



Chief Constable of Lincolnshire

Financial Statements

2023/24

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Chief Constable of Lincolnshire
Statements of Accounts 2023/24

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Introduction to the Financial Statements

Chief Constable Paul Gibson



Since November 2012, policing services have been provided by two separate entities under the respective leadership of the Police and Crime Commissioner (PCC) and the Chief Constable.

I was appointed as the new Chief Constable for Lincolnshire Police from 1 April 2024.

My predecessor Chris Haward served Lincolnshire Police as Chief Constable from December 2020 and retired from the force in February 2024.

Chief Constable Chris Haward published his strategic vision 'Making Lincolnshire Safe' early in the financial year 2021/22 to determine the operational direction of the force going forward from that point, and which remained in effect to the end of the 2023/24 financial year.

'Making Lincolnshire Safe' set out the strategic direction for Lincolnshire Police, supporting the PCC's Police and Crime Plan and aiming to make Lincolnshire the safest place to live, work and visit.

Lincolnshire is a mix of rural, coastal and urban communities spanning 2,286 square miles, with a population of over 700,000 residents. The tourism industry also attracts over 21 million visitors annually to Lincolnshire.

Our policing approach must reflect and represent our diverse and unique communities. Our strategic policing purposes are simple. We need to stop crime and anti-social behaviour, protect people from harm and help those in need.

To achieve those outcomes the strategy focussed on five core themes of people, partners, culture, capability and communities. Chief Constable Haward believed that with our strong delivery plan in these areas we will see Lincolnshire go from strength to strength, and our policing purposes will not only be met and maintained but exceeded.

We want to see sustained reductions in offending, have communities who feel safe and protected from harm, and have a workforce who are knowledgeable, confident, skilled and equipped to do their job well.

In simple terms, we will put people at the heart of everything we do.

I can summarise some of the progress and achievements in 2023/24 based on the previous strategy.

Capability achievements during the year included streamlining of the business planning regime and delivery of a change management office (CMO) to improve our strategic oversight and management of change projects to prioritise and allocate resources appropriately, whilst developing a pipeline for future changes.

Implementation of a revised assurance regime helps us to assess gaps and prompt activity to resolve them.

Force strategic plans were reviewed and aligned with the national Strategic Policing Requirement (SPR).

The Priority Based Budgeting (PBB) exercise in prior years was brought to a close with savings delivered and remodelling of force departments complete.

The Estates Capital Programme was delivered successfully and included a new Occupational Health Unit (OHU) building which opened on time, within budget and is now in use. A complete impact assessment across the whole estate will help to review use and support best value for money outcomes.

The Fleet Capital Programme was delivered successfully, replacing 63 vehicles to maintain effective deployment of policing services where they are most needed.

The “Think Sharp” project was launched in year to educate young people about the dangers of knife crime. This attracted good media attention and an evaluation will be undertaken in due course, as we are keen to see how good engagement with young people can translate into less knife crime.

Implementation of a Violence Against Women & Girls (VAWG) delivery plan aligns to national policy and cultural improvements that are consistent with our Force values and that increase confidence with key external partners.

A new ethics panel was established during the year and an Equality, Diversity & Inclusion (EDI) delivery plan implemented.

An apprenticeship framework was developed during the year to invest in our existing workforce colleagues through apprenticeships in role specific courses. This provides mutual benefit and allows us to use the government apprenticeship levy to fund courses. Next year will see the first cohort of an innovative approach to recruit apprenticeship teams, providing opportunities within local communities. Individuals within these teams will be able to learn and support each other as they experience work in different departments within the Force and start to think of where they may wish to focus their future careers.

The Digital and Data Directorate (DaDD) was established to modernise the organisation, optimise investment in digital, data and technology skills and expertise.

Mobile data devices were improved to ensure security compliance and efficient communications.

Vulnerable victims can now report incidents through a discreet device supplied by the Force.

A high-level data architecture plan was designed to identify the data needed to meet organisational needs, where it is held and how data can be accessed safely and more efficiently from core systems.

An upgrade to WiFi across the Force estate was necessary to facilitate better connectivity for officers and staff working across the county. Other network and technology improvements were made to ensure our systems are reliable, resilient and provide necessary access and speed for effective working experiences.

Moving Forward

Great strides have been made in Lincolnshire to create a police force to be proud of; one that prevents and tackles crime and continues to evolve to meet new crime types and challenges to keep us all safe. Lincolnshire taxpayers have supported that development.

Without the financial backing of residents to enable prudent financial planning and investment in innovation and new technology, we would not have the means to improve the effectiveness and efficiency of the force or the appetite to face the challenges of tomorrow.

As the new Chief Constable of Lincolnshire, I am eager to build on current successes and make Lincolnshire communities even safer.

Maximising the number of police officers in the Force is key to fighting crime and keeping communities safe.

A new approach to preventing and tackling anti-social behaviour aims to improve safety for residents.

Technologies will be harnessed to identify and apprehend criminals and to engage with victims of crime to get them help faster.

The successful Roads Policing “Operation Stronghold” will be expanded to deny criminals use of our roads to keep our communities safer.

Targeted approaches will be used to tackle issues such as summertime demand, rural crime, burglary and retail crime.

Crime prevention advice will help keep communities safe from crime.

Building on crime reduction results in local neighbourhoods will help develop new ways to target organised criminality and drug supply in our communities.

All the financial transactions for 2023/24, relating to the activities of the Chief Constable in accordance with the delegated arrangements agreed by the PCC, are recognised and recorded in these financial statements. In order to comply with accounting requirements, all the main accounting statements are presented even where there are few transactions to report. The Statement of Accounts sets out the financial performance and financial position of the Chief Constable as at 31 March 2024.

Roles and Responsibilities

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

The Chief Constable has direction and control over the force's police officers and staff. Under the Integrated Scheme of Governance, the Chief Constable has certain specific delegated powers which are set out in the Scheme of Consent and Scheme of Delegation.

During 2023/24 the organisation consisted of two distinct areas of operational command led by Chief Superintendents:

- Local Policing and Investigations - East & West
- Crime & Operations – Including specialised services such as Public Protection, Roads Policing and Criminal Justice

The structure will be reviewed for 2024/25.

A 10-year strategic partnership contract was in place with G4S until 31 March 2022 which provided a wide range of operational policing and support functions to the Chief Constable. The contract ended on 31 March 2022 with exit and transition to new arrangements on 1 April 2022 being managed by the Future Services Programme (FSP) Board. The majority of services previously provided by G4S were transferred to Lincolnshire Police, with only the Custody and Cleaning services remaining outsourced. The FSP continued into 2022/23 to ensure a smooth transition and to embed the new organisational structure. This was completed during 2023/24.

In addition, the Force undertakes the provision of specialised policing services through regional collaboration with neighbouring forces in the East Midlands. This includes the East Midlands Special Operations Unit (EMSOU), East Midlands Criminal Justice Services (EMCJS) and East Midlands Police Legal Services (EMPLS).

The Chief Officers of Lincolnshire Police as at 31 March 2024 are noted as follows:

Chris Haward	Chief Constable (Retired 20 February 2024)
<i>Paul Gibson</i>	<i>Chief Constable (Appointed 1 April 2024)</i>
Julia Debenham	Interim Chief Constable (From 29 February 2024 to 31 March 2024)
Julia Debenham	Deputy Chief Constable (Substantive Post)
Chris Davison	Assistant Chief Constable (Local Policing and Partnerships)
Nikki Mayo	Assistant Chief Constable (Crime)
Charley Rimmer	Director of People Services
Nicola Haywood-Cleverly	Chief Digital & Information Officer
Sharon Clark	Director of Finance & Corporate Services (S151)

The Statement of Accounts

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. 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 Financial Management Code of Practice for the Police Service of England and Wales 2018;
- The Integrated Scheme of Delegation including Financial and Contract Regulations.

Further Information

The Statement of Accounts 2023/24 is published as an internet document at www.lincs.police.uk

Further information about the financial statements is available from:

The Director of Finance & Corporate Services
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 on the Lincolnshire Police website.

Paul Gibson
Chief Constable of Lincolnshire
(Appointed April 2024)

Annual Governance Statement 2023/24

Below are details of the Chief Constable 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).
- 1.3 This is a document which accompanies the statement of accounts and describes how effective our governance arrangements have been over the last 12 months and sets out areas for development. The Chief Constable's Statement is intended to support the Police and Crime Commissioner Group governance arrangements which are detailed in that separate set of accounts.
- 1.4 This Chief Constable's AGS sets out how Lincolnshire Police complied with the corporate governance framework during the year and it also details areas of improvement to enhance governance arrangements that the force plans to progress during 2024/25.
- 1.5 It is designed to complement the annual governance statement of the Lincolnshire Police and Crime Commissioner (PCC), to give the full picture of governance within Lincolnshire Police and the Office of the PCC for Lincolnshire.
- 1.6 The deadline for publication of the draft unaudited accounts and AGS is 31 May 2024. The deadline for publication of the final audited accounts and AGS deadline is 30 September 2024.
- 1.7 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). This term 'authority' includes the Chief Constable and the Police and Crime Commissioner legal entities. This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 published by the Chartered Institute of Public Finance & Accountancy (CIPFA).

2. Scope of Responsibilities

- 2.1 Under the Policing Protocol 2011 the PCC has responsibility for the delivery of efficient and effective policing, management of resources and expenditure by the police force. The PCC has a statutory responsibility to obtain the views of the community and victims of crime about the policing of the Force area and must take into account the views of responsible authorities. These views inform the PCC's Police and Crime Plan which sets the strategic direction and priorities for the Force.

- 2.2 The Chief Constable has responsibility where the Police and Crime Commissioner (the “Commissioner”) delegates functions in respect of securing an efficient and effective police force.
- 2.3 The Chief Constable is responsible for ensuring business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, being used economically, efficiently and effectively.
- 2.4 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by Lincolnshire Police (the Force), having regard to the strategic direction and priorities set by the PCC in the Local Policing Plan.
- 2.5 In discharging their responsibilities, the Chief Constable is required to put in place proper arrangements for the governance of their affairs and which facilitate the exercise of their functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.
- 2.6 The Chief Constable 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 and the guidance notes for policing bodies (revised 2016). A copy of the Lincolnshire Police Code of Corporate Governance is available on the Lincolnshire Police website at:

Insert link or can be obtained from:

The Chief Constable’s Office,
Police Headquarters,
Deepdale Lane,
Nettleham, Lincoln,
LN2 2LT.

- 2.7 This statement explains how the Chief Constable 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 a statement on internal control.
- 2.8 Section 3.7.4 of the Code of Practice on Local Authority Accounting for 2023/24 requires a review of its system of internal control in accordance with best practice governance requirements. The Chief Constable’s financial management arrangements conform to the CIPFA Framework; Delivering Good Governance in Local Government and the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Commissioner and the CFO of the Chief Constable. The Chief Constable’s financial management arrangements are fully compliant with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Chief Constable.

3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, culture and values by which the Force is directed, controlled, and engages with the community to discharge the Chief Constable’s statutory functions.

- 3.2 It enables the Chief Constable to monitor the achievement of strategic objectives for the force, in line with the PCC's Local Policing Plan and the Strategic Policing Requirement. This also considers whether force objectives and plans have led to the delivery of appropriate, cost-effective services, including achieving value for money.
- 3.3 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 Chief Constable'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.
- 3.4 The fundamental function of good governance in the public sector is to ensure that intended outcomes are achieved whilst acting in the public interest at all times.
- 3.5 The governance framework was 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 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. The PCC is required to hold him to account for the exercise of those functions and those of the persons under their direction and control. The PCC therefore must be assured that the Force has appropriate mechanisms in place to maintain good governance and that they operate well in practice. This is done in a manner that recognises the commitment of the PCC 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.
- 4.2 A Governance framework, collectively known as the Integrated Scheme of Governance gives guidance to make sure business is carried out efficiently and that decisions are not unnecessarily delayed. This was reviewed in 2023-24 and includes;
- The Scheme of Consent – which details the key roles of the PCC and those functions and powers which he consents to the Chief Constable.
 - The Chief Constable's scheme of delegation – covers the powers given to the Deputy Chief Constable and the Director of Finance & Corporate Services (S151 Officer).
 - The PCC and Chief Constable's financial and contract regulations – to provide clarity about the financial accountabilities of individuals acting on behalf of the PCC or Force.

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>

- 4.3 The Force system of internal control, based on a framework of policies and procedures, is a significant part of the Force governance framework and is designed to manage risk to a reasonable and foreseeable level. The Force cannot eliminate all risk of failure to achieve policies, aims and objectives; it can provide reasonable but not absolute assurance of effectiveness.
- 4.4 The key elements of the systems and processes that comprise the governance arrangements in place for the Chief Constable are:
- Identifying and communicating the Operational Policing Plan, purpose and intended outcomes; the Plan is built from four elements:
 - The Police and Crime Commissioner's Police and Crime Plan;
 - The Chief Constable's Strategic Plan – "Making Lincolnshire Safe";
 - The national Strategic Policing Requirement;
 - The Community Safety Partnership Control Strategy.
 - Measuring the quality of services for users, for ensuring they are delivered in accordance with the Chief Constable's objectives and for ensuring that they represent the best use of resources;
 - Defining and documenting the roles and responsibilities of the Chief Constable and the Senior Officers, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity;
 - Developing, communicating and embedding codes of conduct, defining the standards of behaviour for officers and staff;
 - Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks and resources;
 - Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
 - Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
 - A Whistle blowing policy and procedures for receiving, investigating, and reporting upon complaints from the public, and other stakeholders;
 - Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks;
 - Identifying the development needs of officers and staff supported by appropriate training and linked to the priorities of the Force;

- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the overall governance arrangements;
- Preparedness for dealing with emergency situations.

4.5 This section describes the key elements of the systems and processes of the governance arrangements that have been put in place by the Force. In doing so, it reflects the overarching structures that have been developed to deliver objectives and manage risk:

- Processes for setting objectives and targets that support the policing priorities outlined in the Police and Crime Plan, including reporting to the Commissioner. This is done in a manner that recognises the commitment of the Chief Constable to abide by the working principles of the Policing Protocol;
- An annual operational policing plan 'Making Lincolnshire Safe' is produced in response to the Commissioner's plan;
- The tactical tasking and coordinating process is conducted in line with the National Intelligence Model including Daily Management Meetings with operational managers, Area Tasking, Force Tasking and Regional Tasking meetings which address both the Force objectives and emerging operational risk issues;
- Operational Commanders conference where operational matters can be discussed, risks identified and solutions found;
- The force engages with the National Police Chiefs Council to ensure that standards defined in the Strategic Policing requirement are met and the operational response from Lincolnshire Police is capable of adding to the national effort to meet the extremis needs of the country;
- The Community Safety Partnership Control Strategy.

4.6 Decision making structures for establishing priorities and considering strategic issues facing the Force:

- Internal departmental management teams establishing business plans;
- Chief Officer Team (COT) and the Force Executive Board;
- Chief Officers share and discuss key issues with senior staff;
- Reporting to the Police and Crime Strategic Board (PCSB); monthly monitoring of the financial plans to COT and PCSB and an annual governance report is provided to the PCC, detailing the years' activity with regard to the financial and contract regulations, procurement, insurance, debtors and treasury management, and providing an overview of decisions made and their justification. The Procurement, ICT, HR and Asset Strategies are also examined by this Board;

- Feedback from the public and other local stakeholders.

In line with the Chief Constable's strategic plan "Making Lincolnshire Safe", the governance structure of the force includes an Executive Board which oversees the delivery of the strategy as a whole and five boards which operate as sub-committees of the Executive Board as follows:-

- Performance Board
- Capability Board
- People Board
- Culture Board
- Communities & Partnerships Board

These five Boards each manage performance against the relevant delivery plans for their respective responsibilities and report by exception to the Executive Board.

- 4.7 The Strategic Partnership contract with G4S ended on 31st March 2022. The exit and transition to the new arrangements on 1st April 2022 was managed by the Future Services Programme (FSP) Board. The majority of the services provided by G4S transferred to Lincolnshire Police, with only Custody and Cleaning services outsourced. The FSP continued into 2022/23 to ensure a smooth transition and to embed the new organisational structure. This was completed in 2023/24.
- 4.8 There is a high level of external scrutiny of organisational affairs by a variety of bodies including:
- Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS);
 - External Audit;
 - HM Revenue and Customs;
 - Internal Audit;
 - local communities; and
 - the media.
- 4.9 A National Code of Ethics for the Police Service, developed by the College of Policing, and embedded and enshrined by Parliament; applies to all forces that are required to embed the Code. The Code applies to every individual who works in policing in England and Wales, whether a warranted officer, police staff, volunteer or someone contracted to work in a police force. It is the written guide to the principles that every member of the policing profession is expected to uphold and the standards of behaviour they are expected to meet and is seen as the foundation document for promoting, reinforcing and supporting the highest personal standards from everyone who works in the policing profession. All employees have been issued with a copy of this code; the Code of Ethics sits alongside the values established in the Force culture (Courageous, Open, Fair and Inclusive), in providing the Force with an ethical framework to make decisions.



- 4.10 The Code of Ethics is based on nine policing principles and ten standards of professional behaviour that will help everyone in policing to do the right thing in the right way. It spells out what the profession expects of all officers, staff and others working in policing, and has practical examples for everyone to use daily.

5. Risk Management

- 5.1 Lincolnshire Police has a risk management strategy and process in place that effectively manages risk against its business in order to ensure it operates under the sound principles of Corporate Governance.
- 5.2 Effective management of risk is critical to ensure the organisation maintains its services and continues to progress effectively towards achieving its strategic aims by reducing adverse impacts arising from uncertainty. Lincolnshire Police is committed to proactively identifying and dealing with the risks it faces including business risks, operational and strategic risks and threats.
- 5.3 Risk registers are a key tool in providing assurance to the Force and to the Police and Crime Commissioner (PCC) demonstrating that risks are being managed effectively through the regular and continued review of the Force Risk Register at the Risk Management Board, Senior Leadership Team meetings and the Joint Independent Audit Committee.
- 5.4 In addition to these internal assurances, there are external organisations such as internal and external auditors as well as Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) that work with the Force and the Office of Police and Crime Commissioner (OPCC) to ensure the risk management process is effective and robust.
- 5.5 Any negative outcome of internal or external audit is reviewed by the Force and plans are put in place to address the issues and ensure improvements are made.

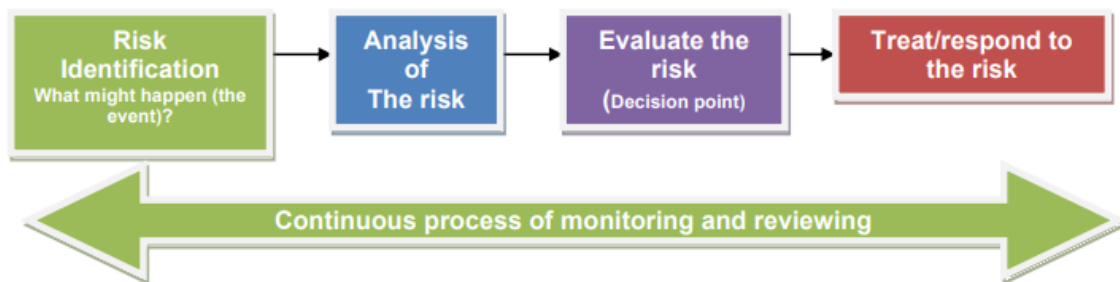
- 5.6 The Force risk register and process is owned by the Deputy Chief Constable of Lincolnshire Police with delegated responsibility to the Head of Strategic Development to manage the policy and processes on behalf of the Deputy Chief Constable.
- 5.7 The Risk Policy and Review Officer is responsible for managing the risk management process on behalf of the Head of Strategic Development and will maintain the policy and processes on their behalf.
- 5.8 It is the responsibility of all heads of departments and business areas to ensure they manage risks within their own areas of authority.
- 5.9 They are responsible for identifying risks in their individual business areas and for assessing them in terms of their impact and probability of occurring. Each department and business area, as well as all force projects, will maintain a risk register.
- 5.10 The Force risk management process focuses on five levels of risk which can pass through a process of escalation depending on the scale of risk and effect it may have at either project, programme, department or force level.

Risk Level	Description
Force	<ul style="list-style-type: none"> • Risks at the highest level. • They are so significant that they threaten or enhance the long-term achievement of corporate objectives. • Will be discussed at Risk Management Boards, Senior Leadership Team meetings and the Joint Independent Audit Committee. • Departments/Business Areas will escalate risks from their departmental risk register which have become force risks, through the Risk Management Board, for inclusion on the Force Risk Register.
Department/ Business Area	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of department or business area objectives. • Will be discussed at Senior Management Team meetings. • Escalated up through the Risk Management Board if they pose a threat to corporate objectives and the Head of Department's limit of authority to manage the risk has been reached.
Programme	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of a programme. Will be analysed and scored in relation to the programme. • Will be discussed at Programme Board meetings. • Escalated through the Risk Management Board if they pose a threat to corporate objectives, and the Programme Manager's limit of authority to manage the risk has been reached.

Project	<ul style="list-style-type: none"> • Risks that threaten or enhance the delivery of a specific project. • Will be analysed and scored in relation to the project. • If they are serious enough to impact on the Programme and the Project Manager's limit of authority has been reached, they should be escalated to Programme level.
Operational	<ul style="list-style-type: none"> • Risks concerning the day-to-day issues that Lincolnshire Police is confronted with as it strives to deliver its objectives. • Only escalated to the Force Risk Register if they pose a threat to corporate objectives.

5.11 In implementing risk management the Force has produced a Risk Management Strategy which details the roles and responsibilities of those involved in the undertaking risk management in the Force. It follows a set standard and process for risk management to ensure a consistent approach is adopted across the whole organisation. The Risk Management Strategy is reviewed by JIAC.

5.12 There are four key steps to the risk management process which are shown in the following flow chart:



5.13 Consistent risk management will allow the Force to plan effectively in the delivery of its outputs by knowing what circumstances that could prevent it from achieving its aims, and by putting in to place measures to prevent risk form occurring, therefore, saving time and resources.

5.14 The Force Risk Management Board is responsible for the following:

- Determining if risks are critical to the Force;
- Managing and developing the risk management process;
- Review risk assessments of potential force risks;
- Monitor red and amber risks on a quarterly basis;
- Assigning Risk Owners to a risk depending on the risk assessment score;

- Providing visible leadership and commitment to the Force risks and risk management process throughout the organisation;
- Ensuring programme and project assurance.

5.15 Membership and terms of reference of the Force Risk Management Board are set out within the Force Risk Management Policy. Lincolnshire Police has an established post of Force Risk Officer whose duties include maintaining the Force Strategic Risk Register and advising on the total risk to which the Force is exposed. Risk focal points within each division and department have also been nominated.

The PCC and the Force maintain an extensive assurance map in conjunction with the strategic risk registers and process risks. The assurance map is based on the three lines of defence approach and is suitably comprehensive and effective for the purpose of assuring on established mitigations and scoring of strategic risks. Operational managers across the business provide the first line of defence by owning and managing risks. Functions that oversee risks, such as risk, compliance, financial and IT controls provide a second line of defence. Functions that provide independent assurance over risks, include internal audit, external audit and other sources of external scrutiny such as HMICFRS inspections.

Review of Effectiveness

- 5.16 The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. This annual governance statement (AGS) provides a summary of activities undertaken and areas for continuous improvement identified through the Force review of the governance arrangements; these have been included in the action plan for delivery in 2023-24.
- 5.17 This review aims to confirm whether current arrangements are fit for purpose and is presented to the Joint Assurance Group and Joint Internal Audit Committee. The review also provides updates and confirmation regarding the completion of areas for improvement identified in the annual governance statement.
- 5.18 This review has been informed by the work of the Deputy Chief Constable (DCC) and the Director of Finance and Corporate Services together with managers within the Force who have the responsibility for the development, maintenance and operation of the governance environment.
- 5.19 On an ongoing basis governance is monitored and reviewed via a range of mechanisms. These range from formal meetings (in areas such as Force performance board, project management arrangements and conduct oversight from the Professional Standards Department) to the operation of management teams at corporate, area and service level.

Joint Independent Audit Committee (JIAC)

- 5.20 The Commissioner and Chief Constable have a Joint Independent Audit Committee (JIAC). 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.

- 5.21 The JIAC has received and considered information and 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, based on the work undertaken in the year, on the adequacy and effectiveness of the assurance framework, risk management, internal control and governance. The External Auditor provides an opinion on the financial statements/value for money.
- 5.22 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.
- 5.23 The Committee aims to ensure there is continuous improvement in the process and receives regular updates on progress to address the areas for improvement.
- 5.24 Assessments and recommendations made by the internal and external auditors and other review agencies and inspectorates have informed this review.

Internal Audit Function

- 5.25 Under the Accounts and Audit (England) Regulations 2015, the PCC and Chief Constable are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital role in advising the PCC and Chief Constable that these arrangements are in place and operating effectively.
- 5.26 The internal audit function is carried out by Mazars LLP for both the PCC and Chief Constable. Audit reviews are undertaken in line with an annual internal audit plan, which is reviewed by the JIAC.
- 5.27 Internal audit reviews throughout the year identified a number of areas for improvement, to further enhance the force governance arrangements. The actions to achieve these improvements are monitored by the Deputy Chief Constable and reported to the JIAC.
- 5.28 Mazars LLP were appointed internal auditors for the 3 years up to 31 March 2022 with a further 12 month extension being agreed by the East Midlands regional CFO's up to 31 March 2023. A full procurement tender exercise was carried out during the year and a new framework agreement made with Mazars LLP for an initial period of 3 years from 1 April 2023 with an option to extend by a further 12 months.
- 5.29 Management have agreed recommendations to address all the findings reported by the internal audit service during the 2023/24 year.

- 5.30 Mazars LLP will present the Internal Audit Annual Report for 2023/24 in respect of the Chief Constable of Lincolnshire and the PCC for 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].”

- 5.31 Of the 12 internal audits undertaken during the year for the PCC and Chief Constable Group, where a formal assurance level was provided, 4 received a substantial level of assurance and 4 audits received a satisfactory level of assurance. 4 audits received a limited level of assurance.

Internal Audit Reports with Substantial Assurance:

- PCC Grant Funding
- PCC Commissioning
- Firearms Licensing
- Core Financials

Internal Audit Reports with Moderate Assurance:

- Workforce Planning
- Procurement
- Governance
- Health & Care Department

Internal Audit Reports with Limited Assurance:

- Learning & Development
- Business Continuity & Emergency Planning
- Health & Safety
- IT Identity Access Management

- 5.32 A total of 47 new recommendations were made during the year at the Force and OPCC, with 8 recommendations categorised as “High” priority, 19 recommendations categorised as “Medium” priority and 20 recommendations categorised as “Low” priority.
- 5.33 Management agreed recommendations to address all the findings reported by the internal audit service during 2024-25.
- 5.34 Regular Public Assurance meetings consider police performance and the Police and Crime Strategic Board (PCSB) considers financial and people resources. The PCSB

also considers long term strategy development, the assurance map, significant and emerging risk areas and the Chief Constable's report.

Governance review

5.35 The effectiveness of the governance framework is reviewed annually by the Chief Constable. The review has been informed by:

- Consideration of the Chief Constable's risk management regime;
- The code of corporate governance;
- The Integrated Scheme of Governance (ISG) which includes the Scheme of Consent, Commissioner's and Chief Constable's Schemes of Delegation and the Financial and Contract regulations;
- Consideration of the Commissioner and Chief Constable's joint assurance map (through both developmental and embedded stages);
- HMICFRS reporting and inspection work;
- External and internal auditors and their formal reporting;
- Managing change, developing our policing model to meet threat, risk and harm and new technologies, all of which are discussed at the Capability Board;
- Feedback received from the JIAC.
- The PEEL Inspection programme conducted by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) scrutinises all 43 police forces in England and Wales and examines their Police Efficiency, Effectiveness and Legitimacy providing comparable grades for each of the 43 forces in England and Wales.

External scrutiny

5.36 The latest PEEL inspection grades were received by the force in March 2023 these grades relate to the forces' performance in 2021/22. For that PEEL exercise the HMICFRS moved to a more intelligence-led, continual assessment model, and they also changed their approach to the graded judgements, expanding their previous four-tier system to five tiers as follows:

- Outstanding
- Good
- Adequate
- Requires improvement
- Inadequate

However, these changes mean it not 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.

5.37 Within the 2021-22 PEEL inspection report published in March 2023, HMICFRS made graded judgements about how good Lincolnshire Police is in for 9 out of 10 areas of policing force as follows:

Outstanding	Good	Adequate	Requires improvement	Inadequate
		Preventing crime	Investigating crime	
		Treatment of the public	Recording data about crime	
		Protecting vulnerable people	Responding to the public	
		Developing a positive workplace	Managing offenders	
			Good use of resources	

HMICFRS also inspected how effective a service Lincolnshire Police gives to victims of crime but they don't make a graded judgement in that overall area.

The HM Inspector of constabulary's observations noted:

"I am satisfied with some aspects of the performance of Lincolnshire Police in keeping people safe and reducing crime, but there are areas where the force needs to improve."

5.38 The findings from the 2021/22 PEEL assessment considered most important by HMICFRS included acknowledgement that the culture of the force had improved since the last inspection and a number of areas were identified to improve upon. These will be addressed in action plans going forward to achieve the following:

- Improvements in crime recording processes
- Improvements to how the force responds to the public and manages capacity of call handling teams
- Improving consistency of the supervision of investigations for the force to be able to give victims a good service
- Improvements in how the force scrutinises officers' use of force
- Improved management of sex offenders

5.39 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.

- 5.40 The force is making progress to address all of the above matters and further enhance our governance arrangements.
- 5.41 Outside of the PEEL regime the force did not receive any further inspection visits specifically relating to the force.
- 5.42 The next PEEL inspection in accordance with the HMICFRS 2023-25 plan will commence in April 2024 with the major fieldwork scheduled for October 2024. The final report is expected about March 2025.

Assurance on controls

- 5.43 Assurance on the effectiveness of the Chief Constable's financial controls has been provided by the Director of Finance and Corporate Services who was 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 CFO in Local Government (2014).

The Integrated Scheme of Governance (ISG) reflects the governance arrangements arising from the Police Reform and Social Responsibility Act 2011. The JIAC is consulted on the scheme and its content as part of an annual review.

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.

- 5.44 The Chief Constable's risk management arrangements are well developed and well embedded. The JIAC reviews the Chief Constable's risk management strategy on an annual basis and monitors the Chief Constable's strategic Risk Register quarterly. The Chief Constable considers and reviews risk on a monthly basis through management meetings.
- 5.45 The Chief Constable and the Commissioner have a joint Anti-fraud and Corruption Policy in place which has been reviewed during the year. Quarterly meetings of the Anti-Fraud and Corruption Board ensure that current and emerging risks and issues in relation to anti-fraud and corruption are regularly discussed and reviewed. The JIAC are kept abreast of any issues arising. In addition, a joint fraud risk register has been developed to help in proactively identifying and assessing current and emerging fraud

risks and potential actions to mitigate the risks identified. Mandatory training on counter corruption continued to be delivered to all staff and officers across the organisations via the College of Police e-learning system; raising awareness of issues surrounding police corruption and misconduct. The Joint PCC and Chief Constable's Police and Crime Strategic Board (PCSB) adopted the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption published in 2014 and has implemented an effective anti-fraud and corruption strategy. An assessment of the Force capability has been made against the adopted CIPFA code.

- 5.46 Having considered all the principles, the Professional Standards Department are satisfied that, the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- 5.47 CIPFA's Financial Management Code (FM Code 2019) provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that policing bodies are managing resources effectively, regardless of their current level of financial risk. A self-assessment of the CC's compliance with the code has been undertaken and 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.
- 5.48 The Chief Constable 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 Chief Constable from achieving their objectives. Risk registers are a key tool in providing assurance to the force and to the Police and Crime Commissioner (PCC) that risks are being managed effectively. Assurance is achieved through the regular and continued review of the force risk register at the Risk Management Board, and the Joint Independent Audit Committee.
- 6.2 All significant governance issues occurring during the year, have been addressed through the risk register.
- 6.3 The force assurance map is recognised by the Chief Constable and the PCC as a vital tool for effective corporate governance. It provides timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues; it also provides a cohesive and comprehensive view of assurance across the risk environment. The assurance map provides much of the evidence base for this annual governance statement. The force assurance map is an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Independent assurance is also provided by the JIAC.

- 6.4 An assurance map is a structured means of identifying and mapping the main sources and types of assurance in an organisation across the three lines of defence and coordinating them to best effect.
- 6.5 The force assurance map is owned by the Deputy Chief Constable (DCC) and supported by the Risk, Policy and Review Officer (RPRO), provides a dashboard view of assurance levels against each organisational theme of the force. This is a new streamlined approach which assesses individual areas against Delivering Good Governance in Local Government Framework (CIPFA) Solace governance criteria. The assurance map is reviewed fully twice a year by the DCC and is a standing agenda item on the Force Risk and Assurance Board chaired by the DCC.
- 6.6 High level risks on the assurance map are considered on a quarterly basis at a quarterly Risk Management Board which consists of all the key risk owners, to support the continuous assessment of the effectiveness of the management of risk and internal control. The Force's Risk Register is reviewed monthly by the Deputy Chief Constable and the Force Risk, Policy and Review Officer.
- 6.7 The Chief Constable's significant governance issues are detailed below and include an outline of the actions taken or further work that is required to address the issues. Significant governance issues are reported to the JIAC at least 4 times each year.
- 6.7.1 ***Risk of failure to persuade government of Lincolnshire's case for a more equitable share of national funding.***

The central government grant that Lincolnshire receives is well below the national average and this was acknowledged in the Home Office Core Grant Distribution Review, which considered potential changes to the police funding formula. The long-awaited review of the funding formula is yet to be concluded; therefore, it is still unclear what the change will be and when this will be finalised or implemented. This means that Lincolnshire Police will continue to face the challenge of delivering services with a lower level of funding than comparable forces for this and future financial years. Lincolnshire Police will face an increasing budgetary gap which will necessitate the use of reserves and a robust savings plan to deliver a balanced budget position, placing service delivery at risk.

- 6.7.2 ***Risk of failure to achieve and demonstrate efficiencies and value for money.***

The PCC and Chief Constable both have a statutory duty to make the best use of resources available to them. The capital programme continues to support this by investing in equipment and technology which improves operational efficiency such as vehicle replacement, mobile devices, video technology, infrastructure upgrades and exploring and exploiting emerging technologies to apprehend criminals faster than before. 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.

- 6.7.3 ***Risk of failure to deliver and demonstrate Value for Money in regional collaboration.***

The PCC and Chief Constable collaborate with the East Midlands region in many operational and back office areas. Regional Collaboration arrangements are subject to robust review and scrutiny to achieve agreement on service delivery and related budgets. 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.

6.7.4 Risk of failing to deliver a new Enterprise Resource Planning (ERP) system concurrent with a sufficiently supported outgoing system.

The current ERP system, tPolice, is at the end of life stage of use and is out of support with the supplier. Market driven support has been secured and extended to December 2024. The force has defined the requirements for a replacement ERP system which feeds into procurement activity to find a suitable new system. This system will support crucial enabling functions including Finance, HR and Procurement. A replacement ERP will ensure we have a fully supported and fit-for-purpose system which increases the effectiveness and efficiency of data management and reporting capability.

7 Information Risk

7.1 The Force Information Risk Appetite remains set as OPEN;

Willing to consider all options and choose the one that is most likely to result in successful delivery minimising residual risk as far as possible, while also providing an acceptable level of business benefit.

7.2 The Force continues to progress its work on information security and there is an Accreditation Programme in place for IT systems.

7.3 All officers and staff have completed online Data Protection and Managing Information training courses.

7.4 Information strategy and policy is approved and deployed by the Information Management Board, who also oversee information and data quality issues, including information risk. The Board is chaired by the Senior Information Risk Owner (SIRO) and any information risks that are outside of the Force risk appetite are escalated to Chief Officer Team as necessary.

7.5 Information Asset Owners are aware of their responsibilities with regard to risk within their area of responsibility, with a clear escalation path through the Force Information Management Board and Risk Management Board to the SIRO. Additionally, the Information Management Board discusses information risk as an agenda item. All Information Asset Owners have completed detailed risk assessments on all of their systems. They have also undertaken Information Asset Owner specific online information assurance training.

7.6 Regular weekly meetings between the Information Assurance and IT staff continue to ensure that risks identified through IT Health Checks or system accreditation are mitigated in an appropriate timeframe.

8 Future Plans

- 8.1 Over the coming year, our plans will continue to address the above matters and to further enhance our governance arrangements. These steps will address the need for improvements that were identified in the review of effectiveness and their implementation will be monitored as part of our next annual review.

9 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 current arrangements and plans for improvement within Lincolnshire Police.

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

Paul Gibson
Chief Constable of Lincolnshire

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 Chief Constable of Lincolnshire for the financial year 2023/24. This Statement of Accounts sets out the overall financial position of the Chief Constable for Lincolnshire for the year ended 31 March 2024.

The Chief Constable of Lincolnshire is responsible for providing operational policing services to a population in excess of 770,000 dispersed across a large geographical area of 590,000 hectares.

The Police and Crime Commissioner (PCC) for Lincolnshire determines the level of funding allocated to the Chief Constable for the provision of policing services within Lincolnshire.

The police grant for 2023/24 in Lincolnshire increased by only £0.2m (0.3% increase) compared with 2022/23. Pension top-up grant of £1.2m was provided by government to meet the increased costs of employer pension contributions in respect of the police officer pension scheme. In addition, there was potential for Lincolnshire to claim up to a further £2.3m of specific grant funding in respect of the national Police Uplift Programme (PUP) dependent upon delivering the recruitment target for 2023/24 and expenditure being in accordance with grant conditions.

The PCC increased the council tax precept by the maximum amount allowed by government without triggering a local referendum. The precept referendum limit allowed an increase of up to an additional £14.94 per annum for a Band D property (or appropriate proportion for other property bands). This increase in the precept provided an additional £4.27m in council tax receipts when compared with 2022/23.

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 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 causes of the Covid-19 pandemic, war in Ukraine and the soaring cost of living continue to reverberate across the world. The UK economy is predicted to 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 Chief Constable is responsible for operational policing within Lincolnshire, with the PCC being responsible for the totality of policing.

The Chief Constable holds joint responsibility with the PCC for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To discharge this accountability, the PCC and Chief Constable must put in place 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.

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 the requirements for policing Lincolnshire in accordance with the Police and Crime Plan. The Chief Constable spends his delegated budget to provide the operational policing services in Lincolnshire.

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.

These Financial Statements reflect the cost of providing operational policing, with the PCC's accounts showing a commensurate transfer of resources to the Chief Constable. A separate set of accounts has been published for the PCC and the PCC Group, which consolidates the Chief Constable's accounts and also recognises all of the transactions incurred during 2023/24 for policing in Lincolnshire.

Lincolnshire Police is one of five regional forces in the East Midlands and works closely with the other four across 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 16.

Performance

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 – a slight 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 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 leader's 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

A summarised statement of the actual net expenditure compared to the approved original budget for the year is set out below:

	2022/23	2023/24
Chief Constable for Lincolnshire	£m	£m
Original Delegated Budget	110.2	146.3
Revised Budget (June 2023/24)	135.0	146.1
Outturn	133.2	147.6
(Underspend)/Overspend to revised budget	(1.8)	1.4

The Chief Constable actual expenditure in 2023/24 was £1.4m overspent against the June revised budget. There were a number of significant variances across the whole budget, both favourable and adverse which included 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.
- 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.

Capital Expenditure

Capital expenditure is undertaken by the PCC as the Chief Constable does not hold any assets. Information relating to assets held and capital expenditure incurred during the year, together with the historical debt position, is included within the PCC accounts. The Chief Constable uses the assets held by the PCC for operational policing.

In order to provide the assets (buildings, vehicles and equipment) required for operational use by the Chief Constable, the PCC spent £6.6m in 2023/24 which included:

- £1.3m Estates projects (Gainsborough Heat Pump, Occupational Health Unit)
- £2.1m ICT projects (End Point Devices, WIFI/Network upgrade)
- £1.9m Vehicles

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

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 £7.9m, there are no plans to use this to balance the 2024/25 budget, however it may become necessary to do so beyond next year.

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.

In the context of general financial risk and continuing uncertainty post pandemic, the need for sound financial control is further emphasised. The role of the Director of Finance & Corporate Services (S151) in supporting the Chief Constable and his team is key to delivering this.

Principal Risks

The principal risks facing the Chief Constable 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 main principles on the setting of the budget are as below:

- The Chief Constable's baseline budget is based on strength of 1,186 police officers which is the pre uplift target establishment of 1,020 FTE plus all three tranches of the national uplift programme. The grant settlement included £3.5m contingent on maintaining the uplift target with headcount being assessed at 31 March 2025 and 30 September 2024 meaning that this income would be at risk should the force fail to maintain the Police Uplift Programme (PUP) officer numbers.

- The current establishment of PCSOs is 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.
- 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.
- 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.

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.

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.

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 for the Chief Constable set out the 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.

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 these Financial Statements. 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 usable and unusable reserves from the start of the financial year to the end of the year. As the Chief Constable does not hold any usable reserves, no movements are shown in respect of usable reserves. Movements are shown in unusable reserves which relate to pension accounting.
- **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 reserves held. The only reserve balance is the pension reserve.
- **Cash Flow Statement** – this summarises the movement in cash and cash equivalents arising from transactions during the year. As the Chief Constable does not manage these transactions, the statement shows no movement in overall funds. However, a statement has been prepared in accordance with accounting requirements which shows the movement in the deficit and how this relates to non-cash movements within the PCC Group.

Supplementary Statements

- Annual Governance Statement – the Chief Constable 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 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

Sharon Clark

Sharon Clark FCA BA
Director of Finance & Corporate Services (S151) for Chief Constable

Statement of Responsibilities for the Statements of Accounts

This section explains the Chief Constable’s responsibilities for the stewardship of his financial affairs.

<p>Responsibilities of the Chief Constable</p> <p>The Chief Constable is required to:</p> <ul style="list-style-type: none"> • make arrangements for the proper administration of the financial affairs of Lincolnshire Police and to secure that one of its officers has the responsibility for the administration of those affairs, which for the Chief Constable is the Force Chief Finance Officer; • to manage affairs of Lincolnshire Police to secure economic, efficient and effective use of resources and to safeguard its assets; and • approve the Statement of Accounts. 	<p>Responsibilities of the Director of Finance & Corporate Services</p> <p>The Director of Finance & Corporate Services is responsible for the preparation of the Chief Constable’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 Director of Finance & Corporate Services 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 Chief Constable’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 Chief Constable 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 the unaudited Statement of Accounts.</p>	<p>I certify that the Financial Statements present a true and fair view of the financial position of the Chief Constable for Lincolnshire as at 31 March 2024 and the Income and Expenditure for the year then ended.</p>
<p>Chief Constable for Lincolnshire Date 31 May 2024</p>	<p><i>Sharon Clark</i></p> <p>Director of Finance & Corporate Services (S151) Date 31 May 2024</p>



**Independent Auditor's Report to the Chief Constable for
Lincolnshire**

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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				2023/24		
Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	Note	Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
155,993	(4,834)	151,159		176,120	(25,656)	150,464
1,823	-	1,823		2,428	-	2,428
157,816	(4,834)	152,982		178,548	(25,656)	152,892
1,267	-	1,267	8	1,257	-	1,257
-	43,424	43,424	9	-	50,769	50,769
(159,083)	-	(159,083)	11	(179,805)	-	(179,805)
-	38,590	38,590	5	-	25,113	25,113
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-

Comprehensive Income and Expenditure Statement 2023/24

The Income and Expenditure statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards.

2022/23				2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
163,494	(12,335)	151,159		162,252	(11,788)	150,464
1,841	(18)	1,823		2,459	(31)	2,428
165,335	(12,353)	152,982		164,711	(11,819)	152,892
2,058	(791)	1,267	8	2,040	(783)	1,257
43,424	-	43,424	9	50,769	-	50,769
-	(159,083)	(159,083)	11	-	(179,805)	(179,805)
210,817	(172,227)	38,590		217,520	(192,407)	25,113
-	(568,182)	(568,182)	15	-	(38,554)	(38,554)
-	(568,182)	(568,182)		-	(38,554)	(38,554)
210,817	(740,409)	(529,592)		217,520	(230,961)	(13,441)

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 requires that the Comprehensive Income and Expenditure Statement 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.

Movement in Reserves Statement 2023/24

The Movement in Reserves Statement shows the movement in the year on the unusable reserves held by the Chief Constable. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, further details are shown in the Comprehensive Income and Expenditure Statement.

	Capital Receipts Reserve £000	Earmarked Reserves £000	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Chief Constable Reserves £000
Balance at 31 March 2022	-	-	-	-	(1,615,128)	(1,615,128)
Movement in Reserves during 2022/23						
Surplus or (Deficit) on the provision of services	-	-	(38,590)	(38,590)	-	(38,590)
Other Comprehensive Income and Expenditure	-	-	-	-	568,182	568,182
Total Comprehensive Income and Expenditure	-	-	(38,590)	(38,590)	568,182	529,592
Adjustments between accounting basis and funding basis under regulations (Note 7)	-	-	38,590	38,590	(38,590)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	-	-	-	-	529,592	529,592
Transfers to/from Earmarked Reserves	-	-	-	-	-	-
Increase/(Decrease) in 2022/23	-	-	-	-	529,592	529,592
Balance at 31 March 2023 carried forward	-	-	-	-	(1,085,536)	(1,085,536)
Movement in Reserves during 2023/24						
Surplus or (Deficit) on the provision of services	-	-	(25,113)	(25,113)	-	(25,113)
Other Comprehensive Income and Expenditure	-	-	-	-	38,554	38,554
Total Comprehensive Income and Expenditure	-	-	(25,113)	(25,113)	38,554	13,441
Adjustments between accounting basis and funding basis under regulations (Note 7)	-	-	25,113	25,113	(25,113)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	-	-	-	-	13,441	13,441
Transfers to/from Earmarked Reserves	-	-	-	-	-	-
Increase/(Decrease) in 2023/24	-	-	-	-	13,441	13,441
Balance at 31 March 2024 carried forward	-	-	-	-	(1,072,095)	(1,072,095)

Balance Sheet as at 31 March 2024

The Balance Sheet provides the value of assets and liabilities recognised by the Force for the Chief Constable. The net assets are matched by the reserves held. The only reserve balance for the Chief Constable is the pension reserve.

2022/23 £000	Note		2023/24 £000
-		Property, Plant and Equipment	-
-		Investment Property	-
-		Intangible Assets	-
-		Assets Held for Sale	-
-		Long-Term Assets	-
-		Short-Term Investments	-
-		Inventories	-
2,503	12	Short-Term Debtors	2,821
-		Cash and Cash Equivalents	-
-		Short-Term Investments	-
2,503		Current Assets	2,821
-		Short-Term Borrowing	-
(2,503)	13	Short-Term Creditors	(2,821)
-		Other Short Term Liabilities	-
(16)	14	Short-Term Provisions	(17)
-		Capital Grants Receipts in Advance (< 1 yr)	-
(2,519)		Current Liabilities	(2,838)
-		Long-Term Borrowing	-
(1,085,458)	24	Pension Liabilities	(1,072,028)
-		Other Long-Term Liabilities	-
(62)	14	Long-Term Provisions	(50)
(1,085,520)		Long-Term Liabilities	(1,072,079)
(1,085,536)		Net Assets	(1,072,095)
-		Usable Reserves	-
(1,085,536)	15	Unusable Reserves	(1,072,095)
(1,085,536)		Total Reserves	(1,072,095)

The Police and Crime Commissioner's Scheme of Delegation limits the entries required in the Chief Constables Balance sheet. All entries relating to the Police and Crime Commissioner and Chief Constable Group are shown in the Police and Crime Commissioner's Financial Statements.

These unaudited accounts were signed on 31 May 2024.

Sharon Clark

Sharon Clark FCA BA

Director of Finance & Corporate Services (S151) for Chief Constable

Cash Flow Statement 2023/24

The Cash Flow Statement does not show any cash flows for the year, as all payments were made from the PCC's accounts. Similarly, all income and funding is received into the PCC's accounts.

2022/23 £000	Note		2023/24 £000
38,590		Net Deficit on the Provision of Services	25,113
(38,590)	16	Adjustments to net deficit on the provision of services for non-cash movements	(25,113)
-		Adjustments for items included in the net deficit on the provision of services that are investing and financing activities	-
-		Net Cash (Inflows) or Outflows from Operating Activities	-
-		Investing Activities	-
-		Financing Activities	-
-		Net (Increase) or Decrease in Cash and Cash Equivalents	-
-		Cash and Cash Equivalents at the Beginning of the Reporting Period	-
-		Cash and Cash Equivalents at the End of the Reporting Period	-

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Notes to the Accounts

1. Accounting Policies

1.1. General Principles

The Statement of Accounts summarises the Chief Constable's transactions for the 2023/24 financial year and its position at the year end of 31 March 2024. The Chief Constable 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.

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 Estimates 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 Chief Constable'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. In particular:

- 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.

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

The Chief Constable does not own any non-current assets. All capital equipment used in operational policing is procured and owned by the PCC, under the agreement that control, in particular usage and responsibility for maintenance, is delegated to the Chief Constable under the PCC Group's existing scheme of delegation.

1.5. Provisions

Provisions are made where an event has taken place that gives the Chief Constable 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 Chief Constable 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 Chief Constable 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 Chief Constable settles the obligation.

1.6. 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 Chief Constable. 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 Chief Constable discloses these obligations in the narrative notes to the accounts if greater than £100k.

These amounts are not recorded in the Chief Constable'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.

1.7. Contingent Assets

A contingent asset is where there is a possible transfer of economic benefit to the Chief Constable 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 Chief Constable.

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

1.8. Cost of Overheads and Support Services

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

1.9. Value Added Tax (VAT)

The Chief Constable does not submit a VAT return. The PCC submits a single VAT return on behalf of the Group. Expenditure in the Comprehensive Income and Expenditure Statement excludes any amounts relating to VAT as it is all remitted to / from HM Revenue and Customs.

1.10. 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 for which the Statement of Accounts is adjusted to reflect such events;
- Those that are indicative of conditions that arose after the reporting period for which 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.

1.11. 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 Chief Constable.

1.12. 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 Chief Constable when there is reasonable assurance that:

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

Amounts recognised as due to the Chief Constable 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.

1.13. Reserves

1.13.1. Useable Reserves

The Chief Constable does not maintain usable reserves. Its main source of income in the year is an intra-group transfer from the PCC, which is matched to its net resources expended, with all additional surplus or deficit held by the PCC.

1.13.2. Unusable Reserves

The Chief Constable keeps a pensions reserve to maintain the accounting processes for retirement benefits and the related provisions. These reserves do not represent usable resources for the Chief Constable.

1.14. Employee Benefits

1.14.1. 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 Chief Constable. A provision is made for the cost of unused leave earned by employees, but not taken before the year-end.

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 absence occurs.

1.14.2. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable 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 Chief Constable can no longer withdraw the offer of those benefits or when the Chief Constable 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 Chief Constable 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.

1.14.3. Post-employment Benefits

Employees of the Chief Constable are members of two separate pension schemes:

- The Police Officer Pension Scheme, for which the scheme manager is the Chief Constable;
- The Local Government Pensions Scheme, 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.

1.14.4. 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 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 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 Chief Constable are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price;
 - Unquoted securities – professional estimate;
 - Unitised securities – current bid price;
 - Property – market value.

1.14.5. 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).

1.14.6. 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 Chief Constable (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).
- Remeasurements 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 Chief Constable 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 thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

1.14.7. Discretionary Benefits

The Chief Constable 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.

1.15. Police Officer Pensions – Home Office Memorandum Account

From 1 April 2006 the Home Office changed the methods of financing police pensions. Effectively the Chief Constable has continued to make payments but accounts for these outside of these accounts in a separate memorandum account, which is reported in a supplementary statement in these accounts.

1.16. 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 Chief Constable accounts for only its 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.

2. Judgements in applying Accounting Policies

In applying the accounting policies set out in Note 1, the Chief Constable 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:

- 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; however, the Code says not to include them. 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 Chief Constable and the Director of Finance & Corporate Services have concluded that this approach presents a true and fair view of the Chief Constable's financial position, financial performance and cash flow;

3. Assumptions made about the future and other major sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the entity 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 Chief Constable's 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 pensions' assets and liabilities. Hence, these are considered separately.

3.1. Estimation of Uncertainties

Item	Uncertainties	Effect if actual results differ from assumptions
Pension liability £1,012,896k	<p>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.</p> <p>A firm of consulting actuaries is engaged to provide the Chief Constable with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions have been measured and described in the tables below.</p> <p>The tables give an indication of the impact of changes in the main assumptions but are not an exhaustive list of the variables involved.</p>
Actuarial Assumptions £1,012,896k	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.
Accumulated Absences £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.

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	59,947	65,136	66,533	67,972	74,187
Projected Service Cost	4,930	5,647	5,841	6,042	6,916
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	67,241	66,672	66,533	66,396	65,863
Projected Service Cost	5,861	5,845	5,841	5,838	5,822
Adjustment to pension increase and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	73,607	67,862	66,533	65,244	60,462
Projected Service Cost	6,947	6,045	5,841	5,644	490
Adjustment to life expectancy assumptions		+ 1 year	None	- 1 year	
Present value of total obligation		68,498	66,533	64,626	
Projected Service Cost		6,057	5,841	5,632	

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 2024/2 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. Note to the Expenditure and Funding Analysis

2022/23					2023/24			
Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments	Note	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
-	(4,834)	-	(4,834)	Chief Constable	-	(25,656)	-	(25,656)
-	-	-	-	Joint Services	-	-	-	-
-	(4,834)	-	(4,834)	Cost of Services	-	(25,656)	-	(25,656)
-	-	-	-	8 Other Operating Expenditure	-	-	-	-
-	43,424	-	43,424	9 Financing and Investment Income and Expenditure	-	50,769	-	50,769
-	38,590	-	38,590	Difference between General Fund Surplus or Deficit and CIES Surplus or Deficit	-	25,113	-	25,113

6. Expenditure Analysed by Nature

2022/23 £000	Expenditure and Income	2023/24 £000
	Expenditure	
59,245	Police Pay and Allowances	62,829
43,635	Police Staff Pay and Allowances	45,374
2,557	Other Employee Expenses	3,614
2,052	Police Pensions	2,199
29,163	Pension costs inc IAS19	20,599
4,877	Premises	5,146
2,213	Transport	2,107
18,875	Supplies and Services	19,610
2,719	Third Party Payments	2,557
-	Revaluation Movement	675
1,255	Precepts and levies	1,213
803	Seconded Officers (net)	827
43,424	Interest and investment expenditure	50,769
210,816	Total expenditure	217,519
	Income	
(11,521)	Fees, charges and other service income	(10,833)
(832)	Other Grant Income	(986)
(791)	Seconded Officers	(783)
(159,083)	Intra Group financing	(179,805)
(172,227)	Total income	(192,407)
38,590	(Surplus) or Deficit on the Provision of Services	25,113

7. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by both the Chief Constable in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Chief Constable to meet future capital and revenue expenditure.

2022/23	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)	38,590	-	-	(38,590)
Council tax (transferred to or from Collection Fund)	-	-	-	-
Holiday pay (transferred to the Accumulated Absences Reserve)	-	-	-	-
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):	-	-	-	-
Total Adjustments to Revenue Resources	38,590	-	-	(38,590)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-
Administrative costs of non current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	-	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	-	-	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-	-	-
Total Adjustments between Revenue and Capital Resources	-	-	-	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-
Application of capital grants to finance capital expenditure	-	-	-	-
Total Adjustments to Capital Resources	-	-	-	-
Total Adjustments	38,590	-	-	(38,590)

2023/24	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)	25,113	-	-	(25,113)
Council tax (transferred to or from Collection Fund)	-	-	-	-
Holiday pay (transferred to the Accumulated Absences Reserve)	-	-	-	-
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):	-	-	-	-
Total Adjustments to Revenue Resources	25,113	-	-	(25,113)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-	-	-	-
Administrative costs of non current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	-	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	-	-	-	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-	-	-
Total Adjustments between Revenue and Capital Resources	-	-	-	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-
Application of capital grants to finance capital expenditure	-	-	-	-
Total Adjustments to Capital Resources	-	-	-	-
Total Adjustments	25,113	-	-	(25,113)

8. Other Operating Expenditure

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

2022/23				2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
1,255	-	1,255	Levies	1,213	-	1,213
803	(791)	12	Seconded Officers	827	(783)	44
2,058	(791)	1,267		2,040	(783)	1,257

9. Financing and Investment Income and Expenditure

2022/23				2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
43,424	-	43,424	Pensions Interest Cost and Expected Return on Pensions Assets	50,769	-	50,769
43,424	-	43,424		50,769	-	50,769

10. Grant Income

The Chief Constable credited the following grant to Comprehensive Income and Expenditure:

	2022/23 £000	2023/24 £000
Credited to Services		
Other Grant Income		
ARV Grant	(94)	(358)
Regional External Grant	(738)	(628)
Total	(832)	(986)

11. 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.

12. Debtors

2022/23 £000		2023/24 £000
	Amounts falling due within one year:	
(2,503)	PCC guarantee for accumulated absences liability	(2,821)
(2,503)	Total Debtors falling due within one year	(2,821)

13. Short-Term Creditors

2022/23 £000		2023/24 £000
(2,503)	Accumulated absences	(2,821)
(2,503)	Total Short-Term Creditors	(2,821)

14. Provisions

The Chief Constable 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	Termination Benefits of Employment £000	Total £000
Balance at 31 March 2023	(16)	(16)
Additional Provisions made in 2023/24	(1)	(1)
Amounts Used in 2023/24	-	-
Unused amounts reversed in 2023/24	-	-
Balance at 31 March 2024	(17)	(17)

Long Term Provisions	Termination Benefits of Employment £000	Total £000
Balance at 31 March 2023	(62)	(62)
Additional Provisions made in 2023/24	-	-
Amounts Used in 2023/24	12	12
Unused amounts reversed in 2023/24	-	-
Balance at 31 March 2024	(50)	(50)

The only provision in the Chief Constable's accounts is for the termination benefits of employment relating to the pension payments which are held by the Chief Constable along with the IAS19 Pension Liability.

15. Pensions Reserve

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 Chief Constable accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service. The liability recognises 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 Chief Constable makes employer's contributions to pension funds, and 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 Chief Constable 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 £000		2023/24 £000
(1,615,128)	Balance at 1 April	(1,085,536)
568,182	Actuarial gains or losses on pensions assets and liabilities	38,554
(82,283)	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	(69,297)
40,669	Employers contributions payable to scheme	44,174
-	Contributions in respect of unfunded benefits	-
3,011	Employers contributions payable to schemes - Cash Top-up	-
13	Other unfunded termination benefits	10
(1,085,536)	Balance at 31 March	(1,072,095)

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

2022/23 £000		2023/24 £000
(548)	Increase/(Decrease) in Creditors	318
548	(Increase)/Decrease in Debtors	(318)
(38,603)	Pension Liability	(25,123)
12	Contributions to Provisions	11
(38,591)	Non Cash Movements	(25,112)

17. Joint Operations

17.1. 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%).

17.2. 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 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	-
23	(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)

18. 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.

19. 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%).

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20. Remuneration of 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 receivable in the role £	Car benefits receivable in the role £	Compensation for loss of office £	Total remuneration excluding pension contribution £	Employer's pension contribution £	Total remuneration including pension contribution £
Police Officers								
Chief Constable Chris Howard		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 receivable in the role £	Car benefits receivable in the role £	Compensation for loss of office £	Total remuneration excluding pension contribution £	Employer's pension contribution £	Total remuneration including pension contribution £
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

20.1. 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	1	1
£65,000 to £69,999	1	2
£70,000 to £74,999	-	2
£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	-	-

21. Termination Benefits

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

22. Audit Costs

	2022/23 £000	2023/24 £000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	12	112
Total	12	112

23. 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 Chief Constable or, to be controlled or influenced by him. 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.

23.1. 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.

23.2. 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 Chief Constable's Comprehensive Income and Expenditure Statement.

23.3. Officers

The total remuneration to senior staff in 2023/24 is shown in Note 19. All senior officers employed by the Chief Constable 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.

23.4. Other Public Bodies

Joint Operations and Funded Partnerships are disclosed in Notes 16 and 17.

24. Retirement Benefits

24.1. Participation in pension schemes

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 who are not covered by protection or the transitional arrangements in the previous schemes 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.

24.2. 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.

24.3. 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.

24.4. Transactions Relating to Retirement Benefits

	Local Government Pension Scheme		Police Pension Scheme		Comprehensive Income and Expenditure Account	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement						
Cost of Services:						
Current service cost	(8,671)	(5,074)	(29,300)	(12,100)	(37,971)	(17,174)
Past service costs	-	(599)	(800)	(700)	(800)	(1,299)
Effect of settlements	-	-	-	-	-	-
	(8,671)	(5,673)	(30,100)	(12,800)	(38,771)	(18,473)
Other Operating Expenditure:						
Home Office Grant	-	-	(24,715)	(29,104)	(24,715)	(29,104)
Financing and Investment Income and Expenditure:						
Net interest expense	(824)	1,031	(42,600)	(51,800)	(43,424)	(50,769)
Administrative Expenses	(89)	(55)	-	-	(89)	(55)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(9,583)	(4,697)	(97,415)	(93,704)	(106,999)	(98,401)
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)	(6,111)	3,286	-	-	(6,111)	-
Actuarial gains and losses arising on changes in demographic assumptions	-	812	17,900	5,700	17,900	6,512
Actuarial gains and losses arising on changes in financial assumptions	73,474	1,293	546,900	57,200	620,374	58,493
Other experience	(23,762)	(537)	-	-	-	(537)
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	43,601	4,854	512,700	33,600	580,063	35,168
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	34,017	157	415,285	(60,104)	473,064	(63,233)
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	9,583	4,697	72,700	64,600	82,283	69,297
Actual Amount charged against the General Fund Balance for pensions in the year:						
Employers contributions payable to scheme	(4,580)	(8,274)	(42,111)	(35,900)	(46,691)	(47,185)
Contributions in respect of unfunded benefits	-	-	-	-	-	-
Employers contributions payable to schemes - Cash Top-up	-	-	3,011	-	3,011	3,011
Retirement benefits payable to pensioners	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-
Statement to the General Fund	5,003	(3,577)	33,600	28,700	38,603	25,123

24.5. 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:

Funded liabilities LGPS	2022/23 £000	2023/24 £000
Present value of the defined benefit obligation	104,256	66,533
Fair value of scheme assets	(120,977)	(84,162)
	(16,721)	(17,629)
Other movements in the liability (asset)	182	-
Net liability arising from the defined benefit obligation	(16,539)	(17,629)

Discretionary Benefits Police Pension Scheme	2022/23 £000	2023/24 £000
Present value of the defined benefit obligation	1,057,100	1,051,300
Fair value of scheme assets	-	-
	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

24.6. Reconciliation of the movements in the Fair Value of the scheme assets

LGPS	2022/23 £000	2023/24 £000
Opening fair value of scheme assets	120,710	120,977
Interest income	3,181	3,861
Administrative Expenses	(89)	(55)
Remeasurement gain / (loss):	-	-
The return on scheme assets, excluding the amount included in the net interest expense	(6,111)	3,286
Other actuarial Gains / (Losses)	-	-
Effect of changes in foreign exchange rates	-	-
Contributions from employer	4,580	8,274
Contributions in respect of unfunded benefits	-	-
Contributions from employees in the scheme	1,307	2,056
Benefits paid	(2,601)	633
Other	-	-
31 March	120,977	139,032

24.7. Reconciliation of Present Value of the scheme liabilities (defined benefit obligation)

Liabilities	2022/23	2023/24
LGPS	£000	£000
Opening balance at 1 April	154,649	104,438
Current service cost	8,671	5,074
Interest cost	4,005	2,830
Contributions from scheme participants	1,307	2,056
Re-measurement (gain) / loss:	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(812)
Actuarial (gains) / losses arising from changes in financial assumptions	(73,474)	(1,293)
Other	11,881	537
Past service cost	-	599
Losses / (gains) on curtailment	-	-
Liabilities assumed on entity combinations	-	-
Benefits paid	(2,601)	633
Liabilities extinguished on settlements (where relevant)	-	-
31 March	104,438	114,062

Unfunded liabilities	2022/23	2023/24
Police Pension Scheme	£000	£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

24.8. 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

24.9. 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 2020.

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 22, 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.

24.10. 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	(143,442)	(118,478)	(159,439)	(154,649)	(104,438)	(66,533)
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	95,794	87,426	109,975	120,710	120,977	84,162
Surplus / (deficit) in the scheme	(1,524,448)	(1,402,352)	(1,719,564)	(1,615,040)	(1,085,461)	(1,079,371)
Local government pension scheme	(47,648)	(31,052)	(49,464)	(33,940)	16,539	17,629
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	(1,524,448)	(1,402,352)	(1,719,564)	(1,615,040)	(1,085,461)	(1,079,371)

24.11. 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%. Estimated employer's contribution for 2024/25 amount to £8.645m 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.

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%	

25. 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

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

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

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

of the PCC's general ledger accounts. Details of the PCC's long-term pension obligations can be found in the main statements at Note 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 of £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 (PCC accounts) as a non-government prepayment.

Glossary of Terms

Term	Definition
Accrual	An adjustment to ensure that expenditure and income are reflected in the appropriate accounting period.
Actuary/Actuarial	A person professionally qualified to advise on pension matters and undertakes calculations on pension costs, allowing for risk and demographic factors.
Amortisation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Intangible Assets.
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.
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.
CoPaCC	Centre on Police Practices and Community.
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's Reserves, which are retained for specific purposes.
EMSOU	East Midland Special Operations Unit.
EMCJS	East Midlands 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 use 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.
Non Domestic Rates	Rates levied on business properties, collected by District Councils, which are distributed between 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 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
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.
Revenue Support Grant (RSG)	Grant paid by Central Government in aid of service provision.
Section 22 Agreement	Section 22 of the Police Act 1996 provides for joint working between police forces and/or Police and 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.
WYPF	West Yorkshire Pension Fund.
Virement	Transfers between budget headings, in accordance with Financial Regulations, reflecting changes in the PCC's expenditure plans.
XPS	XPS Pensions Group, the pension administrators of the Lincolnshire Police Pension Fund.