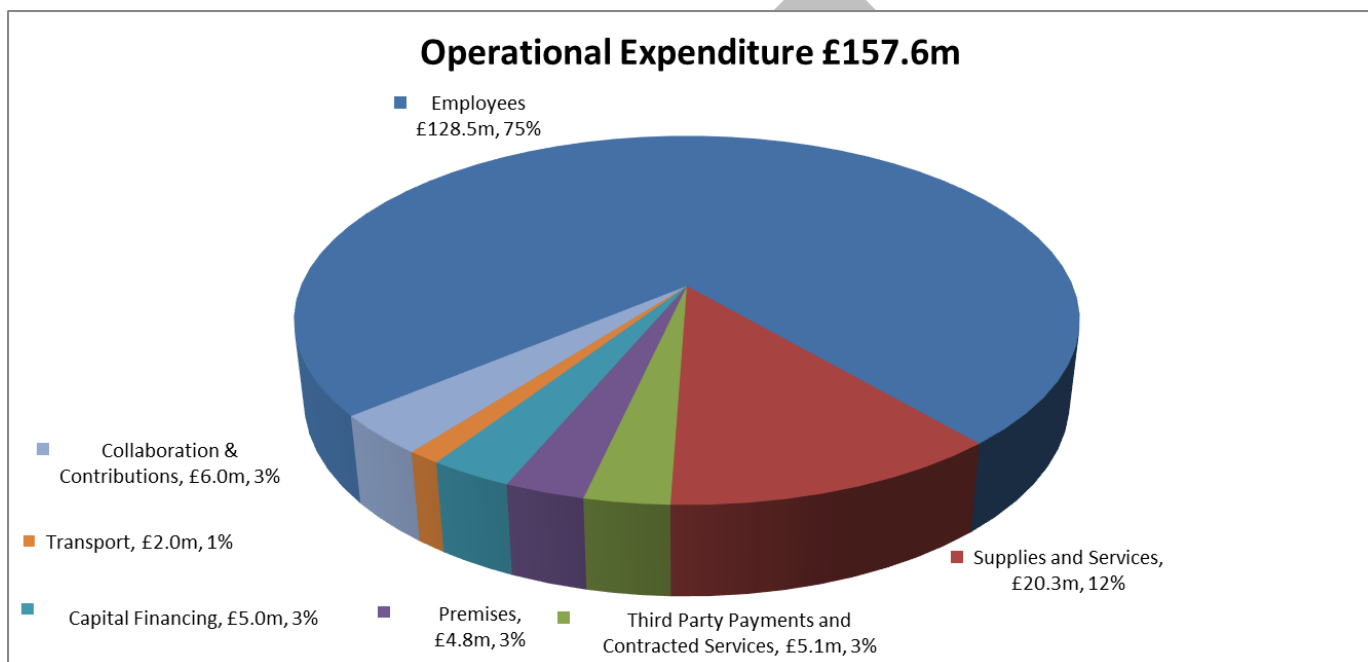
Premises: 3% of the total spend is made on the Force estate which includes 37 stations and the Force HQ which is now shared with the Fire Service.

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 3% of the total spend on Regional and National collaboration and initiatives.

2022/23 £m	Operational Expenditure	2023/24 £m	Ratio for year
117.3	Employees	128.5	75%
18.4	Supplies and Services	20.3	12%
5.4	Third party payments and contracted services	5.1	3%
5.1	Premises	4.8	3%
4.0	Capital Financing	5.0	3%
2.1	Transport	2.0	1%
6.0	Collaboration & Contributions	6.0	3%
158.3	Total Gross Operating Expenditure	171.7	100%
(13.8)	Less Sales, Fees and Charges	(14.1)	
144.5	Total Net Operating Expenditure	157.6	



Income

Total Income for 2023/24 was £157.6m compared with £144.6m for 2022/23. 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.

2022/23 £000	Income	2023/24 £000
(188,438)	Income as per Financial Statements	(207,744)
24,715	Pension Top-Up Grant	29,104
97	Recognised Capital Grant and Contributions	16
-	Council Tax Collection Fund	-
90	Gains on the disposal of assets	89
13,776	Fees, Charges and Other Service Income	14,096
(149,760)	Total Income	(164,439)
5,189	Transfer to/(from) Reserves	6,796
(144,570)	Total Income including transfer to reserves	(157,642)

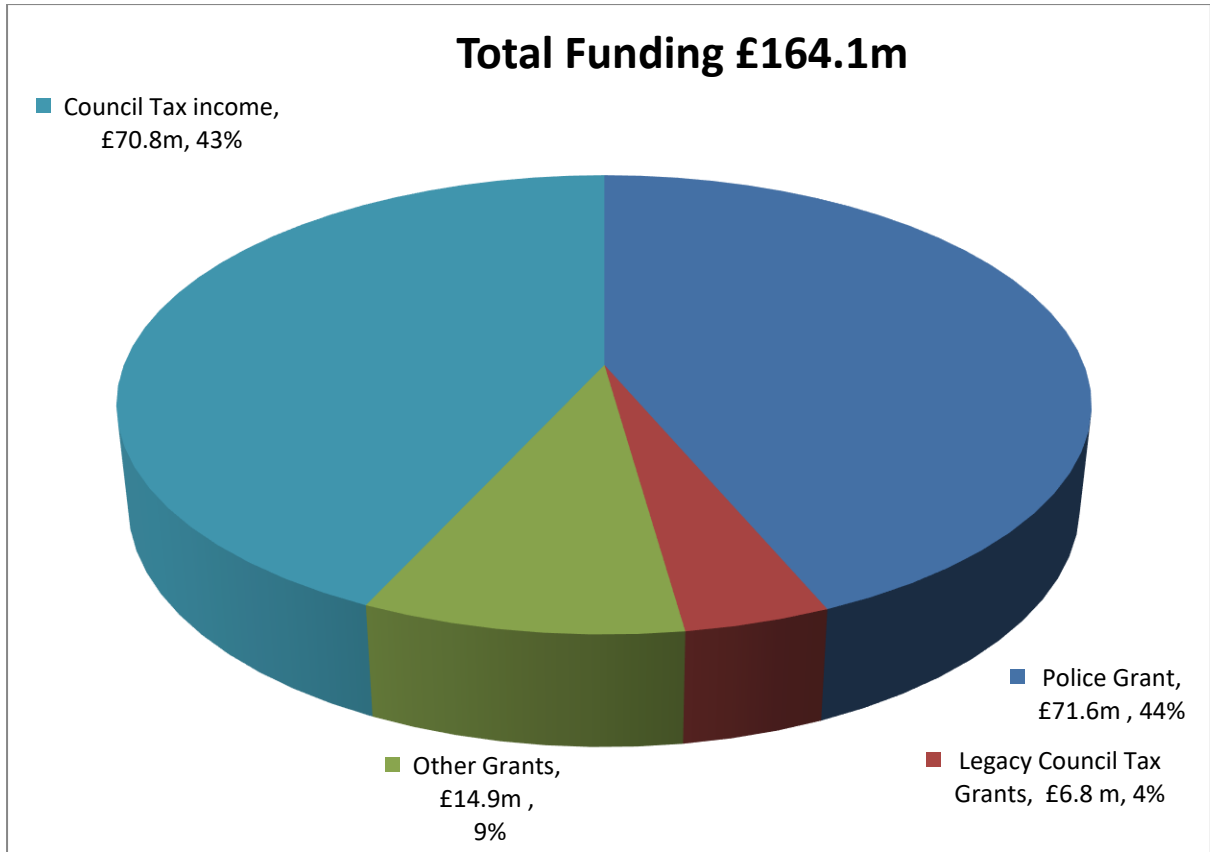
Total Income comprises of Central and Local Funding, together with other income, mainly in respect of the regional custody contract managed by Lincolnshire.

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 – 43% of funding is provided by local council taxpayers.

Government grants for 2023/24 increased marginally by £0.3m and there was a greater burden on local taxpayers with the precept raising an additional £4.4m in year.

2022/23 £m	Total Funding	2023/24 £m	Ratio for year
	Central Funding:		
71.3	Police Grant	71.6	44%
6.8	Legacy Council Tax Grants	6.8	4%
4.9	Other Government Grants	14.9	9%
	Local Funding:		
66.4	Council Tax income	70.8	43%
149.4	Total Funding	164.1	100.0%



The table below shows how the Funding has been used in year to meet the expenditure incurred:

2022/23 £000	Reconciliation between Funding / Income	2023/24 £000
149.4	Total Funding	164.1
0.3	Add Other Income	0.3
(5.2)	Transfer to reserves	(7.0)
144.5	Expenditure in Year	157.4

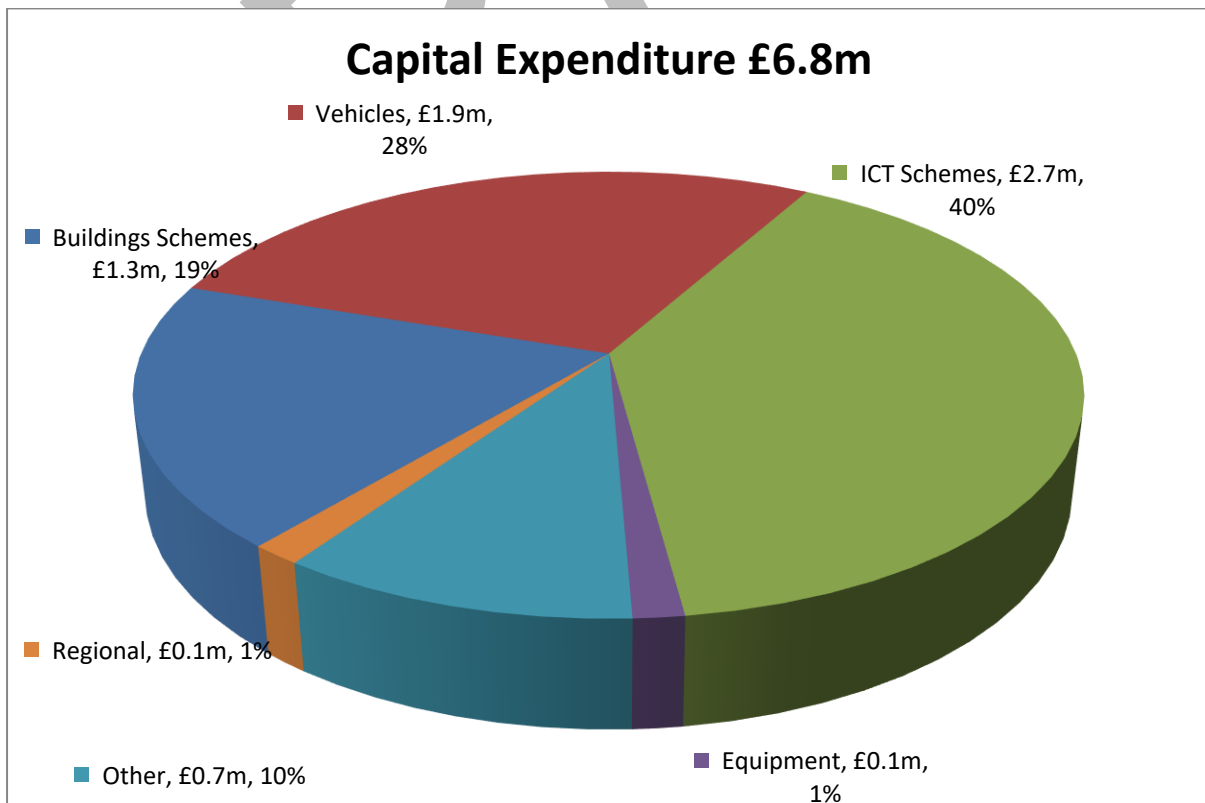
Capital Expenditure

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 2023/24:

2022/23 £m	Capital Expenditure	2023/24 £m	Ratio for year
1.3	Buildings Schemes	1.3	19%
1.1	Vehicles	1.9	28%
2.6	ICT Schemes	2.7	40%
0.3	Equipment	0.1	1%
0.2	Other	0.7	10%
0.1	Regional	0.1	1%
5.6		6.8	100%

The PCC has approved a capital programme of £16.3m for 2024/25, and includes:

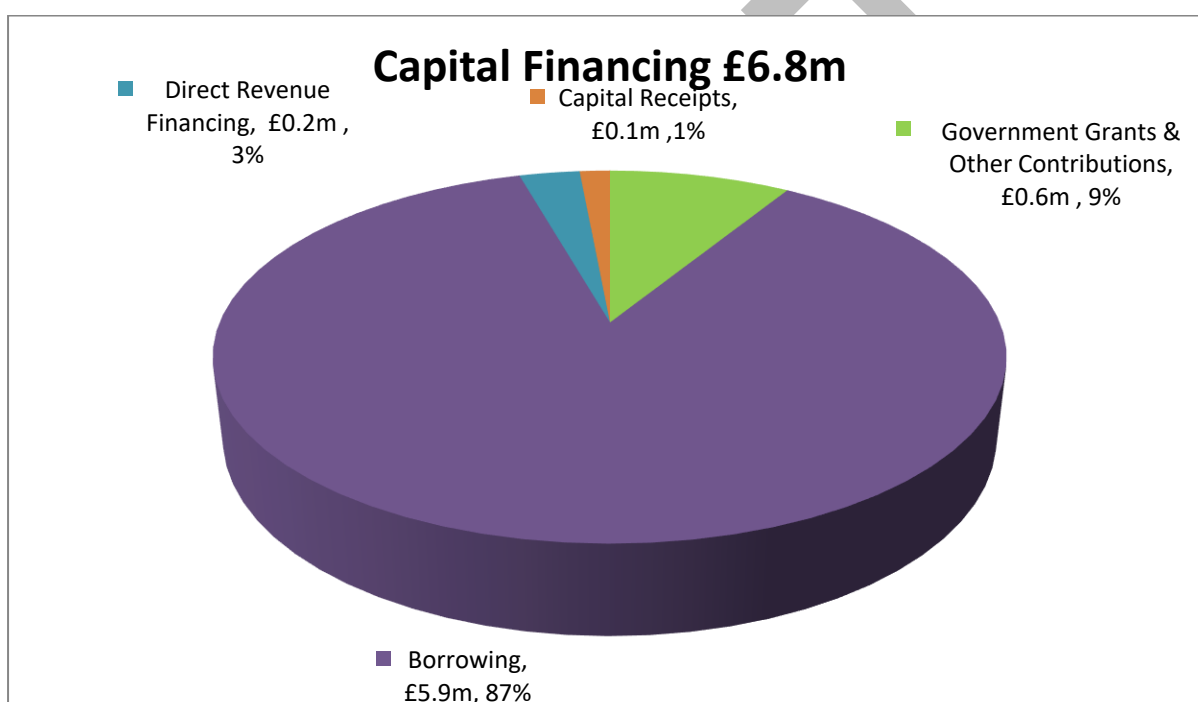
- £7.17m investment for ICT transformation;
- £2.28m investment in the Force estate improvements and maintenance;
- £3.21m replacement programme for Vehicles.
- £2.078 investment on the Command and Control system



Capital Financing

The PCC Group's capital programme in 2023/24 was financed through grants, contributions from revenue, capital receipts, internal cash balances and external borrowing.

	2022/23 £m	Capital Financing		2023/24 £m	Ratio for year
	0.1	Government Grants & Other Contributions		0.6	9%
-		Borrowing - External	-		
5.3		Borrowing - Internal	5.9		
	5.3	Total Borrowing		5.9	87%
	0.1	Direct Revenue Financing		0.2	3%
	0.1	Capital Receipts		0.1	1%
	5.6			6.8	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 2023, the PCC approved a net revenue budget for 2023/24 of £160.898m of which £154.123m was funded from Government Funding and Council Tax receipts. The original budget was revised in June 2023 to reflect the £2m cost reduction savings target (DN 015/2023). Although an outline plan to achieve this target had been developed at budget setting, the granular detail required to incorporate the plan into the budget was not in place.

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:

2023/24	Original Budget £m	Revised Budget £m	Actual £m	Variance against Revised Budget £m
Services				
PCC	11.910	11.910	7.143	(4.767)
Chief Constable Delegated Budget	148.300	146.141	147.588	1.447
Joint Services	2.689	2.689	2.910	0.221
Cost Reduction Programme	(2.000)			
Total Service Expenditure	160.898	160.740	157.641	(3.099)
Funding				
General Police Grant	(71.578)	(71.578)	(71.578)	0.000
Legacy Council Tax Grants	(6.834)	(6.834)	(6.834)	0.000
Special Grant	0.000	0.000	(5.690)	(5.690)
Police Uplift Programme	(2.287)	(2.287)	(2.587)	(0.300)
Other Government Grants	(2.631)	(2.631)	(6.610)	(3.979)
Council Tax Precept	(70.794)	(70.794)	(70.805)	(0.011)
Total Funding	(154.123)	(154.123)	(164.104)	(9.980)
Other Income				
Other Income	(0.234)	(0.234)	(0.338)	(0.104)
Total Income	(0.234)	(0.234)	(0.338)	(0.104)
Total Funding and Other Income	(154.357)	(154.357)	(164.441)	(10.084)
Total (Surplus) / Deficit	6.541	6.383	(6.799)	(13.183)
Financed by Reserves				
Net transfer (from) / to Reserves	(6.541)	(6.383)	6.799	13.183

The final outturn showed a total underspend of £13.18m against budget, comprising of £10.08m additional non-recurrent funding and other income. The £6.38m surplus was transferred to reserves as part of the yearend process.

Total Funding and other income was more than the revised budget by £10.08m for the Group, which included £5.690m additional one-off Special Grants and £3.979m of Other Government Grants which were awarded by the Government during 2023/24.

Total service expenditure was less than the revised budget by £3.10m for the Group this differed from budget for the following key reasons.

- Development funding underspend £1.74m – The revised budget provided for development funding of £2.03m. 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 programmes were not delivered in year and have slipped into 2024/25.
- Capital Financing underspent by £0.3m due to slippage in the Capital Programme.
- Investment Income produced a surplus of £0.96m due to higher-than-expected interest rates and cash balances.

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

- Police Officer Salaries underspend of £2.04m due to lower basic salary and pension contributions compared to budget.
- Police Staff Salaries underspend of £1.91m due to vacancies significantly exceeding the budgeted vacancy factor during the early part of the financial year as recruitment gathered pace.
- Digital, Data and Technology underspend of £1.25m due to a combination of external contracts review/rationalisation and contract renewal costs being lower than budget.

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 2024 total £28.384m (including regional reserves) and are held for specific expenditure or contingencies. Movements in Earmarked Reserves are detailed in Note 8.

As at 31 March 2024 the PCC held a General Reserve of £7.8m, there are no plans to use this to balance the 2024/25 budget, however it may become necessary to do so beyond next year.

For 2024/25 the reserves policy reverted to being based upon the minimum of the risk assessed target range.

The range of required reserves according to the latest risk-based assessment is £11.2m - £26.8m, the mid-point of which is £19m. This is compared against risk based reserves for 2024/25 of £12.7m: General Reserve £7.9m, Major Incident Reserve £1.9m, Victim's Major Incident Reserve £0.3m, Insurance Reserve £1m, National Police Air Support £0.2m, Business Continuity Reserve £1m and Ill Health Reserve £0.5m. Lack of additional funding in 2025/26 would lead to full depletion of the Revenue Budget Reserve plus extensive savings in order to balance the budget in 2025/26.

Principal Risks

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

Outlook for 2024/25 and beyond

There is a balanced budget for 2024/25 this includes the following funding:

- Increased police grant for Lincolnshire of £4.322m
- An allocation of pension top-up grant of £3.6m
- A precept increase of £4.02m (4.45%) based on an increase of an additional £13 per annum for a Band D property in line with the precept referendum limit imposed by government.
- The budget includes the use of £9.199m of specific earmarked reserves to balance the budget,

The budget for 2024/25 is based upon the following assumptions:

- 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 includes £3.5m contingent on maintaining the uplift target with headcount being assessed at 30 September 2024 and 31 March 2025 meaning that this income is at risk should the force fail to maintain the Police Uplift Programme (PUP) officer numbers.
- The current establishment of PCSOs is 50 FTE following the review undertaken last year as part of the PBB (Priority Based Budget) exercise in response to the need to deliver substantial savings whilst protecting officer uplift posts. The Police Staff budget has been based on an establishment of 981.60 police staff posts for 2024/25. The budget has been fully costed with an average vacancy factor of 5% applied to allow for staff turnover. A revenue budget for pay awards arising in 2024/25 has been included at 2.0% within the PCC's provision for pay awards. Provisional service budgets are proposed for 2025/26 to 2027/28. 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 within the MTFP for the following years is that precept increases will revert back to the 2% cap without the need for a referendum
- The delivery of savings of a further c. £14m in 2025/26, will require measures to be identified and an implementation plan developed during 2024/25 to ensure that the full year effect is delivered before 2026/27. A detailed delivery plan will be required for incorporation into the budget for 2025/26

- On current assumptions, the budget is balanced for the first year of the MTFP with use of reserves, however budget gaps in excess of £14m each year emerge in 2025/26 and beyond. The nature of reserve funding is 'one-off' so that once reserves have been depleted, 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; it is clear that 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. Reductions in police officer numbers have significant implications for Lincolnshire Police because not only would that reduce the operational delivery capability, the loss of PUP grant would also offset a significant proportion of the savings achieved.

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.

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 2023/24; 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 2024. 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

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 2024 and its income and expenditure for the year then ended.</p>
<p>Police and Crime Commissioner for Lincolnshire Date: 31 May 2024</p>	<p>Julie Flint Chief Finance Officer Date: 31 May 2024</p>



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

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Group Expenditure and Funding Analysis 2023/24

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.

2022/23			Note	Group	2023/24		
Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement			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	
4,202	4,486	8,688		(7,549)	3,941	(3,608)	
155,993	(4,834)	151,159		176,120	(25,656)	150,464	
2,363	-	2,363		2,533	-	2,533	
162,558	(348)	162,210		171,104	(21,715)	149,389	
1,260	135	1,395	9	1,259	(27)	1,232	
273	43,785	44,058	10	(741)	50,060	49,319	
(169,318)	125	(169,193)	11	(178,322)	(13)	(178,335)	
(5,227)	43,697	38,470	5	(6,700)	28,305	21,605	
5,978				5,978			
5,227				6,700			
(5,227)			8	(4,803)			
5,978				7,875			

PCC Expenditure and Funding Analysis 2023/24

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.

2022/23			PCC		2023/24		
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
4,202	4,486	8,688		Police and Crime Commissioner	(7,549)	3,941	(3,608)
540	-	540		Joint Services	105	-	105
4,742	4,486	9,228		Cost of Services	(7,444)	3,941	(3,503)
(7)	135	128	9	Other Operating Expenditure	2	(27)	(25)
273	361	634	10	Financing and Investment Income and Expenditure	(741)	(709)	(1,450)
(169,318)	125	(169,193)	11	Taxation and Non-Specific Grant Income	(178,322)	(13)	(178,335)
159,083	-	159,083	13	Expenditure - Intra Group financing	179,805	-	179,805
(5,227)	5,107	(120)	5	(Surplus) or Deficit on the Provision of Services	(6,700)	3,192	(3,508)
5,978				Opening General Fund Balance as at 31 March	5,978		
5,227				Increase/(Decrease) in Year before Transfers to Earmarked Reserves	6,700		
(5,227)			8	Net transfers (to) / from Earmarked Reserves	(4,803)		
5,978				Closing General Fund as at 31 March	7,875		

Group Comprehensive Income and Expenditure Statement 2023/24

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.

2022/23			Note	2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
14,170	(5,482)	8,688		11,647	(15,255)	(3,608)
163,494	(12,335)	151,159		162,252	(11,788)	150,464
2,383	(20)	2,363		2,572	(39)	2,533
180,047	(17,837)	162,210		176,471	(27,082)	149,389
2,277	(882)	1,395	9	2,099	(867)	1,232
44,584	(526)	44,058	10	50,779	(1,460)	49,319
-	(169,193)	(169,193)	11	-	(178,335)	(178,335)
226,908	(188,438)	38,470		229,349	(207,744)	21,605
-	(2,058)	(2,058)	28	-	(7,303)	(7,303)
-	(592,530)	(592,530)	30	-	(44,689)	(44,689)
-	(594,588)	(594,588)		-	(51,992)	(51,992)
226,908	(783,026)	(556,118)		229,349	(259,736)	(30,387)

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 2023/24 requires that the Comprehensive Income and Expenditure Statement (CIES) reflects the internal management reporting and decision-making arrangements of the organisation.

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 2023/24

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.

2022/23				2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
14,170	(5,482)	8,688		11,647	(15,255)	(3,608)
542	(2)	540		113	(8)	105
14,712	(5,484)	9,228		11,760	(15,263)	(3,503)
219	(91)	128	9	59	(84)	(25)
1,160	(526)	634	10	10	(1,460)	(1,450)
-	(169,193)	(169,193)	11	-	(178,335)	(178,335)
159,083	-	159,083		179,805	-	179,805
175,174	(175,294)	(120)		191,634	(195,142)	(3,508)
-	(2,058)	(2,058)	28	-	(7,303)	(7,303)
-	(24,348)	(24,348)	30	-	(6,135)	(6,135)
-	(26,406)	(26,406)		-	(13,438)	(13,438)
175,174	(201,700)	(26,526)		191,634	(208,580)	(16,946)

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 2023/24 requires that the Comprehensive Income and Expenditure Statement (CIES) reflects the internal management reporting and decision-making arrangements of the organisation.

Group Movement in Reserves Statement 2023/24

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 2022	-	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	-	-	-	(38,470)	(38,470)	-	(38,470)
Other Comprehensive Income and Expenditure	-	-	-	-	-	594,588	594,588
Total Comprehensive Income and Expenditure	-	-	-	(38,470)	(38,470)	594,588	556,118
Adjustments between accounting basis and funding basis under regulations (Note 7)	-	(76)	-	43,697	43,621	(43,621)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	-	(76)	-	5,227	5,151	550,967	556,118
Net transfers (to)/from Earmarked Reserves (Note 8)	-	-	5,227	(5,227)	-	-	-
Increase/(Decrease) in 2022/23	-	(76)	5,227	-	5,151	550,967	556,118
Balance at 31 March 2023 carried forward	-	112	28,323	5,978	34,413	(1,068,233)	(1,033,820)
Movement in Reserves during 2023/24							
Surplus or (Deficit) on the provision of services	-	-	-	(21,605)	(21,605)	-	(21,605)
Other Comprehensive Income and Expenditure	-	-	-	-	-	51,992	51,992
Total Comprehensive Income and Expenditure	-	-	-	(21,605)	(21,605)	51,992	30,387
Adjustments between accounting basis and funding basis under regulations (Note 7)	-	-	-	28,302	28,302	(28,302)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	-	-	-	6,697	6,697	23,690	30,387
Net transfers (to)/from Earmarked Reserves (Note 8)	-	-	4,803	(4,803)	-	-	-
Increase/(Decrease) in 2023/24	-	-	4,803	1,894	6,697	23,690	30,387
Balance at 31 March 2024 carried forward	-	112	33,122	7,872	41,110	(1,044,546)	(1,003,436)

PCC Movement in Reserves Statement 2023/24

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 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	-	-	-	120	120	-	120
Other Comprehensive Income and Expenditure	-	-	-	-	-	26,406	26,406
Total Comprehensive Income and Expenditure	-	-	-	120	120	26,406	26,526
Adjustments between accounting basis and funding basis under regulations (Note 7)	-	(76)	-	5,107	5,031	(5,031)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	(76)	-	5,227	5,151	21,375	26,526
Net transfers (to)/from Earmarked Reserves (Note 8)	-	-	5,227	(5,227)	-	-	-
Increase/(Decrease) in 2022/23	-	(76)	5,227	-	5,151	21,375	26,526
Balance at 31 March 2023 carried forward	-	112	28,323	5,978	34,413	17,305	51,718
Movement in Reserves during 2023/24							
Surplus or (Deficit) on the provision of services	-	-	-	3,508	3,508	-	3,508
Other Comprehensive Income and Expenditure	-	-	-	-	-	13,438	13,438
Total Comprehensive Income and Expenditure	-	-	-	3,508	3,508	13,438	16,946
Adjustments between accounting basis and funding basis under regulations (Note 7)	-	-	-	3,189	3,189	(3,189)	-
Net Increase /(Decrease) before Transfers to Earmarked Reserves	-	-	-	6,697	6,697	10,249	16,946
Net transfers (to)/from Earmarked Reserves (Note 8)	-	-	4,803	(4,803)	-	-	-
Increase/(Decrease) in 2023/24	-	-	4,803	1,894	6,697	10,249	16,946
Balance at 31 March 2024 carried forward	-	112	33,122	7,872	41,110	27,551	68,661

Group and PCC Balance Sheet as at 31 March 2024

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 2023			31 March 2024		
PCC £000	Group £000	Note		PCC £000	Group £000
49,433	49,433	14	Property, Plant and Equipment	56,111	56,111
4,356	4,356	16	Intangible Assets	3,866	3,866
23	23	22	Long-Term Debtors	22	22
53,812	53,812		Long-Term Assets	59,999	59,999
1,506	1,506	20	Assets Held for Sale	1,309	1,309
526	526	21	Inventories	524	524
22,577	22,577	22	Short-Term Debtors	31,270	31,270
9,782	9,782	23	Cash and Cash Equivalents	10,972	10,972
34,391	34,391		Current Assets	44,075	44,075
(1,057)	(1,057)	45	Short-Term Borrowing	(1,018)	(1,018)
(15,333)	(15,333)	22	Short-Term Creditors	(21,661)	(21,661)
-	-	19	Other Short Term Liabilities	-	-
(812)	(828)	25	Short-Term Provisions	(1,219)	(1,236)
(124)	(124)	12	Revenue Grants Receipts in Advance (< 1 yr)	-	-
(17,326)	(17,342)		Current Liabilities	(23,898)	(23,915)
(26,417)	(26,417)	45	Long-Term Borrowing	(25,608)	(25,608)
7,258	(1,078,203)	43	Pension Liabilities	14,093	(1,057,935)
-	-	19	Other Long-Term Liabilities	-	-
-	(62)	25	Long-Term Provisions	-	(50)
(19,159)	(1,104,682)		Long-Term Liabilities	(11,515)	(1,083,595)
51,718	(1,033,820)		Net Assets	68,661	(1,003,436)
34,413	34,413	26	Usable Reserves	41,110	41,110
17,305	(1,068,233)	27	Unusable Reserves	27,551	(1,044,546)
51,718	(1,033,820)		Total Reserves	68,661	(1,003,436)

These unaudited accounts were signed on 31 May 2024.

Julie Flint

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

Group and PCC Cash Flow Statement 2023/24

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.

2022/23		Note	2023/24	
PCC £000	Group £000		PCC £000	Group £000
(120)	38,470		(3,508)	21,605
(1,961)	(40,552)	33	(5,389)	(30,501)
91	91	33	84	84
(1,991)	(1,991)		(8,812)	(8,812)
5,632	5,632	34	6,647	6,647
793	793	35	971	971
4,434	4,434		(1,194)	(1,194)
14,216	14,216	23	9,782	9,782
9,782	9,782	23	10,972	10,972

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 2023/24 financial year and its position at the year end of 31 March 2024. 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 2023/24, 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 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. Entity Split

The LGPS actuaries, Barnett Waddingham provide separate annual valuation reports for IAS19 purposes for both the PCC for Lincolnshire and the Chief Constable of Lincolnshire.

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;
- 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 2024 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) £1,057,935 of which (£45,039k) 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) £1,057,935 of which (£45,039k) 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 2024 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	85,944	91,178	92,568	93,992	100,058
Projected Service Cost	257	288	296	305	3,441
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	93,227	92,697	92,568	92,440	91,944
Projected Service Cost	297	296	296	296	295
Adjustment to pension increase and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	99,511	93,889	29,568	91,278	86,419
Projected Service Cost	343	305	296	288	256
Adjustment to life expectancy assumptions		+ 1 year	None	- 1 year	
Present value of total obligation		96,534	92,568	88,783	
Projected Service Cost		307	296	285	

3.2. Other Areas of Estimation Uncertainty

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment £56,111k	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 £390k	<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) £2,821k	<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. Going Concern

4.1 Going Concern – Underlying Principle

These accounts have been prepared on a going concern basis that the authority will continue in operational existence for the foreseeable future. The Police and Crime Commissioner for Lincolnshire and the Chief Constable of Lincolnshire have assessed going concern and that cash flow requirements can be met for the assessment period to March 2025.

The provisions in the Code of Audit Practice in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as policing bodies cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities and policing bodies carry out functions essential to the local community and are themselves tax revenue-raising bodies (with limits on their revenue raising powers arising only at the discretion of central government). If a policing body were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services 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 of a policing body to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that policing services will continue to operate for the foreseeable future. The Police and Crime Commissioner for Lincolnshire and the Chief Constable of Lincolnshire accounts therefore assume they will continue to operate for the foreseeable future.

The latest police settlement covered only one year. The settlement confirmed that the total core grant for Lincolnshire Police was increased by £4.322m to £75.9m. The Minister also confirmed the precept referendum limit to allow an increase of up to an additional £13 per annum for a Band D property for 2024/25 only, without the need to call for a local referendum.

4.2 Going Concern – Current & Forecast Financial Position

The 2024/25 revenue budget was set in February 2024 as a balanced budget of £178.147m. A capital and investment programme budget was also set in February 2024, providing a further £16.326m in 2024/5 to be financed by a combination of government grant, capital receipts, borrowing and revenue contributions. The capital programme supports investment in the estate, fleet replacement and equipment, Information Technology, business led IT Projects and operational equipment. This is essential to ensure fit-for-purpose services, to deliver savings and generate income to balance the budgets over the medium-term financial plan period to 2026/27.

4.3 Going Concern – Cash Position

The PCC for Lincolnshire had a cash equivalent balance of £10.3m at the end of March 2024, compared to £9.5m at 31 March 2023 year-end. The balance is held within Money Market Funds (MMF) available within 24 hours. The PCC deems the uncertainty on income cash flows low as the majority of its income is receivable from the Home Office and local billing authorities. The PCC and Chief Constable continue to take action to maximise and maintain sufficient cash for its activities throughout the medium term and has a borrowing strategy in place to borrow against capital investment as plans are approved. The PCC is also able to mitigate any short-term deposit timing cash flow requirements with its ability to borrow short term monies from other institutions and local authorities at short notice. In a

'stressed' case scenario whereby income is constrained further in the event of unexpected economic shocks and income recovering only very slowly, The PCC plans to borrow £11m to support the capital programme which is due to be delivered in year. The PCC has sufficient levels of reserves and investments that it would not run out of cash during 2024/25.

4.4 Going Concern – Conclusion

These accounts have been prepared on a going concern basis, with planned outturn and targets up to 2023/24 within the level of general useable reserves and a balanced budget in place for 2024/25.

5. Expenditure and Funding Analysis

2022/23				Group		2023/24			
Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	Note		Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
3,199	1,835	(548)	4,486			3,616	7	318	3,941
-	(4,834)	-	(4,834)			-	(25,656)	-	(25,656)
-	-	-	-			-	-	-	-
3,199	(2,999)	(548)	(348)			3,616	(25,649)	318	(21,715)
135	-	-	135	9		(27)	-	-	(27)
-	43,785	-	43,785	10		-	50,060	-	50,060
(97)	-	222	125	11		(16)	-	3	(13)
3,237	40,786	(326)	43,697			3,573	24,411	321	28,305

2022/23				PCC		2023/24			
Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000	Note		Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
3,199	1,835	(548)	4,486			3,616	7	318	3,941
-	-	-	-			-	-	-	-
3,199	1,835	(548)	4,486			3,616	7	318	3,941
135	-	-	135	9		(27)	-	-	(27)
-	361	-	361	10		-	(709)	-	(709)
(97)	-	222	125	11		(16)	-	3	(13)
3,237	2,196	(326)	5,107			3,573	(702)	321	3,192

5.1. 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.

5.2. 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.

5.3. 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.

6. Expenditure Analysed by Nature

2022/23 £000	Group Expenditure and Income	2023/24 £000
	Expenditure	
59,245	Police Pay and Allowances	62,829
49,211	Police Staff Pay and Allowances	47,105
2,585	Other Employee Expenses	3,671
2,052	Police Pensions	2,199
29,163	Pension costs inc IAS19	20,599
5,162	Premises	4,882
2,234	Transport	2,108
19,794	Supplies and Services	21,122
4,139	Third Party Payments	3,916
1,312	Revaluation Movement	1,707
5,151	Depreciation and amortisation	6,333
219	Losses on the disposal of assets	59
1,255	Precepts and levies	1,213
803	Seconded Officers	827
44,584	Interest and investment expenditure	50,779
226,909	Total expenditure	229,349
	Income	
(11,957)	Fees, charges and other service income	(11,006)
(5,880)	Other Grant Income	(16,076)
(791)	Seconded Officers	(783)
(91)	Proceeds from the disposal of assets	(84)
(526)	Interest and investment income	(1,460)
(66,316)	Income from council tax	(70,803)
(102,877)	Government grants and contributions	(107,531)
(188,438)	Total income	(207,743)
38,471	(Surplus) or Deficit on the Provision of Services	21,605

2022/23 £000	PCC Expenditure and Income	2023/24 £000
	Expenditure	
-	Police Pay and Allowances	-
5,576	Police Staff Pay and Allowances	1,731
28	Other Employee Expenses	57
285	Premises	(264)
21	Transport	1
919	Supplies and Services	1,511
1,420	Third Party Payments	1,359
1,312	Revaluation Movement	1,032
5,151	Depreciation and amortisation	6,333
219	Losses on the disposal of assets	59
1,161	Interest and investment expenditure	10
159,083	Intra Group financing	179,805
175,175	Total expenditure	191,634
	Income	
(436)	Fees, charges and other service income	(173)
(5,048)	Other Grant Income	(15,090)
(91)	Proceeds from the disposal of assets	(84)
(526)	Interest and investment income	(1,460)
(66,316)	Income from council tax	(70,803)
(102,877)	Government grants and contributions	(107,531)
(175,294)	Total income	(195,141)
(119)	(Surplus) or Deficit on the Provision of Services	(3,508)

7. 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.

7.1. 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.

7.2. 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.

7.3. 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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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	76	-	(76)	-
Total Adjustments to Capital Resources	76	(89)	(76)	89
Total Adjustments	43,697	-	(76)	(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	76	-	(76)	-
Total Adjustments to Capital Resources	76	(89)	(76)	89
Total Adjustments	5,107	-	(76)	(5,031)

2023/24 Adjustment between Accounting Basis and Funding Basis

2023/24 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)	24,411	-	-	(24,411)
Council tax (transferred to or from Collection Fund)	3	-	-	(3)
Unused Leave (transferred to the Accumulated Absences Reserve)	318	-	-	(318)
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):	8,077	-	-	(8,077)
Total Adjustments to Revenue Resources	32,809	-	-	(32,809)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(84)	84	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,592)	-	-	3,592
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(831)	-	-	831
Total Adjustments between Revenue and Capital Resources	(4,507)	84	-	4,423
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(84)	-	84
Application of capital grants to finance capital expenditure	-	-	-	-
Total Adjustments to Capital Resources	-	(84)	-	84
Total Adjustments	28,302	-	-	(28,302)

2023/24 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)	(702)	-	-	702
Council tax (transferred to or from Collection Fund)	3	-	-	(3)
Unused Leave (transferred to the Accumulated Absences Reserve)	318	-	-	(318)
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):	8,077	-	-	(8,077)
Total Adjustments to Revenue Resources	7,696	-	-	(7,696)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(84)	84	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,592)	-	-	3,592
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(831)	-	-	831
Total Adjustments between Revenue and Capital Resources	(4,507)	84	-	4,423
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	(84)	-	84
Application of capital grants to finance capital expenditure	-	-	-	-
Total Adjustments to Capital Resources	-	(84)	-	84
Total Adjustments	3,189	-	-	(3,189)

8. Transfers Between Earmarked Reserves

Group / PCC	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	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Transfer Between Reserves 2023/24 £000	Balance at 31 March 2024 £000
Major Incidents	1,850				1,850				1,850
Insurance	1,000				1,000				1,000
Business Continuity							1,000		1,000
Victims Major Incidents	269				269				269
Ill Health Pension Reseve	739	(252)			487				487
National Police Air Support	230				230				230
Automation and IOM 18-25 Cohort	-		12		12	(12)			-
Capital Financing Reserve	2,100	(166)			1,934				1,934
CBRN Compliant Headsets	-		16		16	(16)			-
Complaints Handling	20				20				20
Culture	-		66		66	(66)			-
Development and Partnership Working	818	(186)			632	(414)	200		419
Domestic Abuse PIF Grant	43				43				43
Excellence in Police Finance	20				20	(20)			-
Mini Police Income	36	(4)			32		2		34
Partner Agency Funding	81				81			(35)	46
PCC & Joint Services Carry Forward	18				18	(18)			-
Performance and Productivity	949				949	(72)	124		1,000
Police Officer Bank Holiday Overtime	250				250	(250)	280		280
Proceeds of Crime Act	313		4		317		67		384
Transitional Costs	250			500	750			(750)	-
Vehicle equipment	-		30		30	(30)			-
Violence and Vulnerability Fund	3,103			(743)	2,360	(268)	194		2,287
ERP Plus Project							2,648	873	3,521
Staffing Reserve							1,592		1,592
PCC Regional Staffing	26		8		34	(9)			25
Revenue Budget Support (was Operation	6,623		6,886	2,936	16,445	(27)		(88)	16,324
Chief Constable Carry Forward	540	(431)		(109)	-				-
Chief Constable Contingency	400	(400)			-				-
Commanders discretionary budgets	200	(200)			-				-
Crime Review Building Works	88			(88)	-				-
Equality and Diversity Team	419			(419)	-				-
ICT minor equipment budget - new starters	100	(100)			-				-
ICT minor equipment budget - replacements	50	(50)			-				-
ICT WIFI Installations	50	(50)			-				-
Inflationary Pressures	500			(500)	-				-
Non Recurrent Fixed Term Posts >21/22	481			(481)	-				-
PUP Grant & East Coast C/fwd	798			(798)	-				-
Regional NICHE Innovation Funds	158			(158)	-				-
Staffing (Risk Mitigation)	100			(100)	-				-
Supply of PPE	-		6		6	(6)			-
West Division Football	40			(40)	-				-
Subtotal	22,662	(1,839)	7,028	-	27,851	(1,208)	6,107	-	32,745
Regional Reserve	435	38			473	(96)			377
Total	23,097	(1,801)	7,028	-	28,324	(1,304)	6,107	-	33,122
Net transfers (to)/from Earmarked	8,840		5,227		5,227		4,803		4,803

Descriptions of the Earmarked Reserves

Earmarked Reserves - Group / PCC Balance at 31 March 2024	£000	Description of Reserve
Business Continuity	1,000	To address the business continuity risks associated with the aged ICT infrastructure
Capital Financing Reserve	1,934	Reserve allocation set aside to fund future capital programme items.
Complaints Handling	20	Risk mitigation for PCC when handling complaints.
Development and Partnership Working	419	Reserve to be used for development and initiatives held by the OPCC.
Domestic Abuse PIF Grant	43	Balance of funding to cover contribution to project in future accounting periods.
ERP Plus Project	3,521	To fund a replacement ERP system and associated costs.
Ill Health Pension Reseve	487	Reserve to ensure Force can meet the cost of potential Ill Health retirements.
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.
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.
Mini Police Income	34	Ring fence of underspend from previous years
National Police Air Support	230	Risk mitigation for potential rises in air support usage and cost
Partner Agency Funding	46	Reserve for funding received from NHS (custody transformation) and LCJB.
PCC Regional Staffing	25	Surplus from past financial years to be used in 2021/22.
Performance and Productivity	1,000	Reserve to fund business change and efficiency projects.
Police Officer Bank Holiday Overtime	280	To smooth out the effect of certain years having more bank holidays than others.
Proceeds of Crime Act	384	The police share of assets recovered from the proceeds of crime is reserved for funding local crime reduction initiatives to benefit the community.
Revenue Budget Support (was Operation Priorities Reserve)	16,324	Ringfence of non-recurrent funding for use in future years.
Staffing Reserve	1,592	To address staffing levles and capacity issues.
Victims Major Incidents	269	Fund set aside towards funding victim support for those affected by Major Incidents.
Violence and Vulnerabilty Fund	2,287	Fund for innovation and service development, bids to be made
Sub-Total	32,745	
Regional Reserve	377	Reserves from surplus of funding relating to regional expenditure.
Total	33,122	

9. Other Operating Expenditure

2022/23			Group	2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
219	(91)	128	(Gains) or Losses on the Disposal of Property, Plant and Equipment	59	(84)	(25)
1,255		1,255	Levies	1,213		1,213
803	(791)	12	Seconded Officers	827	(783)	44
2,277	(882)	1,395		2,099	(867)	1,232

2022/23			PCC	2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
219	(91)	128	(Gains) or Losses on the Disposal of Property, Plant and Equipment	59	(84)	(25)
219	(91)	128		59	(84)	(25)

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

10. Finance and Investment Income and Expenditure

2022/23			Group	2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
799	-	799	Interest Payable on Debt	719	-	719
-	-	-	Interest Element of Finance Lease (Lessee)	-	-	-
43,785	-	43,785	Pensions Interest Cost and Expected Return on Pensions Assets	50,060	-	50,060
	(526)	(526)	Investment Interest Income		(1,460)	(1,460)
44,584	(526)	44,058		50,779	(1,460)	49,319

2022/23			PCC	2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
799	-	799	Interest Payable on Debt	719	-	719
-	-	-	Interest Element of Finance Lease (Lessee)	-	-	-
361	-	361	Pensions Interest Cost and Expected Return on Pensions Assets	(709)	-	(709)
	(526)	(526)	Investment Interest Income		(1,460)	(1,460)
1,160	(526)	634		10	(1,460)	(1,450)

11. Taxation and Non-Specific Grant Income

2022/23			Group / PCC	2023/24		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000	£000	£000	£000	
-	(66,316)	(66,316)	Council Tax Income	-	(70,803)	(70,803)
-	(71,329)	(71,329)	General Government Grants	-	(71,578)	(71,578)
-	(5,677)	(5,677)	Council Tax Support Grant	-	(5,775)	(5,775)
-	(1,059)	(1,059)	Council Tax Freeze Grant	-	(1,059)	(1,059)
-	(24,715)	(24,715)	Home Office Grant Payable towards the Cost of Retirement Benefits	-	(29,104)	(29,104)
-	(72)	(72)	Recognised Capital Grants and Contributions	-	-	-
-	(25)	(25)	Regional Capital Grant	-	(16)	(16)
-	(169,193)	(169,193)		-	(178,335)	(178,335)

11.1. Council Tax

The Lincolnshire district and borough councils are required to collect the amount of council tax determined by the PCC for policing the county. In 2023/24 the precept, including the estimated 2022/23 collection fund surplus, was paid to the PCC during the year and amounted to £70.8m distributed as shown below. The Code requires that Council Tax income included in the CIES for the year should be prepared on an accrual's basis. The cash received from the billing authorities is therefore adjusted for the PCC's share of the outturn opening and closing balances on the Collection Fund. These adjustments are however then taken to the Collection Fund Adjustment Account (see note 31) and included as a reconciling item in the MIRS to ensure that only the statutory amount is credited to the General Fund.

The figures credited to the CIES are broken down as follows:

Total 2022/23	Group/PCC	Received from Billing Authority	Outturn surplus/(deficit) on Collection Fund at 31 March 2023	Outturn surplus/(deficit) on Collection Fund at 31 March 2024	Total 2023/24
£000		(A) £000	(B) £000	(C) £000	(D) = A-B+C £000
(6,866)	Lincoln City Council	(7,227)	127	102	(7,252)
(5,511)	Boston Borough Council	(5,875)	30	56	(5,849)
(12,767)	East Lindsey District Council	(13,621)	(115)	(167)	(13,674)
(8,840)	West Lindsey District Council	(9,496)	(264)	(268)	(9,499)
(10,692)	North Kesteven District Council	(11,468)	(109)	(91)	(11,450)
(13,472)	South Kesteven District Council	(14,381)	(14)	40	(14,326)
(8,168)	South Holland District Council	(8,738)	(47)	(63)	(8,754)
(66,316)		(70,805)	(393)	(390)	(70,803)

12. Grant Income

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

Group / PCC	2022/23 £000	2023/24 £000
Credited to Taxation and Non Specific Grant Income		
Central Government:		
Police Grant	(71,329)	(71,578)
Home Office Pension Grant	(24,715)	(29,104)
Capital Grants and Contributions	(73)	
Council Tax Support Grant	(5,775)	(5,775)
Council Tax Freeze Grant	(961)	(1,059)
Regional Capital Grant	(25)	(16)
Total	(102,878)	(107,532)

Group / PCC	2022/23 £000	2023/24 £000
Credited to Services		
Other Grant Income		
Special Grant	(582)	(5,690)
Ers Contribution Pension Shortfall Grant	(1,175)	(1,175)
Armed Response Vehicle (ARV) Grant	(94)	(358)
Home Office PUP Grant	(1,123)	(2,587)
Apprenticeship Levy Grant	(73)	(9)
Safer Streets Grant	(336)	(552)
Victim Services Grant	(1,546)	(1,547)
Regional External Grant	(738)	(628)
Photo at the Roadside Service Grant	(30)	
Law Enforcement Data Service Grant	(138)	
Additional Pay Award Grant		(2,745)
NPCC Software License Grant		(166)
Homicide Prevention Fund		(92)
nLEDs Grant (National Law Enforcement Data Service)		(181)
Cybercrime Income		(129)
Serious Violence Duty Grant		(138)
Other Grants	(213)	(79)
Total	(6,048)	(16,076)

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	2022/23 £000	2023/24 £000
Revenue Grants Receipts in Advance <1 year		
Home Office Special Grant	(124)	-
Total	(124)	-

13. 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.

14. Property Plant and Equipment

Movements and closing balances in 2022/23 Group / PCC	Land and Buildings £000	Vehicles, Plant, Furniture & £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and £000
Cost or Valuation					
Balance at 31 March 2022 carried forward	38,456	26,629	131	3,647	68,863
Additions	1,279	2,306	-	491	4,076
Asset Additions Leased	-	(54)	-	-	(54)
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)
Derecognition - Leased assets	-	54	-	-	54
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	28,026	131	1,475	68,334
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	9,299	-	1,475	49,433
At 31 March 2022	38,434	9,637	-	3,647	51,718

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 2023/24 Group / PCC	Land and Buildings £000	Plant, Furniture & Equipment £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation					
Balance at 31 March 2023 carried forward	38,702	28,026	131	1,475	68,334
Additions	939	3,846	-	1,876	6,661
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve including Leased Assets	4,162	-	404	-	4,566
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,596)	-	(32)	-	(1,628)
Derecognition - Disposals	-	(1,166)	-	-	(1,166)
Assets reclassified to/from Surplus Assets	(788)	-	788	-	-
Assets reclassified to/from Assets Held For Sale	-	-	-	-	-
Assets reclassified to/from Assets Under Construction	-	365	-	(365)	-
At 31 March 2024	41,419	31,071	1,291	2,986	76,767
Depreciation and Impairment					
Balance at 31 March 2023 carried forward	(43)	(18,727)	(131)	-	(18,901)
Depreciation written out through the revaluation reserve	2,885	-	22	-	2,907
Derecognition - Disposals	-	1,108	-	-	1,108
Revaluation increases/(decreases) recognised in CIES	103	-	-	-	103
Depreciation charge in year	(2,908)	(2,943)	(22)	-	(5,873)
At 31 March 2024	37	(20,562)	(131)	-	(20,656)
Net Book Value:					
At 31 March 2024	41,456	10,509	1,160	2,986	56,111
At 31 March 2023	38,659	9,299	-	1,475	49,433

14.1. Major Non-Current Assets

Analysis of the numbers of major non-current assets:

Group / PCC	Numbers:	
	2022/23	2023/24
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	446	470
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

15. 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 31 March 2024 by Chartered Surveyors Align Property Partners who are RICS Registered Valuers and independent of the PCC.

The next full valuation will be as at 31 March 2025.

16. Intangible Assets

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

Group / PCC	2022/23 £000	2023/24 £000
Balance at start of year:		
Gross carrying amounts	6,370	10,058
Accumulated amortisation	(5,393)	(5,702)
Net carrying amount at start of year	977	4,356
Amortisation for the period	(309)	(614)
Additions:		
Purchases	1,647	124
Transfer From Assets Under Construction	2,041	
Net carrying amount at end of year	4,356	3,866
Comprising:		
Gross carrying amounts	10,058	10,182
Accumulated amortisation	(5,702)	(6,316)
	4,356	3,866

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 £614k 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.

17. Capital Commitments

Carry forward for 2024/25 of £5.84m was approved within the 2024/25 capital programme. A further 2023/24 year end carry forward of £4.93m was requested giving rise to the following commitments:

- Carry forward of £1.58m largely in respect of building schemes and HQ Gym upgrade
- Carry forward of £5.57m relating to Digital Data and Technology projects
- Carry forward of £2.07m for the Command and Control project
- Carry forward of £420k relating to ANPR project
- Due to delivery issues, the vehicles replacement programme continues to suffer long delays in lead time. This has seen a carry forward commitment made for £1.11m in the 2024/25 capital programme with delivery anticipated during 2024/25.

18. 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	2022/23 £000	2023/24 £000
Opening Capital Financing requirement	40,793	42,990
Capital Investment		
Land and Buildings	1,279	939
Plant and Equipment	2,306	3,846
Assets Under Construction	491	1,876
Intangible Assets	1,647	124
Sources of Finance		
Capital Receipts	(89)	(79)
Government Grants and other Contributions	(173)	(19)
Direct Revenue Financing	(205)	(831)
Minimum Revenue Provision	(3,059)	(3,592)
Revenue Provision	-	-
Closing Capital Financing Requirement	42,990	45,254
Explanation of Movements in Year		
Increase / (decrease) in underlying need to borrow	2,197	2,264
Increase/(decrease) in Capital Financing Requirement	2,197	2,264

19. Finance Leases

19.1. PCC as Lessee - Finance Leases

Net Carrying Amount - Group / PCC	2022/23 £000	2023/24 £0
Land and Buildings	14,956	10,093
Vehicles, Plant, Furniture and Equipment	-	-
	14,956	10,093

Minimum Lease Payments - Group / PCC	2022/23 £000	2023/24 £0
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.

19.2. 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	2022/23 £000	2023/24 £0
Not later than one year	54	25
Later than one year and not later than five years	137	21
Later than five years	-	-
	191	47

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	2022/23 £000	2023/24 £0
Minimum lease payments	98	45
	98	45

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.

19.3. 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	2022/23 £000	2023/24 £0
Not later than one year	58	72
Later than one year and not later than five years	186	228
Later than five years	563	710
	807	1,010

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.

20. Assets Held for Sale

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

Group / PCC	2023/24 £000
Cost or Valuation	
Balance at 31 March 2023 carried forward	1,375
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve	(168)
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(29)
Derecognition - Disposals	-
Assets reclassified to Assets Held for Sale from PPE	
At 31 March 2024	1,178
Depreciation and Impairment	
Balance at 31 March 2023 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 2024	131
Net Book Value:	
At 31 March 2024	1,309
At 31 March 2023	1,506

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21. Inventories

Group / PCC	Uniform and Equipment		Canteen		Diesel		Fleet Maintenance		Other		Total	
	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000
Balance at Start of Year	225	297	-	7	130	162	42	59	1	1	398	526
Purchases	249	140	20	81	700	543	150	124	3	3	1,122	891
Recognised as an Expense in the year	(177)	(144)	(13)	(81)	(668)	(555)	(133)	(110)	(3)	(3)	(994)	(893)
Balance at End of Year	297	293	7	7	162	150	59	73	1	1	526	524

22. Debtors

2022/23			Group / PCC			2023/24		
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:					
1,290	91	1,381	Trade Receivables			1,526	344	1,870
4,223	196	4,419	Accrued Income			9,763	203	9,966
4,031	-	4,031	Local Taxation Receivable			5,192	-	5,192
869	-	869	VAT Claim Receivable			891	-	891
5,591	-	5,591	Home Office Retirement Benefits Grant Receivable			7,958	-	7,958
11	6,275	6,286	Prepayments and Other Receivable Amounts			44	5,348	5,392
16,015	6,562	22,577	Total Debtors falling due within one year			25,374	5,895	31,270

2022/23	Group / PCC		2023/24
Other Entities and Individuals £000			Other Entities and Individuals £000
	Amounts falling due after one year:		
23	Long Term Debtors		22
23	Total Debtors falling due after one year		22

23. Cash and Cash Equivalents

Group / PCC	2022/23 £000	2023/24 £000
Cash Held by the PCC	28	31
Bank Current Accounts	537	850
Insurance Imprest Account	28	30
Confiscated Account	(310)	(239)
Short-term Deposits	9,500	10,300
Total Cash and Cash Equivalents	9,782	10,972

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.

24. 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.

2022/23			Group / PCC	2023/24		
Local/Central Government Bodies £000	Other Entities and Individuals £000	Total £000		Local/Central Government Bodies £000	Other Entities and Individuals £000	Total £000
(450)	(1,112)	(1,561)	Trade Payables	(1,761)	(2,239)	(4,000)
(1,711)	(2,198)	(3,909)	Accruals and Receipts in Advance	(2,530)	(4,356)	(6,886)
(2,786)	(3,185)	(5,971)	Police and Police Staff Pay Creditors	(2,797)	(2,826)	(5,624)
(3,638)	-	(3,638)	Local Taxation Payable	(4,802)	-	(4,802)
-	(255)	(255)	Other Amounts Payable	-	(349)	(349)
(8,584)	(6,749)	(15,333)	Total Short-Term Creditors	(11,891)	(9,770)	(21,661)

2022/23			PCC	2023/24		
Local/Central Government Bodies £000	Other Entities and Individuals £000	Total £000		Local/Central Government Bodies £000	Other Entities and Individuals £000	Total £000
(450)	(1,112)	(1,561)	Trade Payables	(1,761)	(2,239)	(4,000)
(1,711)	(2,198)	(3,909)	Accruals and Receipts in Advance	(2,530)	(4,356)	(6,886)
(2,786)	(683)	(3,468)	Police and Police Staff Pay Creditors	(2,797)	(6)	(2,803)
(3,638)	-	(3,638)	Local Taxation Payable	(4,802)	-	(4,802)
-	(255)	(255)	Other Amounts Payable	-	(349)	(349)
-	(2,503)	(2,503)	Inter Group	-	(2,821)	(2,821)
(8,584)	(6,749)	(15,333)	Total Short-Term Creditors	(11,891)	(9,770)	(21,661)

25. 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 2023	Additional provisions made in 2023/24	Amounts used in 2023/24	Unused amounts reversed in 2023/24	Balance 31 March 2024
Legal Services	(531)	(296)	160	86	(581)
External Audit Fees	-	(137)	-	-	(137)
Termination Benefits of Employment	(16)	(1)	-	-	(17)
SPOC Overtime (Source Handlers)	(65)	-	65	-	-
Ill Health Reserve	(85)	(178)	85	-	(178)
Source Handlers Legal Costs	(126)	(56)	-	-	(182)
Stores Provision	(5)	-	5	-	-
National UC claims 23/24	-	(119)	-	-	(119)
DSU Overtime	-	(22)	-	-	(22)
Total	(828)	(808)	315	86	(1,236)

Short Term Provisions - PCC	Balance 31 March 2023	Additional provisions made in 2023/24	Amounts used in 2023/24	Unused amounts reversed in 2023/24	Balance 31 March 2024
Legal Services	(531)	(296)	160	86	(581)
External Audit Fees	-	(137)			(137)
SPOC Overtime (Source Handlers)	(65)		65		-
Ill Health Reserve	(85)	(178)	85		(178)
Source Handlers Legal Costs	(126)	(56)			(182)
Stores Provision	(5)		5		-
National UC claims 23/24	-	(119)			(119)
DSU Overtime	-	(22)			(22)
Total	(812)	(808)	315	86	(1,219)

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 2023	Additional provisions made in 2023/24	Amounts used in 2023/24	Unused amounts reversed in 2023/24	Balance 31 March 2024
Termination Benefits of Employment	(62)	-	12	-	(50)
Total	(62)	-	12	-	(50)

Long Term Provisions - PCC	Balance 31 March 2023	Additional provisions made in 2023/24	Amounts used in 2023/24	Unused amounts reversed in 2023/24	Balance 31 March 2024
Termination Benefits of Employment	-	-	-	-	-
Total	-	-	-	-	-

26. 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 2023	112	27,850	473	28,323	5,944	34	5,978	34,413
Movements during the year								
Surplus / (Deficit) on the provision of services				-	(21,509)	(96)	(21,605)	(21,605)
Adjustments between accounting basis and funding basis under regulations	-			-	28,302		28,302	28,302
Income and Expenditure contribution		6,107	-	6,107	(6,107)	-	(6,107)	-
Used in the year		(1,208)	(96)	(1,304)	1,208	96	1,304	-
Adjustments to usable reserves		-		-			-	-
Total reserve movements 2023/24	-	4,899	(96)	4,803	1,894	-	1,894	6,697
Balance as at 31 March 2024	112	32,749	377	33,126	7,838	34	7,872	41,110

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 2023	112	27,850	473	28,323	5,944	34	5,978	34,413
Movements during the year								
Surplus / (Deficit) on the provision of services					3,604	(96)	3,508	3,508
Adjustments between accounting basis and funding basis under regulations	-			-	3,189		3,189	3,189
Income and Expenditure contribution		6,107	-	6,107	(6,107)	-	(6,107)	-
Used in the year		(1,208)	(96)	(1,304)	1,208	96	1,304	-
Adjustments to usable reserves		-		-	-		-	-
Total reserve movements 2023/24	-	4,899	(96)	4,803	1,894	-	1,894	6,697
Balance as at 31 March 2024	112	32,749	377	33,126	7,838	34	7,872	41,110

27. Unusable Reserves

Unusable Reserves - Group	2022/23 £000	2023/24 £000
Revaluation Reserve	14,852	19,104
Capital Adjustment Account	(2,695)	(3,217)
Pensions Reserve	(1,078,280)	(1,058,002)
Collection Fund Adjustment Account	393	390
Accumulated Absences Account	(2,503)	(2,821)
Total Unusable Reserves	(1,068,233)	(1,044,546)

Unusable Reserves - PCC	2022/23 £000	2023/24 £000
Revaluation Reserve	14,852	19,104
Capital Adjustment Account	(2,695)	(3,217)
Pensions Reserve	7,256	14,093
Collection Fund Adjustment Account	393	390
Accumulated Absences Account	(2,503)	(2,821)
Total Unusable Reserves	17,303	27,549

28. 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.

2022/23 £000	Group / PCC	2023/24 £000
14,370	Balance at 1 April	14,852
3,341	Upward revaluation of Property, Plant and Equipment	10,876
(1,283)	Downward revaluation of Property Plant and Equipment, and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(3,405)
-	Downward revaluation of Assets Held for Sale and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(168)
-	Upward valuation of Assets Held for Sale	
2,058	Surplus / (Deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	7,303
(1,576)	Difference between fair value depreciation and historical cost depreciation and adjustment on revaluation reserve	(3,051)
(1,576)	Amount written off to the Capital Adjustment Account	(3,051)
14,852	Balance at 31 March	19,104

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29. 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.

2022/23 £000	Group / PCC	2023/24 £000
(1,108)	Balance at 1 April	(2,693)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(4,819)	Charges for depreciation and impairment on non-current assets	(5,873)
(1,335)	Revaluation losses on Property, Plant and Equipment	(1,553)
(309)	Amortisation of intangible assets	(613)
(224)	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	(57)
(6,687)		(8,096)
1,576	Amounts written out of the Revaluation Reserve	3,051
(5,111)	Net written out amount of the cost of non-current assets consumed in the year	(5,045)
	Capital financing applied in the year:	
89	Use of Capital Receipts Reserve to finance new capital expenditure	79
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing:	
205	Capital expenditure charged against the general fund	831
173	Application of capital grants and contributions to capital financing transferred to the CAA	19
467		929
	Items not debited or credited to the Comprehensive Income and Expenditure Statement:	
3,059	Revenue provision for the repayment of debt	3,592
3,059		3,592
(2,693)	Balance at 31 March	(3,217)

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.

30. 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.

2022/23 PCC £000	2022/23 Group £000		2023/24 PCC £000	2023/24 Group £000
(14,896)	(1,630,024)	Balance at 1 April	7,256	(1,078,280)
24,348	592,530	Actuarial gains or losses on pensions assets and liabilities	6,135	44,689
(4,206)	(86,489)	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	331	(68,966)
2,010	42,679	Employers contributions payable to scheme	371	41,534
-	-	Contributions in respect of unfunded benefits	-	-
	3,011	Employers contributions payable to schemes - Cash Top-up		3,011
	13	Other unfunded termination benefits		10
7,256	(1,078,280)	Balance at 31 March	14,093	(1,058,002)

31. 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.

2022/23 £000	Group / PCC	2023/24 £000
615	Balance at 1 April	393
(222)	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	(3)
393	Balance at 31 March	390
	Represented by:	
6,434	Council tax arrears	7,991
(2,403)	Impairment for doubtful debts	(2,799)
(2,372)	Council tax overpayments and prepayments	(2,166)
(1,265)	Creditors, billing authorities	(2,636)
393	Collection fund surplus / (deficit)	390

The table below show the breakdown of creditors by billing authority.

Collection Fund Asset/(Liability)	2022/23				Group/PCC	2023/24			
	Net Arrears	Prepayments	Balance 31 March	£000		Collection Fund Asset/(Liability)	Net Arrears	Prepayments	Balance 31 March
£000	£000	£000	£000	£000	£000	£000	£000	£000	
127	1,272	(353)	1,046	Lincoln City Council	102	1,655	(498)	1,259	
30	481	(269)	242	Boston Borough Council	56	666	(261)	461	
(115)	496	(733)	(352)	East Lindsey District Council	(167)	764	(379)	218	
(264)	750	(234)	253	West Lindsey District Council	(268)	791	(307)	217	
(109)	441	(268)	64	North Kesteven District Council	(91)	522	(322)	108	
(14)	354	(201)	139	South Kesteven District Council	40	392	(216)	216	
(47)	236	(315)	(126)	South Holland District Council	(63)	403	(184)	157	
(393)	4,031	(2,372)	1,265		(390)	5,192	(2,166)	2,636	

32. 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.

2022/23 £000	Group / PCC	2023/24 £000
(3,051)	Balance at 1 April	(2,053)
3,051	Settlement or cancellation of accrual made at the end of the preceding year	2,053
(2,503)	Amounts accrued at the end of the current year	(2,821)
	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		(318)
(2,503)	Balance at 31 March	(2,821)

33. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2022/23 £000	Group / PCC	2023/24 £000
(526)	Interest received	(1,460)
799	Interest paid	719

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2022/23 £000		Cash Flow - Non Cash Movements	2023/24 £000	
PCC	Group		PCC	Group
(4,819)	(4,819)	Depreciation of Non-Current Assets	(5,873)	(5,873)
(1,335)	(1,335)	Impairment and Downward Valuations of Non-Current Assets	(1,554)	(1,554)
2,860	2,860	(Increase)/Decrease in Impairment Provisions for Bad Debts	434	434
(844)	(844)	(Increase)/Decrease in Creditors	(6,274)	(6,274)
4,858	4,858	Increase/(Decrease) in Debtors	8,258	8,258
128	128	Increase/(Decrease) in Inventories	(3)	(3)
(2,196)	(40,799)	Pension Liability	702	(24,421)
(224)	(224)	Carrying Amount of Non-Current Assets Sold and Assets Held for Sale	(58)	(58)
(80)	(68)	Contributions to Provisions	(407)	(396)
(1,961)	(40,552)	Non Cash Movements	(5,389)	(30,501)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2022/23 £000	Group / PCC	2023/24 £000
	Proceeds from the Sale of Property, Plant and Equipment and	
91	Intangible Assets	84
91		84

34. Cash Flow Statement – Investing Activities

2022/23 £000	Group / PCC	2023/24 £000
5,723	Purchase of Property, Plant and Equipment and Intangible Assets	6,731
(91)	Proceeds from the Sale of Property, Plant and Equipment and Intangible Assets	(84)
5,632	Net Cash Flows from Investing Activities	6,647

35. Cash Flow Statement – Financing Activities

2022/23 £000	Group / PCC	2023/24 £000
-	Cash Receipts of short and long-term borrowing	-
(119)	Revenue Grant receipts in advance	124
-	Cash Payments for the Reduction of the Outstanding Liability Relating to a Finance Lease	-
912	Repayments of Short and Long-Term Borrowing	847
793	Net Cash Flow from Financing Activities	971

36. Joint Operations

36.1. 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 £83k compared to income of £19k and revenue expenditure of £113k in 2022/23 (the PCC for Lincolnshire's share is 50%).

36.2. 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) (scaled back during 2023/24). Lead body Leicestershire;
- Specialist Operations Training (SOT) (ceased during 2022/23). Lead body Leicestershire;
- 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%. 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 2024:

2022/23 £000	Group / PCC	2023/24 £000
1,327	Property, Plant and Equipment	1,435
2	Intangible Assets	11
3	Asset Under Construction	6
1,332	Long Term Assets	1,452
10	Payments In Advance	8
469	Cash and Cash Equivalents	521
323	Short-Term Debtors	316
802	Current Assets	845
(296)	Short-Term Creditors	(415)
-	Receipts In Advance	(20)
(85)	Employee Benefits	(99)
(381)	Current Liabilities	(534)
1,753	Net Assets	1,763
34	General Fund Balance	34
473	Earmarked Reserves	377
507	Usable Reserves	411
1,331	Capital Adjustment Account	1,451
(85)	Accumulated Absences Account	(99)
1,246	Unusable Reserves	1,352
1,753	Total Reserves	1,763

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

2022/23 £000		2023/24 £000
1,647	Police Pay and Allowances	1,890
2,872	Police Staff Pay and Allowances	3,015
71	Other Employee Expenses	90
94	Premises	110
104	Transport	129
607	Supplies and Services	521
564	Agency and Contracted Services	679
129	Depreciation	157
1	Amortisation	-
	(Surplus) or Deficit on revaluation of non current assets (not covered by accumulated revaluation gains)	(153)
6,112	Gross Operating Expenditure	6,438
(139)	Other Income	(161)
(2)	(Gains) or Losses on Disposal of Non Current Assets	(3)
5,971	Amount to be met from Partners	6,274
	Financed by:	
(5,213)	Contributions from Partners	(5,642)
(738)	External Grants	(628)
(25)	Capital Grants and Contributions	(16)
(5)	(Surplus) or Deficit on the Provision of Services	(12)
(5)	Total Comprehensive Income and Expenditure	(12)

37. 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 £1.933m which increased from the previous year figure of £1.261m. The expenditure in year was £0.867m compared with £0.821m in 2022/23.

38. Audit Committee Allowances and Expenses

The amount paid to members of the Joint Independent Audit Committee equated to £8,379 for the year compared to £5,000 in 2022/23. £567 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%).

39. 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.

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 £	Total remuneration excluding pension contributions £	Employer's pension contribution £	Total remuneration including pension contributions £
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

2023/24 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 £	Employer's pension contribution £	Total remuneration including pension contributions £
Police and Crime Commissioner		68,200	-	-	-	68,200	16,641	84,841
Office of the Police and Crime Commissioner								
Chief Executive		113,588	-	1,239	-	114,827	27,715	142,543
Chief Finance Officer		83,804	-	1,239	-	85,043	20,448	105,491
Police Officers								
Chris Howard (Chief Constable)	Retired Feb 2024	153,634	-	6,338	-	159,973	-	159,973
Deputy Chief Constable	Interim Chief Feb-Mar 2024	136,542	-	13,000	-	149,542	41,281	190,823
Assistant Chief Constable		125,859	-	14,203	-	140,063	30,766	170,829
Assistant Chief Constable	Started Sept 2023	106,844	-	4,175	-	111,020	32,796	143,815
Temporary Assistant Chief Constable	Ceased Oct 2023	108,334	-	4,033	-	112,367	30,766	143,133
Police Staff of the Chief Constable								
Director of Finance & Corporate Services (S151)		96,904	-	5,605	-	102,509	23,644	126,153
Director of People Services		102,020	-	5,605	-	107,625	24,893	132,518
Chief Digital & Data Officer		113,243	-	5,605	-	118,848	27,226	146,074

39.1. 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	2022/23 Number of employees	2023/24 Number of employees
£50,000 to £54,999	1	-
£55,000 to £59,999	-	-
£60,000 to £64,999	2	2
£65,000 to £69,999	1	2
£70,000 to £74,999	-	3
£75,000 to £79,999	1	2
£80,000 to £84,999	-	1
£85,000 to £89,999	1	1
£90,000 to £94,999	4	-
£95,000 to £99,999	2	-
£100,000 to £104,999	-	3
£105,000 to £109,999	-	-

40. 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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £000	2023/24 £000
£0,000 to £20,000	-	15	-	-	-	15	-	155
£20,001 to £40,000	-	3	-	-	-	3	-	81
£40,001 to £60,000	-	3	-	-	-	3	-	154
£60,001 to £80,000	-	2	-	-	-	2	-	131
£80,001 to £100,000	-	4	-	-	-	4	-	350
over £150,000	-	-	-	-	-	-	-	-
Total	-	27	-	-	-	27	-	871

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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £000	2023/24 £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	-	-	-	-	-	-	-	-

41. Audit Fees

Group	2022/23 £000	2023/24 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	34	201
Total	34	201

PCC	2022/23 £000	2023/24 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	23	89
Total	23	89

42. 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.

42.1. 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 11 Taxation and Non-Specific Income and Note 12 Grant Income.

42.2. 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.

42.3. Officers

The total remuneration to senior staff in 2023/24 is shown in Note 39. All senior officers employed by the PCC Group at the 31 March 2024 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.

42.4. Other Public Bodies

Joint Operations and Funded Partnerships are disclosed in Notes 36 and 37.

43. 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.

- 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.

43.1. 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.

43.2. 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.

43.3. Transactions Relating to Retirement Benefits

	Local Government Pension Scheme				Police Pension Scheme (Group Only)		Comprehensive Income and Expenditure Account			
	2022/23		2023/24		2022/23	2023/24	2022/23		2023/24	
	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	(3,805)	(12,476)	(289)	(5,363)	(29,300)	(12,100)	(3,805)	(41,776)	(289)	(17,463)
Past service costs	-	-	-	(599)	(800)	(700)	-	(800)	-	(1,299)
Effect of settlements	-	-	-	-	-	-	-	-	-	-
	(3,805)	(12,476)	(289)	(5,962)	(30,100)	(12,800)	(3,805)	(42,576)	(289)	(18,762)
Other Operating Expenditure:										
Home Office Grant					(24,715)	(29,104)	-	(24,715)	-	(29,104)
Financing and Investment Income and Expenditure:										
Net interest expense	(361)	(1,185)	709	1,740	(42,600)	(51,800)	(361)	(43,785)	709	(50,060)
Administrative Expenses	(39)	(128)	(89)	(144)			(39)	(128)	(89)	(144)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(4,206)	(13,789)	331	(4,366)	(97,415)	(93,704)	(4,206)	(111,204)	331	(98,070)
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)	(2,682)	(8,793)	5,505	8,791			(2,682)	(8,793)	5,505	8,791
Actuarial gains and losses arising on changes in demographic assumptions	-	-	1,312	2,124	17,900	5,700	-	17,900	1,312	7,824
Actuarial gains and losses arising on changes in financial assumptions	32,244	105,718	94	1,387	546,900	57,200	32,244	652,618	94	58,587
Other experience	(10,428)	(34,190)	(776)	(1,313)	546,900	57,200	(10,428)	512,710	(776)	55,887
Other actuarial Gains / (Losses)	-	-	-	-	(52,100)	(29,300)	-	(52,100)	-	(29,300)
Subtotal Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	19,134	62,735	6,135	10,989	1,059,600	90,800	19,134	1,122,335	6,135	101,789
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	14,929	48,946	6,466	6,623	962,185	(2,904)	14,929	1,011,131	6,466	3,719
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	4,206	13,789	(331)	4,366	72,700	64,600	4,206	86,489	(331)	68,966
Actual Amount charged against the General Fund Balance for pensions in the year:										
Employers contributions payable to scheme	(2,010)	(6,590)	(371)	(8,645)	(42,111)	(35,900)	(2,010)	(48,701)	(371)	(44,545)
Contributions in respect of unfunded benefits	-	-	-	-			-	-	-	-
Employers contributions payable to schemes - Cash Top-up					3,011	-	-	3,011	-	-
Retirement benefits payable to pensioners										
Movement from Comprehensive Income and Expenditure Statement to the General Fund	2,196	7,199	(702)	(4,279)	33,600	28,700	2,196	40,799	(702)	24,421

43.4. 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	2022/23		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Present value of the defined benefit obligation	45,753	150,009	92,505	159,038
Fair value of scheme assets	(53,091)	(174,068)	(114,004)	(198,166)
Sub-total	(7,338)	(24,059)	(21,499)	(39,128)
Other movements in the liability (asset)	80	262	63	63
Net liability arising from the defined benefit obligation	(7,258)	(23,797)	(21,436)	(39,065)

Discretionary Benefits Police Pension Scheme	2022/23	2023/24
	Group £000	Group £000
Present value of the defined benefit obligation	1,057,100	1,051,300
Fair value of scheme assets	-	-
Sub-total	1,057,100	1,051,300
Other movements in the liability (asset)	44,900	45,700
Net liability arising from the defined benefit obligation	1,102,000	1,097,000

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

LGPS	2022/23		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Opening fair value of scheme assets	52,973	173,683	53,091	174,068
Interest income	1,396	4,577	5,077	5,077
Administrative Expenses	(39)	(128)	(89)	(89)
Remeasurement gain / (loss):	-	-	-	-
The return on scheme assets, excluding the amount included in the net interest expense	(2,682)	(8,793)	5,505	5,505
Other actuarial Gains / (Losses)	-	-	-	-
Effect of changes in foreign exchange rates	-	-	-	-
Contributions from employer	2,010	6,590	371	371
Contributions in respect of unfunded benefits	-	-	-	-
Contributions from employees in the scheme	574	1,881	105	105
Benefits paid	(1,141)	(3,742)	(4,926)	(4,926)
Other	-	-	-	-
31 March	53,091	174,068	59,134	180,111

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

LGPS Liabilities	2022/23		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Opening balance at 1 April	67,868	222,517	45,833	150,271
Current service cost	3,805	12,476	289	5,363
Interest cost	1,757	5,762	4,368	7,198
Contributions from scheme participants	574	1,881	105	2,161
Re-measurement (gain) / loss:	-	-	-	-
Actuarial gains / losses arising from changes in demographic assumptions	-	-	(1,312)	(2,124)
Actuarial gains / losses arising from changes in financial assumptions	(32,244)	(105,718)	(94)	(1,387)
Other	5,214	17,095	776	1,313
Past service cost	-	-	-	599
Losses / (gains) on curtailment	-	-	-	-
Liabilities assumed on entity combinations	-	-	-	-
Benefits paid	(1,141)	(3,742)	(4,926)	(4,293)
Liabilities extinguished on settlements (where relevant)	-	-	-	-
31 March	45,833	150,271	45,039	159,101

Unfunded liabilities Police Pension Scheme	2022/23	2023/24
	Group £000	Group £000
Opening balance at 1 April	1,581,100	1,102,000
Current service cost	29,300	12,100
Interest cost	42,600	51,800
Contributions from scheme participants	5,800	6,300
Re-measurement (gain) / loss:	-	-
Actuarial gains / losses arising from changes in demographic assumptions	(17,900)	(5,700)
Actuarial gains / losses arising from changes in financial assumptions	(546,900)	(57,200)
Other	52,100	29,200
Past service cost	800	700
Losses / (gains) on curtailment	-	-
Liabilities assumed on entity combinations	-	-
Benefits paid	(44,900)	(42,200)
Liabilities extinguished on settlements (where relevant)	-	-
31 March	1,102,000	1,097,000

43.7. 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:

	2022/23		2023/24	
	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	-	-	-
Overseas	-	-	-	-
Index Linked Government Securities				
UK	1	-	-	-
Overseas	-	-	-	-
Corporate Bonds				
UK	9	-	-	-
Overseas	-	-	12	-
Equities				
UK	15	-	8	-
Overseas	41	-	42	-
Property				
All	6	1	5	2
Others				
Hedge fund	-	4	-	6
Private Equity	-	7	-	7
Infrastructure	-	4	-	4
Commodities	-	-	-	-
Bonds	-	-	10	-
Credit Diversified Income	5	-	-	-
Private Debt	-	2	-	1
Other Diversified Alternatives	-	1	-	-
Forward Currency Contracts	-	-	-	-
Cash/Temporary Investments	3	-	3	-
Net Current Assets				
Debtors	1	-	-	-
Creditors	-	-	-	-
Net Assets	81	19	80	20

43.8. 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	
	2022/23	2023/24	2022/23	2023/24
	Longevity at 65		Longevity at 60	
	Years	Years	Years	Years
Mortality assumptions				
Longevity for current pensioners:				
Men	19.8	19.5	26.7	26.7
Women	22.9	22.7	29.2	29.2
Longevity for future pensioners:				
Men	21.1	20.8	28.1	28.1
Women	24.4	24.1	30.6	30.6
Financial assumptions	%	%	%	%
Market derived RPI	3.2	3.3	0.0	3.1
Rate of increase in salaries	3.9	4.0	3.2	3.1
Rate of increase in pensions	2.9	3.0	3.0	2.8
Rate for discounting scheme liabilities	4.8	4.9	4.8	4.9

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.

43.9. Present Value of Liabilities

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Present value of liabilities						
Local government pension scheme	(206,391)	(170,472)	(229,408)	(222,517)	(150,271)	(159,101)
Police pension scheme	(1,476,800)	(1,371,300)	(1,670,100)	(1,581,100)	(1,102,000)	(1,097,000)
Fair value of assets in the local government pension scheme	137,833	125,792	158,237	173,683	174,068	198,166
Surplus / (deficit) in the scheme	(1,545,358)	(1,415,980)	(1,741,271)	(1,629,934)	(1,078,203)	(1,057,935)
Local government pension scheme	(68,558)	(44,680)	(71,171)	(48,834)	23,797	39,065
Police pension scheme	(1,476,800)	(1,371,300)	(1,670,100)	(1,581,100)	(1,102,000)	(1,097,000)
Total surplus / (deficit) in the scheme	(1,545,358)	(1,415,980)	(1,741,271)	(1,629,934)	(1,078,203)	(1,057,935)

43.10. 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 2024/25 amount to £8.635m 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.

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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 2024	Liability Split as at 31 March 2024	Weighted Average Duration at Previous Formal Valuation	Liability Split as at 31 March 2024	Liability Split as at 31 March 2024	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%	
Contingent Injuries				17,500	39.0%	26
Injury pension liabilities				27,400	61.0%	16
Total	-	-	-	44,900	100.0%	

44. Contingent Assets and Liabilities

44.1 Contingent Assets

A dispute is ongoing between the Home Office and Airwaves Solutions Ltd. which relates to the indexation of charges under the Police Framework agreement. The PCC is in receipt of credit notes from Airwaves Solutions Ltd. but has not recognised them in the 2023/24 accounts due to the on-going dispute and the risk that maybe revoked.

44.2 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.

- In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. 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 bought 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. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

45. 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		2022/23	2023/24
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Financial Assets										
Amortised Cost	-	-	-	-	9,568	10,629	8,270	14,593	17,838	25,221
Total Financial Assets	-	-	-	-	9,568	10,629	8,270	14,593	17,838	25,221

Group / PCC	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		2022/23	2023/24
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Financial Liabilities										
Amortised Cost	(26,416)	(25,608)	-	-	(1,057)	(1,018)	(8,970)	(13,139)	(36,443)	(39,766)
Total Financial Liabilities	(26,416)	(25,608)	-	-	(1,057)	(1,018)	(8,970)	(13,139)	(36,443)	(39,766)

The Police and Crime Commissioner is exposed to minimum risk. Any short-term deposits are included in the cash and cash equivalents Note 23.

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 2024 is £26.5m. The total SALIX amount outstanding at 31 March 2024 is £123k.

No additional borrowing from PWLB took place in 2023/24. Repayments of the principal were made totalling £739k and there was a decrease in loan interest accrual of £8k. Repayments of £99k were made to SALIX resulting in a decrease in the PCC's borrowing from £27.5m to £26.6m 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 31 March 2023 £000	As at 31 March 2024 £000
PWLB	2.14 - 7.75	(27,251)	(26,503)
Salix Interest Free Loan	Interest Free	(222)	(123)
		(27,473)	(26,626)

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 46 under 'liquidity risk exposure.'

45.1. 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 2023		31 March 2024	
	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	526	-	1,460	
Total interest revenue	526	-	1,460	
Interest expense	(799)	-	(719)	

45.2. Fair Values of Financial Assets

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

45.3. 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 2023		31 March 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
		£000	£000	£000	£000
PWLB	Level 2	27,251	22,410	26,503	19,542
Salix Interest Free Loan	Level 2	222	222	123	123

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 2024) arising from a commitment to pay interest to lenders below current market rates.

The fair value at 31 March 2024 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 2024 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.

46. Nature and Extent of Risks Arising from Financial Instruments

46.1. 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:

	Max % of total investments/£ limit per institution	Max. maturity period
Specified Investments		
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

* Whichever is higher

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	2022/23 £000	2023/24 £000
Current	1,194	1,607
Up to one month	23	27
Up to six months	43	44
Up to one year	25	47
More than one year	120	145
Total:	1,405	1,870
Other debtors	6,864	12,722
Total:	8,270	14,593

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

46.2. 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:

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

2023/24 Borrowing	PWLB £000	Deferred Liabilities £000	Total £000
Less than 1 year	944	74	1,018
Between one and two years	744	49	793
Between two and five years	2,058	-	2,058
More than five years	22,757	-	22,757
Total	26,503	123	26,626

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.

46.3. 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 2023/24. 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 2023 and 31 March 2024:

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

2023/24 Sensitivity Analysis	Fair Value 2023/24 £000	Fair Value at 1% Higher £000	Fair Value at 1% Lower £000
PWLB Long Term Fixed Borrowing	19,542	19,535	19,550

47. 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:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023
- IFRS 16 Leases will be adopted by the Police and Crime Commissioner for Lincolnshire in 2024/25 when implementation is mandatory. (The Chief Constable of Lincolnshire does not hold assets and is therefore not affected by this standard).

It is not expected that any of these amendments (other than IFRS16 for the PCC) will have a material impact on the information provided in the financial statements for any of the Lincolnshire Police group accounts

48. Non-adjustment event after 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.

There is one event which is indicative of conditions that arose after the reporting period where the Statements of Accounts are 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 or a statement that a reasonable estimate of the effect cannot be made:

- The Chief Constable for Lincolnshire, Chris Haward retired from the Force on 20th February 2024. The new Chief Constable, Paul Gibson will be in post from 1st April 2024.

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Police Officer Pensions – Home Office Memorandum Account 2023/24

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

2022/23 £000	Fund account	2023/24 £000
	Contributions Receivable	
	From Employer:	
13,540	Normal	14,538
698	Early Retirements	600
	From Members:	
5,805	Contributions	6,273
248	Individual Transfers in from Other Schemes	101
20,291		21,512
	Benefits Payable	
37,306	Pensions	41,664
7,154	Commutations	8,625
137	Lump Sum Death Benefits	-
	Payments To and On Account of Leavers	
119	Refunds of Contributions	28
-	Individual Transfers Out	-
238	Scheme Pays	284
52	Lifetime Allowance (25%)	15
-	Equivalent Premium	-
45,006		50,616
24,715	Sub-total for the year before transfer from the PCC Group for Lincolnshire of amount equal to the deficit	29,104
(24,715)	Additional funding payable by the PCC Group for Lincolnshire to meet deficit for the year	(29,104)
-	Net Amount payable/(receivable) by the PCC Group for Lincolnshire	-

Disclosure Notes

- 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.
- 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.
- 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 43.

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 £7,957,897.54 is shown in PCC for Lincolnshire accounts (Debtors Note 22) 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. The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members. The main elements of the Act are:
 - Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:
 - Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
 - From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
 - Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.
9. 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.

10. The April Pensions payroll was due to be paid on 1 April 2024, which fell on a bank holiday. The payroll was therefore made on the last available working day which was Thursday 28 March 2024. The payment of £3,109,320.59 was therefore a payment in advance and is shown in the Debtors note 22 as a non-government prepayment.
11. 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.
12. 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).

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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.
ANPR	Automatic Number Plate Recognition system
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.
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.