

# **PCC and Group statement of accounts 2023/24**

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## PREFACE

### Introduction to the 2023/24 Statement of Accounts by Matthew Barber, the elected Police and Crime Commissioner for Thames Valley



The settlement from the Home Office, efficiency savings delivered by Thames Valley Police together with an increase in the policing precept has enabled me to maintain service delivery and invest in frontline policing. Increasing the policing precept is not a decision I have taken lightly but has been necessary to ensure the safety of communities and to deliver on my plans to improve policing.

The overall budget has enabled me to continue my commitment to strengthen neighbourhood policing to proactively prevent crime and catch criminals as well as dealing with anti-social behaviour, and recruiting more officers, going beyond the Home Office national uplift programme.

CCTV has seen significant investment with the development of a Thames Valley CCTV Partnership, a collaboration with Local Authority partners, beginning in Milton Keynes and Slough, to deliver improved, up-to-date, sustainable provision for CCTV to help detect and deter crime.

My commitment to tackle serious violence continues with the embedding of hotspot policing patrols to increase visibility, prevent offending and tackle known offenders. In addition, my Retail Crime Strategy is driving a programme of work to improve the policing response to retail crime including investment in an online platform to support retailers to share information and report incidents of shoplifting and violence.

Once again, thanks to the diligent work in my office and within the Force, the accounts have been signed off by our external auditors with no significant adverse findings.

## THE NARRATIVE REPORT

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It therefore aims to provide information to help the reader:

- Understand the overarching financial position of the organisation.
- Have confidence that the Chief Constable has spent public money wisely and has been accounted for in an appropriate manner.
- Be assured that the financial position of the Chief Constable is sound and secure.

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. The structure of this Narrative Report is set out below.

1. Background of the Police and Crime Commissioner and Chief Constable
2. Our Strategy
3. Financial performance
4. Operations
5. People
6. Outlook
7. Summary and conclusion

### 1. BACKGROUND OF THE PCC AND GROUP

Thames Valley Police (TVP) is the largest non-metropolitan force in England and Wales. It serves the three counties of Berkshire, Buckinghamshire and Oxfordshire, with an area of 2,216 square miles and a population of over 2.4m people. The force has more than 5,100 police officers, 3,950 staff members and over 700 Special Constables and volunteers.

The Chief Constable has direction and control over the force's officers and staff. The Chief Constable is operationally independent and accountable to the law for the exercise of police powers. The Police and Crime Commissioner (PCC) is elected to secure an efficient and effective police service, and to hold the Chief Constable to account for delivering this. The PCC sets the budget for the force, and commissions services for victims and for crime prevention. TVP's two main sources of funding are grants from the Home Office and Council Tax. The PCC sets the Council Tax level.

The PCC and Chief Constable are established as separate legal entities (Corporations Sole). The Corporate Governance Framework describes how the PCC and Chief Constable conduct their business and discharge their responsibilities. In this document, the term TVP covers the Group – i.e. the PCC and Chief Constable.

### 2. OUR STRATEGY

As part of his legal responsibilities, the PCC has published his Police and Criminal Justice Plan to outline his priorities for Thames Valley and how he will work with partners to achieve them. The PCC has set the following priorities:

- Strong local policing
- Fighting serious organised crime
- Fighting cybercrime and fraud
- Improving the criminal justice system
- Tackling illegal encampments

The PCC's Crimefighters strategy is a shared vision with Thames Valley Police to strengthen local policing and build the trust of all of our communities. The key elements of the strategy include:

- Strengthening Local Policing
- Embedding crime prevention
- Improved communication between the public and the police

Following the May 2024 PCC election, the PCC will issue a new plan during 2024/25. The Chief Constable has set out his priorities in his Strategic Plan for 2023/24:

- Serving Victims
- Building Trust
- Fighting Crime
- Valuing our People

TVP is currently implementing a Force Review, considering internal structures to make sure we are organised in the best possible way to meet current and future challenges including financial challenges by ensuring our resources are focused on our priority areas.

TVP is working to build an environmentally sustainable police service. The Environmental Sustainability Strategy aims to reduce the impacts of Thames Valley Police on the environment; enable us to become a more resource efficient and resilient organisation; and embed environmental sustainability considerations within our decision-making processes at all levels.

Many services are delivered in collaboration with other forces to maximise service delivery and value for money. TVP collaborates with Hampshire on Information and Communication Technology (ICT), Information Management Unit, Contact Management and specialist operational services through our Joint Operations Unit (JOU). TVP leads the Counter Terrorism Police South East (CTPSE), the South East Regional Organised Crime Unit (SEROCU) and the Chiltern Transport Consortium for fleet management services. TVP is also a member of South East and Eastern Police Insurance Consortium (SEERPIC).

### 2a. Our Commitment to Sustainability

TVP set an Environmental Sustainability Strategy in 2022 and appointed a new role to lead in supporting its delivery. The strategy covers seven themes: emissions from buildings, emissions from transport, waste, water, biodiversity, procurement and engagement.

As part of our sustainability journey we continue to review approaches and targets. TVP is in the process of modifying the methodology applied to its emissions calculations, this is to bring the approach in line with commonly recognised methods and align to a voluntary shared methodology being formed between some blue light organisations. This will allow TVP to report emissions by internationally recognised scopes.

Using TVP's current reporting approach and for the most recent available data (2022/23), total reported emissions are 44.6% against a 2009/10 baseline. This total breaks down as;

- emissions from buildings -56.6 % compared to 2009/10 against a targeted reduction of 85% by 2032.
- emissions from transport -18.6% compared to 2009/10 against a targeted reduction of 50% by 2032.

As part of our process for moving forward TVP has commissioned and is carrying out consultations to understand;

- Fleet transition to alternative fuels
- Decarbonisation of its buildings

In addition TVP is initiating work to assess its climate change risk exposure for our assets, operations and people.

This work will set TVP's pathway to decarbonisation, mitigation and adaption and will in form a revision of the current strategy.

A foundation of all this work is engagement and behaviour and for this a programme to enable staff participation and to realise low costs financial and carbon savings is being finalised.

TVP's environmental policy: <https://www.thamesvalley.police.uk/policies/policy---environmental-management.pdf>

### 3. FINANCIAL PERFORMANCE

#### **Key Financial Influences**

Prices (measured by CPIH) increased by 4.2% in the 12 months to March 2024. TVP has been particularly affected by rises in fuel prices, increasing costs of construction contracts, impacts as a consequence of supply chain issues and people retention within the Force.

Police officer salaries are set by the Home Office. Police officers were awarded a 7% pay award increase. The element of the police officer pay award above 2.5% was funded by an additional Home Office grant. Police staff pay is set within TVP. Staff were awarded a pay rise of 7% to match the Officer award which exceeded our budget provision by 5% and put pressure on the budget for 2023/24 and beyond.

Home Office police funding has not kept pace with cost pressures since the financial crash of 2008. With slow economic context, government funding continues to be a risk. More of the burden of funding the police has fallen on Council Tax payers. In 2023/24 the maximum amount by which the PCC could increase the Precept (without a referendum) was set at £15. The PCC used the full flexibility to set the Council Tax Precept at £256.28 per annum for a Band D property in 2023/24. Future increases in Council Tax are not guaranteed – inflation increases pressure within the force for an increase, but also results in cost-of-living pressures on taxpayers.

TVP has a good history of delivering productivity savings every year since 2010 and using these to balance annual budgets or reinvesting them in frontline policing. In 2023/24 the force delivered £2m of budget savings through its efficiency programme. Efficiency plans, including the Force Review of internal structures, are expected to make further savings of £20m over the next two years to allow TVP to meet its financial pressures. Savings for 2024/25 have already been identified and progress is being made for 2025/26. This challenge is being closely managed to deliver this level of savings on top of earlier efficiencies.

TVP plans significant investment in the force estate over the coming years, including maintenance and refurbishment of the existing estate, and new developments for priorities such as Forensics and Custody. The estates capital requirement is £132m over the next four years, with further potential requirements over the coming decade.

Interest rates have increased rapidly over the past year. The Bank of England Official base rate rose from 0.1% during 2021 to 5.25% by April 2024. This has resulted in increased income from the PCC's investments with banks during the year. However, if higher rates persist, it will mean that borrowing to support capital funding in the long term will be more challenging.

#### **Funding**

Funding to cover general activities is broken down as follows:

<b>Funding</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>Increase %</b>
Home Office Grants	277,141	278,051	0.3%
Council Tax	228,095	248,620	8.9%
<b>Total</b>	<b>505,236</b>	<b>526,671</b>	<b>4.2%</b>

### **PCC directly controlled expenditure**

The PCC directly controls budgets to deliver on his responsibilities to hold the Chief Constable to account, and to provide services for victims and crime prevention. The following table shows the expenditure on budgets funded from general income in 2023/24:

<b>Expenditure</b>	<b>2023/24 Budget £000</b>	<b>2023/24 Actual £000</b>	<b>Budget Variance £000</b>
Democratic Representation	171	159	(12)
Office of the PCC	1,500	1,479	(22)
Other Costs	361	479	118
Partnership Fund	2,572	1,820	(752)
Crime Prevention Fund	974	466	(508)
Contributions to Reserves	0	1,175	1,175
<b>CONTROLLED BY PCC</b>	<b>5,578</b>	<b>5,578</b>	<b>0</b>
Accounting Adjustments	69	(110)	(179)
<b>TOTAL</b>	<b>5,647</b>	<b>5,468</b>	<b>(179)</b>

Democratic Representation covers the PCC's salary and expenses, and the costs of the independent committees set up to provide the PCC and Chief Constable with assurance on TVP governance and operations: the Joint Independent Audit Committee (JIAC), and the Professional and Ethical Standards Panel (PESP). The Office of the PCC is mainly made up of the costs of the staff employed by the PCC to deliver his Police & Crime plan and statutory responsibilities. Other Costs largely relates to audit and treasury activities provided on behalf of the whole Group – the budget variance is largely due to increased audit costs.

The Partnership Fund is allocated to Local Authority Community Safety Partnerships (CSPs) within Thames Valley. They have used their grant allocations to fund activities including addressing serious violence, reducing antisocial behaviour, domestic abuse support services, drug diversion programmes, and preventative work with young people. The PCC provides funding on a three year cycle to support longer term planning of expenditure, and the underspend will be available to CSPs through reserves to spend on concluding their projects in 2024/25 (the final year of the current cycle). The Crime Prevention Fund is used by the PCC to provide grants and services to reduce crime and disorder and support victims. The underspend is due to receipt of external funding for budgeted projects, and funds retained for longer term planned projects. Expenditure is expected to increase in future years, and funds are retained in reserves for this purpose. Accounting Adjustments largely relate to capital and pension accounting.

The PCC has spent the following from fully funded grant sources:

<b>Funding</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>Increase %</b>
Victims grants	4,500	4,562	1.4%
Other grants	1,900	2,519	24.6%
<b>TOTAL</b>	<b>6,400</b>	<b>7,081</b>	<b>9.6%</b>

The Victims grants are received from the Ministry of Justice (MoJ) to commission services for victims and witnesses of crime. The Victims First Hub acts as a single point of contact for initial contact, assessment, and support for all victims across Thames Valley. The PCC commissions services to help victims to cope and recover from the effects of crime, with particular services for victims of sexual violence, domestic abuse and exploitation, with services tailored to both adults and young people. The other Grants have been secured from the MOJ and the Home Office to improve community safety and reduce crime.

## NARRATIVE REPORT AND FINANCIAL REVIEW

In addition, during the year, the PCC, in consultation with the Chief Constable, paid grants totalling £536k from the Community Fund for charitable purposes. This is a separate fund formed from the proceeds of sale of goods recovered by the police that cannot be returned to their original owner, and distributed in accordance with the Police Property Act Regulations (1997).

### **Chief Constable Expenditure**

The following table provides a high-level comparison between the approved budget for 2023/24 and actual expenditure for TVP operational budgets i.e. those under the direction and control of the Chief Constable.

	<b>Annual Budget £000</b>	<b>Annual Outturn £000</b>	<b>Annual Variance £000</b>
<b>Pay &amp; Employment Costs</b>			
Police Officer Pay & Allowances	311,868	313,182	1,314
Police Officer Overtime	14,514	13,319	(1,195)
Staff/PCSO Pay & Allowances	158,746	162,761	4,015
Other Employee Expenses	13,456	16,108	2,652
	<b>498,584</b>	<b>505,370</b>	<b>6,787</b>
<b>Overheads</b>			
Premises Related Expenditure	20,511	21,611	1,100
Transport Related Expenditure	11,364	11,566	203
Supplies & Services	77,879	75,119	(2,760)
Third Party Payments	48,041	45,460	(2,581)
Specific Grants	(102,529)	(102,071)	458
Force Income	(50,060)	(56,282)	(6,221)
	<b>5,205</b>	<b>(4,596)</b>	<b>(9,801)</b>
<b>Regional Collaborative Services</b>			
South East Regional Organised Crime Unit	41,379	36,661	(4,718)
Counter Terrorist Policing South East	41,691	42,494	803
Counter Terrorist Specialist Firearms Officers	4,578	5,518	940
Chiltern Transport Consortium	18,699	20,012	1,313
Government Grants & Partnership Income	(106,347)	(104,685)	1,662
	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Cost of Operational Policing</b>	<b>503,789</b>	<b>500,775</b>	<b>(3,014)</b>

### **Pay & Employment Costs**

The overall overspend on pay & employment costs is driven by the increased pay award at 7% for both Officers and Staff, of which £3m was unfunded by the Home Office. The overspend on Staff is inflated by circa £4m from spend on joint projects which is offset by additional income from those joint partners. Our high level of recruits in training and increased recruitment costs due to the high turnover have also put pressure on other employee cost, some of which have been offset by police staff and PCSO vacancies remaining high.

Overtime costs have reduced through tighter oversight and proactive management of claims, this underspend support the savings being removed from the budget in 2024/25.



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### Overheads

The overall underspend on overheads represents increased expenditure and costs on utilities such as electricity, together with remedial building works and repairs, which have been offset by reduced spends in ICT and third-party payment to collaborative partners, especially for the JOU. The increased income partly covers the increased project staff costs, and also represents higher than forecast interest receipts.

### Regional Collaborative Services

The regional collaborative services are fully funded through various independent grants and regional force contributions, all of which are balanced up at the year end and charged to the respective forces revenue budgets.

#### a) Group level

The Group level incorporates all income and expenditure controlled by both the PCC and the CC. The final revenue surplus for 2023/24 was £6.343m which was appropriated to the Estates Reserve (£5m) and the I&P Reserve (£1.343m) to support the long-term investment programmes.

	<b>Annual Budget £000</b>	<b>Annual Outturn £000</b>	<b>Annual Variance £000</b>
Cost of Operational Policing (from Above)	503,789	500,775	(3,014)
PCC Controlled Expenditure	5,648	5,468	(180)
Capital Financing	20,935	21,765	830
Interest on Balances	(5,225)	(9,807)	(4,582)
Statutory Accounting Adjustments	648	573	(75)
Appropriations From Balances	781	7,490	6,709
<b>Cost of Services</b>	<b>526,576</b>	<b>526,671</b>	<b>(95)</b>
<b>Funded By</b>			
General Grant Income	(278,051)	(278,051)	£0
Council Tax	(248,526)	(248,620)	(95)
	<b>(526,576)</b>	<b>(526,671)</b>	<b>(95)</b>
<b>Net Revenue Position</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Capital Expenditure

The following table shows the net capital position for the whole Group compared to the active capital budget for 2023/24. The variance of £12.267m comprises scheme underspends of £1.181m and slippage of expenditure of £11.086m.

At the start of the financial year, the PCC (on behalf of the Group) approved an annual Capital Programme of £51.324m. During the year the active capital budget was adjusted downwards to £46.181m to reflect re-phasing, grant funding and capital elements of approved projects.

## NARRATIVE REPORT AND FINANCIAL REVIEW

<u>2023/24 Budget</u>	<b>Approved MTCP (Jan 2023) £000</b>	<b>Slippage 2022/23 £000</b>	<b>Rephasing 2023/24 £000</b>	<b>Budget Changes 2023/24 £000</b>	<b>Revised Budget 2023/24 £000</b>
Property	34,902	2,111	(24,027)	6,320	19,307
Technology & Business Change	8,095	2,263	(1,528)	2,971	11,801
Grants	0	0	0	6,564	6,564
Equipment	2,751	0	(404)	(87)	2,261
Vehicles	5,576	62	0	611	6,249
<b>Total</b>	<b>51,324</b>	<b>4,436</b>	<b>(25,958)</b>	<b>16,380</b>	<b>46,181</b>

	<b>Annual Budget £000</b>	<b>Actual Spend £000</b>	<b>Annual Variance £000</b>
Property schemes	19,307	11,592	(7,715)
ICT schemes and Business Change	11,801	7,094	(4,707)
Equipment	2,261	1,891	(370)
Vehicles	6,249	6,744	495
Grant Funded Schemes	6,564	6,594	30
<b>Total</b>	<b>46,181</b>	<b>33,914</b>	<b>(12,267)</b>

The Force continues to improve the efficiency and effectiveness of its estate by reducing the overall size of the estate and replacing inefficient expensive buildings with operational focused buildings. Some programme slippage has occurred due to prevailing market conditions. TVP is taking advantage of opportunities provided by technological advancements to improve operational policing and working practices. The investment in ICT hardware and infrastructure continues to be coordinated to ensure individuals have appropriate refreshed devices operating across a secure infrastructure.

### **Balance Sheet**

The Balance Sheet is a snapshot of the Group's assets, liabilities and cash balances. The high level summary is as follows:

<b>Net Assets</b>	<b>At 31 March 2023 £000</b>	<b>At 31 March 2024 £000</b>
Non-current assets	313,953	381,563
Net current assets	110,024	115,801
Pension liabilities	(3,360,926)	(3,464,880)
Other long-term liabilities and provisions	(58,056)	(56,666)
<b>Total Net Assets</b>	<b>(2,995,005)</b>	<b>(3,024,183)</b>

Reserves are as follows

<b>Reserves</b>	<b>At 31 March 2023 £000</b>	<b>At 31 March 2024 £000</b>
Usable reserves	113,418	120,667
Unusable reserves	252,503	264,396
Pensions reserve	(3,360,926)	(3,409,245)
<b>Total Net Reserves</b>	<b>(2,995,005)</b>	<b>(3,024,183)</b>

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The pension liabilities is made up of £3,465m associated with the unfunded police officer pension scheme and the net surplus of £56m in the funded Local Government Pension Scheme (LGPS) for police staff. The police officer pension scheme is underwritten by the Home Office who provide an annual top-up grant to fund the difference between pension payments and income from employee and employer contributions.

General reserve balances are maintained between 2.5% - 3% of annual net revenue expenditure budget to be used as a last resort to manage and fund demand-led spending pressures. The remainder of the usable reserves are allocated to fund specific initiatives or meet areas of anticipated future spending.

### Treasury

The PCC approves a Treasury Management and Investment Strategy Statement before the start of each financial year and receives an annual report on treasury performance in June each year. The following table shows the cash including investments at the end of the year:

	At 31 March 2023	At 31 March 2024
	£m	£m
Cash and other cash equivalents	13.7	29.5
Short term investments	111.9	119.9
<b>Total</b>	<b>124.6</b>	<b>149.4</b>

The PCC finances part of the capital programme through borrowing. At 31<sup>st</sup> March 2024 the PCC had total external borrowings of £47.2m and a finance lease liability of £6m.

## 4. DEMAND

The demand from the public for our services has remained high, particularly evident in our 999 volumes which rose by 9% compared with last year resulting in a total of 404,654 calls being received. Service levels were similar to last year with 85.8% of calls answered within 10 seconds. In contrast calls to our 101 service reduced by 5% to a yearly total of 471,512 calls. Over the course of the year the average time to answer 101 calls was 6 minutes and 18 seconds.

Online reporting levels increased by 14% compared with last year. Whilst not as high as during the covid pandemic when the force was receiving high volumes of reports regarding covid rule breaches, the 108,114 online reports received is significantly higher than pre-pandemic levels. 449,412 incidents were recorded in 2023/24 of which 175,459 were crimes. This represents a decrease of 3.5% in the crime numbers against last year.

The Force has seen crime reductions in many areas:

- Homicide down by 19% with 13 offences in 2023/24 compared with 16 the previous year
- Violence with injury down by 4.4% compared with last year
- Non-Rape Sexual Offences down by 9% compared with last year
- Vehicle crime down 7% compared with last year
- Public Order down by 26% compared with last year

However the Force has seen increases in crime in a number of areas:

- Rape up by 5% compared with last year
- Business Robbery has more than doubled, up 112% compared to last year
- Trafficking in drugs up by 25% compared with last year
- Possession of weapons up 17% compared to last year
- Shoplifting up 38% compared to last year

However, the figures for Burglary and Robbery reflect the impact of Covid on these crime type with the return to normality, post pandemic as more people are out and about across the region. Hence a comparison to 2019/20 is also provided for context

- Residential Burglary – up 2% compared to last year (32% decrease to 2019/20)
- Robbery of Personal Property up 6% compared with last year (25% decrease to 2019/20)

There were 29,018 crimes resulting in formal action taken, which includes cases going to court or an out of court resolution, decreased in the last year with 2,006 fewer outcomes than the previous 12 month period. The number of offences resulting in a person being charged increased by 7.7% with charges for rape increasing by 17.4%; other sexual offences by 13.6% and charges for shoplifting increasing by 79.4%.

## 5. PEOPLE

The Home Office announced the national Uplift programme recruitment drive in July 2019, aiming to recruit an additional 20,000 police officers across all police forces in England by March 2023. TVP exceeded its national Uplift Programme target by 175 police officers, bringing the total number of police officers to 5,034 by the end of March 2023 – a total increase of 784 officers since 2019. This financial year, 2023-24, we have continued to recruit growth posts and the total number of officers as at 31 March 2024 is 5,120.

The PUP has understandably focussed efforts on the recruitment of police officers over the last 3 years. This has had an impact on our ability to recruit support staff, which when coupled with the labour market conditions and shortfalls of available labour across many industries, has resulted in a higher level of turnover and recruitment challenges in some roles. A review of the recruitment process has been undertaken and streamlined where possible. Hybrid working continues to provide a greater level of flexibility for our workforce, which is particularly beneficial for attracting and retaining police staff.

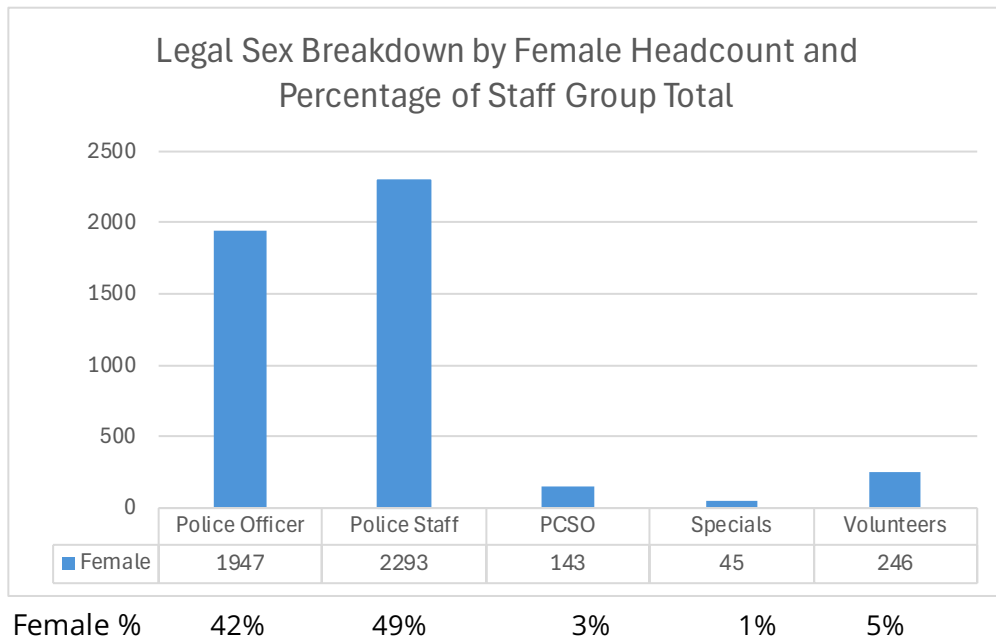
At 31st March 2024 Thames Valley Police employed 9,099 people in full and part time contracts. We also had 184 unpaid members of the special constabulary and 520 volunteers giving a total workforce of 9,803.

Below is the make-up of the workforce. This includes headcount of circa 918 officers and staff equating to circa 892 FTE who work in regional collaborated units such as the CT Policing South East (CT PSE), CT Special Branch, Regional Prison Intelligence, SE Regional Organised Crime Unit (SEROCU), SE ROCU Collaboration, Regional Specialist Firearms and the Chiltern Transport Consortium (CTC).

Category	Workforce	Full Time Equivalent
Police Officers	5,120	5,079
Police Staff	3,713	3,509
PCSO	266	255
<b>Paid employees</b>	<b>9,099</b>	<b>8,843</b>
Special Constabulary	184	N/A
Volunteers	520	N/A
<b>Total Workforce</b>	<b>9,803</b>	N/A

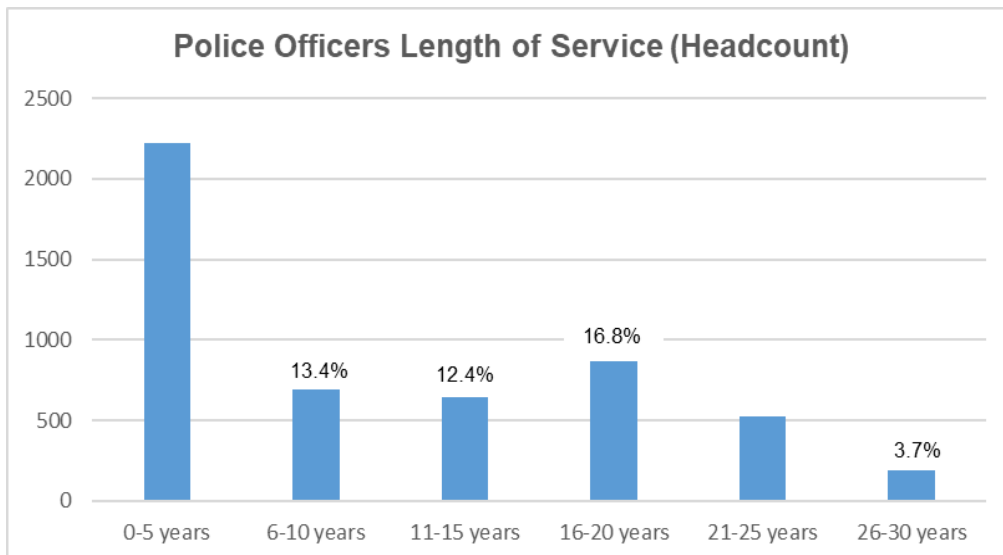
## NARRATIVE REPORT AND FINANCIAL REVIEW

The following graph shows the Legal Sex breakdown for each type of employee and volunteer, for example that there are 1,947 female police officers, making up 42% of all police officers.



Both Female Police Officers and Staff numbers and have increased from 2023/24. Female Police Officers % has increased from 37 to 42%, whilst Female Police Staff % has reduced from 61 to 49%.

In terms of police officers, Thames Valley has a relatively “young” workforce in terms of experience with 69% of officers having less than 15 years’ service, as shown below.



## NARRATIVE REPORT AND FINANCIAL REVIEW

The following table shows the ethnic makeup of the workforce, please note that these numbers include seconded Officers which are excluded from the workforce numbers above.

ETHNICITY	Police Officer	Police Staff	PCSO	Specials	Volunteers	All Staff Groups
White	4,641	3,278	236	161	459	8,775
Asian	134	127	9	14	23	307
Black	33	45	0	2	4	84
Mixed	132	66	6	5	10	219
Other	17	14	1	0	3	35
Unknown/Prefer not to say	188	183	14	2	21	408
<b>TOTAL</b>	<b>5,145</b>	<b>3,713</b>	<b>266</b>	<b>184</b>	<b>520</b>	<b>9,828</b>

ETHNICITY	2023/24		2022/23	
	All Staff Groups	%	All Staff Groups	%
White	8,775	89	8555	89
Asian	307	3	314	3
Black	84	1	75	1
Mixed	219	2	203	2
Other	35	0	37	0
Unknown/Prefer not to say	408	4	380	4
<b>TOTAL</b>	<b>9,828</b>		<b>9,564</b>	

In line with Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328) the Chief Constable has an obligation to report annually on paid time off provided to trade union representatives for trade union duties and activities. The following details relate to 2022/23. There was the equivalent of 15 FTE trade union representatives and the total cost of facility time represents 0.06% of the total pay bill.

## 6. OUTLOOK

### Medium Term Financial Plan

The PCC (on behalf of the Group) approved the financial plans for 2024/25 in January 2024 and they are available on the PCC's website in the Budget Book at [Budget - Thames Valley PCC \(thamesvalley-pcc.gov.uk\)](https://www.thamesvalley-pcc.gov.uk)

The revenue budget for 2024/25 includes provision for maintaining the national police uplift programme (PUP) increase in officers numbers which gave TVP an additional 728 officers (excluding regional), together with an additional 80 Officers funded through the increase in Council Tax provision.

A high-level summary of the Medium-Term Financial Plan (MTFP) is provided below. This includes all expenditure to be incurred by the CC and the PCC, as well as all resources to be received by both legal entities.

## NARRATIVE REPORT AND FINANCIAL REVIEW

	<b>Estimated Budget 2024/25 £000</b>	<b>Estimated Budget 2025/26 £000</b>	<b>Estimated Budget 2026/27 £000</b>	<b>Estimated Budget 2027/28 £000</b>
<b>Expenditure</b>				
Opening Budget	526,307	556,519	575,004	593,745
Inflation				
General	2,393	824	825	523
Pay	30,868	11,022	10,366	10,193
Specific	3,597	4,225	3,233	3,303
Productivity Savings	(7,592)	(12,830)	(2,000)	(2,000)
Growth	1,955	14,020	6,713	6,536
Reserve Funding	(1,009)	1,224	(396)	164
<b>Revised Budget Requirement</b>	<b>556,519</b>	<b>575,004</b>	<b>593,745</b>	<b>612,464</b>
<b>Funded By</b>				
Opening Budget	(526,307)	(556,519)	(574,307)	(592,622)
Council Tax	(14,642)	(15,116)	(15,616)	(16,130)
Government Grants	(15,570)	(2,672)	(2,699)	(2,726)
<b>Revised Funding</b>	<b>(556,519)</b>	<b>(574,307)</b>	<b>(592,622)</b>	<b>(611,478)</b>
Annual Shortfall / (Surplus)	<b>0</b>	<b>697</b>	<b>426</b>	<b>(137)</b>
Cumulative Shortfall / (Surplus)	<b>0</b>	<b>697</b>	<b>1,123</b>	<b>986</b>

The above figures are based on the approved council tax increase of £13 for 2024/25. This was approved by the Police and Crime Panel on 18<sup>th</sup> January 2024. Future years show assumed increases in subsequent years at £10 per annum. This is only a planning assumption, and the PCC will set Council Tax each year.

All the assumptions underpinning the current MTFP will be revisited and updated in coming months as work is undertaken on the next budget cycle for 2025/26.

2024/25 will be a financially tough year with significant unknown costs particularly in relation to annual pay awards, the continued impact on cost-of-living and the unprecedented recent high inflation rates, although we are seeing some signs of recovery.

The Police service, both nationally and locally, is going through a period of reform to adjust to the financial challenges created by constrained resources and respond to the increasing complexity and quantum of crime. This reform requires investment in well-trained officers and staff, as well as the new technologies that will facilitate the change in the way policing services are delivered. This investment increases the financial pressures and will be carefully managed by the force and considered as part of the Force Review and future Medium Term Financial Plans.

The productivity strategy continues to delivery savings with a focus on the Force review and the ongoing work to identify new areas to reconsider how and what we do but will ensure we continue to focus the maximum level of resources on our priorities.

### Medium Term Capital Plan

The Medium Term Capital Plan (MTCP) costing £179.7m million over the five-year period 2023/24 to 2027/28 was approved by the PCC (on behalf of the Group) in January 2024. Overall, this will provide the Force with appropriate infrastructure and assets to deliver innovative policing strategies with fewer resources.

	Revised Budget 2023/24	2024/25	2025/26	2026/27	2027/28	Total 2024/25 to 2027/28
	£000	£000	£000	£000	£000	£000
Property	19,307	51,316	16,920	2,336	1,902	91,781
Technology & Business Change	11,696	6,018	3,035	16,723	5,376	42,848
Grants	8,235	0	0	0	0	8,235
Equipment	2,246	700	740	288	288	4,262
Dashcams	102	404	0	0	0	506
Vehicles	5,678	6,010	6,250	6,927	7,245	32,110
<b>Capital Project Total to be Financed</b>	<b>47,264</b>	<b>64,448</b>	<b>26,945</b>	<b>26,274</b>	<b>14,811</b>	<b>179,742</b>

The MTCP will be funded through a combination of capital grants, revenue contributions, capital receipts, reserves and borrowings. Key focuses of the MTCP are:

- To ensure the property estate remains fit for purpose and effectively utilised, linking in with the Smart ways of working principles, identifying opportunities to streamline assets and develop the estate infrastructure; maintaining core sites, improving core training facilities and progressing the Asset Management Plan.
- To ensure provision is made for ICT & Business Change Technology, to maintain and develop the existing infrastructure and invest in the core technologies required to provide innovative digital policing services.
- The maintenance, development, and replacement of other core assets (e.g. Vehicles, and Communication Infrastructure) to maximise the advantage of new technology and reflect legislative changes.

### Financial Resilience

TVP's financial resilience is evidenced and supported by:

- Strong governance arrangements, as detailed in the Corporate Governance Framework
- Efficient and effective internal audit service that reports directly to the Joint Independent Audit Committee.
- A track record of delivering productivity savings, with further savings of £20m planned over the next two years.
- TVP's Medium Term Financial Plan and Medium-Term Capital Plan set out balanced budgets for 2023/24 and the following three years supported by reasonable, if challenging, assumptions. They are published in the Budget Book on the PCC's website.
- Appropriate levels of reserves, in particular building up reserves to support long term estates capital requirements.
- Borrowing costs are low - below 1% of Net Revenue Expenditure throughout the next four years.



## NARRATIVE REPORT AND FINANCIAL REVIEW

The most significant financial risks faced by TVP are inflation, funding and the long term need for investment in property. With > 80% of revenue expenditure on people costs, the cost-of-living crisis and the government's response, will have a direct impact on TVP. Despite challenges faced, we continue to invest in recruiting new officers, and will continue to strive to meet the annual recruitment targets to enable the force to be at full establishment.

### LINKS

For more detailed information please refer the following documents:

- Police and Criminal Justice Plan <https://www.thamesvalley-pcc.gov.uk/police-and-criminal-justice-plan/>
- Strategic Plan <https://www.thamesvalley.police.uk/police-forces/thames-valley-police/areas/au/about-us/our-commitment/>
- Crimefighters Strategy <https://www.thamesvalley-pcc.gov.uk/our-work/crimefighters/>
- Budget Book <https://www.thamesvalley-pcc.gov.uk/our-information/finances/budget/>
- Annual Report
- Corporate Governance Framework <https://www.thamesvalley-pcc.gov.uk/our-information/finances/financial-regulations/>

Martin Thornley  
Chief Finance Officer and Deputy Chief of Staff

### EXPLANATION OF ACCOUNTING STATEMENTS

The Accounts and Audit Regulations 2015 require the PCC and Chief Constable to produce a Statement of Accounts each financial year. These statements contain a number of different elements which are explained below.

#### Statement of Accounts

The **Auditor's Report** gives the auditor's opinion on whether the accounts provide a true and fair view of the financial position and operations for the year.

**Statement of Responsibilities** sets out the respective responsibilities of the PCC and his chief finance officer

The **Core Financial Statements** are:

The **Movement in Reserves Statement** is a summary of the changes to the Group's reserves over the course of the year. Reserves are divided into "usable" cash reserves which can be invested in capital projects or service improvements and "unusable" accounting reserves which must be set aside for specific purposes. Total usable reserves have increased from £115.421 million on 1<sup>st</sup> April 2024 to £120.667 million on 31<sup>st</sup> March 2024.

The **Comprehensive Income and Expenditure Statement (CIES)** record all of the Group's (and PCC) income and expenditure for the year. This presentation of information is in line with CIPFA guidance and is commensurate with the in-year internal reporting to management of income and expenditure. (See the outturn position table on page 6 for more detail of the in-year reporting)

The Group CIES shows an accounting deficit of £101.184 million however this statement should not be viewed in isolation. To gain a true understanding of the Group's financial performance for the year, it is necessary to view the Movement in Reserves Statement which shows how this accounting deficit is managed in the balance sheet. Following the police officer pension fund liabilities and accounting adjustments and transfers to revenue reserves, there is a decrease £4.403 million in the general reserve

The **Balance Sheet** is a snapshot of the Group's assets, liabilities, cash balances and reserves at the year-end date.

The **Cash Flow Statement** shows the reasons for changes in the Group's cash (and cash equivalents) balances during the year, and whether that change is due to operating activities, new investment or financing activities (such as repayment of borrowing and other long term liabilities).

The **Group Accounts** provides the consolidated accounts of the PCC and its subsidiary, the Chief Constable.

The **Supplementary Financial Statements** are:

The **Annual Governance Statement** explains the governance processes and procedures in place to enable the PCC and Group to carry out their functions effectively. The AGS highlights the Group's internal control environment, comments on its effectiveness and identifies issues for future work.

The **Notes** to these financial statements provide more detail about the Group's accounting policies and individual transactions.

The **Police Pension Fund Accounts** sets out the financial position of the Police Pension Fund as at 31<sup>st</sup> March 2024

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

**AUDIT REPORT AND OPINION**

**INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR  
THAMES VALLEY**

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**AUDIT REPORT AND OPINION**

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THAMES VALLEY**

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## STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS

### PCC's Responsibilities

The PCC is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Organisation, that officer is the Chief Finance Officer and Deputy Chief of Staff;
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

I approve this Statement of Accounts on behalf of the PCC for Thames Valley

Matthew Barber  
PCC for Thames Valley  
XXXXXX

### Chief Finance Officer

The PCC's Chief Finance Officer is responsible for the preparation of the Group Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code').

In preparing this Statement of Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code.
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

In my opinion, the Statement of Accounts gives a true and fair view of the financial position of the PCC and the Group accounts for Thames Valley Police at the accounting date and its income and expenditure for the year ended 31 March 2024

Martin Thornley  
Chief Finance Officer and Deputy Chief of Staff  
XXXXXXX

## MOVEMENT IN RESERVES STATEMENT

### Group Movement in Reserves Statement for the years ended 31<sup>st</sup> March 2023 and 2024

	General Fund £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
	25	8	25	25	25	26	
<b>Balance at 31st March 2022</b>	<b>18,189</b>	<b>48,423</b>	<b>3,737</b>	<b>14,026</b>	<b>84,375</b>	<b>(4,907,548)</b>	<b>(4,823,173)</b>
<b><u>Movement in reserves during 2023/24</u></b>							
Total comprehensive Expenditure and Income	(145,663)	0	0	0	(145,663)	1,973,672	1,828,009
Adjustments between accounting basis & funding basis under regulations	184,216	0		(7,709)	176,507	(176,507)	(0)
<b>Net increase/Decrease before transfers to Earmarked Reserves</b>	<b>38,553</b>	<b>0</b>	<b>0</b>	<b>(7,709)</b>	<b>30,844</b>	<b>1,797,165</b>	<b>1,828,009</b>
Transfers to/from (-) earmarked reserves	(36,812)	37,014	0	0	202	0	202
<b>Increase/Decrease (-) in Year</b>	<b>1,741</b>	<b>37,014</b>	<b>0</b>	<b>(7,709)</b>	<b>31,046</b>	<b>1,797,165</b>	<b>1,828,211</b>
<b>Balance at 31st March 2023 carried forward</b>	<b>19,931</b>	<b>85,436</b>	<b>3,737</b>	<b>6,317</b>	<b>115,421</b>	<b>(3,110,383)</b>	<b>(2,994,962)</b>
<b><u>Movement in reserves during 2023/24</u></b>							
<b>Total Comprehensive Expenditure and Income</b>	<b>(101,184)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(101,184)</b>	<b>72,007</b>	<b>(29,177)</b>
Adjustments between accounting basis & funding basis under regulations	112,767	0	(18)	(6,317)	106,432	(106,432)	0
<b>Net increase/Decrease before transfers to Earmarked Reserves</b>	<b>11,583</b>	<b>0</b>	<b>(18)</b>	<b>(6,317)</b>	<b>5,248</b>	<b>(34,425)</b>	<b>(29,177)</b>
Transfers to/from (-) earmarked reserves	(15,986)	15,986	0	0	0	0	0
<b>Increase/Decrease (-) in Year</b>	<b>(4,404)</b>	<b>15,986</b>	<b>(18)</b>	<b>(6,317)</b>	<b>5,248</b>	<b>(34,425)</b>	<b>(29,177)</b>
<b>Balance at 31st March 2024 carried forward</b>	<b>15,527</b>	<b>101,423</b>	<b>3,719</b>	<b>0</b>	<b>120,669</b>	<b>(3,144,808)</b>	<b>(3,024,139)</b>

For full details of the movement on general balances, please see note 25



## Expenditure and Funding Analysis

### Group Expenditure and Funding Analysis Disclosure Note

The Expenditure and Funding Analysis is a disclosure note that shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes by the Chief Constable's Management Team. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. See note 5 for more details. Please note that this is not a primary statement

	2022/23			2023/24		
	Net expenditure charged to general fund £000	Adjustments between Accounting basis & Funding basis £000	Net expenditure in the CIES £000	Net expenditure charged to general fund £000	Adjustments between Accounting basis & Funding basis £000	Net expenditure in the CIES £000
PCC	(7,110)	10,527	3,417	11,988	6,626	18,615
<i>TVP operational budgets under the direction &amp; control of the Chief Constable</i>						
Employees	389,118	185,676	574,794	419,407	112,715	532,122
Premises	22,428		22,428	24,715		24,715
Transport	25,004		25,004	26,289		26,289
Supplies & Services	74,761		74,761	86,098		86,098
Third Party Payments	28,263		28,263	33,067		33,067
Capital Charges	30,847	(7,512)	23,335	12,991	(561)	12,430
Non specific Income	(190,345)		(190,345)	(211,660)		(211,660)
<b>Cost of Services</b>	<b>372,966</b>	<b>188,691</b>	<b>561,656</b>	<b>402,895</b>	<b>118,780</b>	<b>521,675</b>
<b>Other income &amp; expenditure</b>	<b>(411,519)</b>	<b>(4,475)</b>	<b>(415,994)</b>	<b>(414,478)</b>	<b>(6,013)</b>	<b>(420,491)</b>
<b>(Surplus) or Deficit on provision of services</b>	<b>(38,553)</b>	<b>184,216</b>	<b>145,663</b>	<b>(11,583)</b>	<b>112,767</b>	<b>101,184</b>
Opening General Fund Balance	18,186			19,927		
Add (surplus) or Deficit	38,553			11,583		
Transfers to/from (-) reserves & General Balances	(36,812)			(15,986)		
Closing General Fund Balance	19,927			15,524		

## Comprehensive Income and Expenditure

### Group Comprehensive Income and Expenditure Statement 2023/24

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

	2022/23			2023/24		
	Gross expenditure £000	Gross Income £000	Net Expenditure £000	Gross expenditure £000	Gross Income £000	Net Expenditure £000
PCC	16,341	(4,493)	11,848	23,177	(4,563)	18,615
<i>TVP operational budgets under the direction &amp; control of the Chief Constable</i>						
Employees	574,794	0	574,794	532,122	0	532,122
Premises	22,428	0	22,428	24,715	0	24,715
Transport	25,004	0	25,004	26,289	0	26,289
Supplies & Services	74,761	0	74,761	86,098	0	86,098
Third Party Payments	28,263	0	28,263	33,067	0	33,067
Capital Charges	14,904	0	14,904	12,430	0	12,430
Specific Income	0	(190,345)	(190,345)	0	(211,660)	(211,660)
<b>Group Cost of Services</b>	<b>756,495</b>	<b>(194,838)</b>	<b>561,656</b>	<b>737,898</b>	<b>(216,223)</b>	<b>521,675</b>
<b>Other operating Expenditure:</b>						
Gain/loss on disposal of fixed assets	9a		4,586			192
Levies to national police service			0			0
<b>Financing &amp; investment income &amp; expenditure:</b>						
Interest Payable	9b	2,266	2,266	1,641		1,641
Impairment loss allowance	9b	0	0	0		0
Pensions Interest Cost	9b	126,560	126,560	151,216		151,216
Interest & Investment Income	9b		(3,531)		(9,400)	(9,400)
Taxation & non specific grant income	9c		(545,875)		(564,139)	(564,139)
<b>(Surplus) /deficit on provision of service</b>			<b>145,663</b>			<b>101,184</b>
(Surplus)/deficit on revaluation of fixed assets	14/21		(17,210)			8,064
Remeasurement of net defined liability			(1,956,462)			63,943
Other gain/loss			0			0
<b>Total other comprehensive Income and Expenditure</b>			<b>(1,973,672)</b>			<b>72,007</b>
<b>Total comprehensive Income &amp; Expenditure</b>			<b>(1,828,009)</b>			<b>173,191</b>

**Notes:** Re-measurement of net defined pension liabilities are either due to changes in assumptions (on liabilities) and “experience items” – actual outcome different to expected – for both assets and liabilities.

## Balance Sheet

### The Balance Sheet for the Group

This shows the value at 31<sup>st</sup> March of the assets and liabilities recognised by the Group. Net assets are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the capital receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

31/03/2023 £000		Note	31/03/2024 £000
	<b>Long Term Assets</b>		
300,689	Property, Plant and Equipment	14	314,430
6,494	Leased assets	29	6,494
5,988	Intangible assets	16	4,307
781	Long term debtors	19	696
0	Asset related to defined benefit pension schemes Chief	32	55,264
0	Asset related to defined benefit pension schemes PCC	32	371
<b>313,953</b>	<b>Total Long Term Assets</b>		<b>381,563</b>
	<b>Current Assets</b>		
111,896	Short term investments	17	119,570
2,765	Inventories	18	3,373
73,068	Short term debtors	19	104,022
13,730	Cash and cash equivalents	20	29,605
480	Assets held for sale	21	480
<b>201,940</b>	<b>Total Current Assets</b>		<b>257,050</b>
	<b>Current Liabilities</b>		
(2,156)	Short term borrowing	17	(2,045)
(75,524)	Short term creditors	22	(126,602)
(3,833)	Revenue Grants Received in Advance	28	(888)
(4,288)	Provisions	23	(5,073)
(6,114)	Accumulated absences	26	(6,642)
<b>(91,916)</b>	<b>Total Current Liabilities</b>		<b>(141,250)</b>
	<b>Long Term Liabilities</b>		
(3,622)	Provisions	23	(3,994)
(52,776)	Long term borrowing	17	(51,232)
(3,360,926)	Liability related to defined benefit pension schemes	32	(3,464,880)
(944)	Donated assets account		(901)
(714)	Capital grants received in advance	28	(540)
<b>(3,418,982)</b>	<b>Total Long Term Liabilities</b>		<b>(3,521,546)</b>
<b>(2,995,005)</b>	<b>Net Assets / (Liabilities)</b>		<b>(3,024,183)</b>
	<b>Reserves</b>		
115,418	Usable reserves	25	120,667
(3,110,423)	Unusable reserves	26	(3,144,849)
<b>(2,995,005)</b>	<b>Total Reserves</b>		<b>(3,024,183)</b>

# Cashflow

## The Cash Flow Statement for the Group

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

	Note	At 31 March 2023	At 31 March 2024
		£000	£000
Net (surplus)/deficit on the provision of services		147,463	101,184
Adjust net surplus/deficit for non cash movements	33	(201,611)	(152,037)
Adjust for items included in surplus/deficit that are investing and financing activities		3,372	2,977
<b>Net cash flows from Operating Activities</b>	33	<b>(52,777)</b>	<b>(47,881)</b>
Investing Activities	33	50,348	30,368
Financing Activities	33	5,619	1,638
<b>Net increase (-) or decrease in cash and cash equivalents</b>		<b>3,190</b>	<b>(15,875)</b>
Cash and cash equivalents at the beginning of the reporting period	20	16,922	13,732
Cash and cash equivalents at the end of the reporting period	20	13,732	29,605

### GROUP GENERAL ACCOUNTING POLICIES

#### a. General principles

These financial statements have been prepared in accordance with the Code of Practice (the code) on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). The accounts have been compiled in accordance with the code, except that it has departed from the code in respect of the treatment of certain types of inventories in order to achieve a true and fair presentation. (See note 18 for more details)

#### Going Concern basis of preparation

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the entity will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue. This assessment is based on statutory nature of the services provided by the organisation. It is expected that the services would continue to be delivered by a public authority even if the current structures were changed. Management is not aware of any prospective changes to legislation or government policy that would undermine this assessment.

Notwithstanding this statutory basis for the going concern assessment, management have also separately assessed, and are content that, the organisation is financially sustainable, with adequate reserves and sound financial plans including budgets that are realistic and deliverable. The Group regularly reviews and updates its Medium-Term Financial Plan (see Narrative Statement section 6), incorporating known factors that will impact it, and assumptions for the inevitable risk and uncertainty that accompanies any financial forecast. In addition, the Group has a reserves policy and approach to delivering savings, combined with regular monitoring and reporting. This assurance is recorded in the Annual Governance Statement, in particular the appendix reviewing financial sustainability and financial management; and the budget and medium term financial plans, in particular the Financial Plans Recommendation and Strategy.

Investment balances and cash flow are managed at a Group level. Management produce a rolling 12 month cashflow forecast to give more immediate assurance. The Group's financial forecast for 2024/25 has been reviewed alongside assumptions for 2025/26 and a prudent profile of cashflows to support management in assessing and confirming the Group's financial sustainability to X. The planned timing of cash flows, in conjunction with the reserves balances, means that that the Group can meet its operational obligations over the period.

#### PCC, Group and Chief Constable

Following the passing of the Police Reform and Social Responsibility (PRSR) Act 2011, Thames Valley Police Authority was replaced on 22<sup>nd</sup> November 2012 with two corporation sole bodies, the Police and Crime Commissioner (PCC) for Thames Valley and the Chief Constable. Both bodies are required to prepare separate Statement of Accounts. The PCC is also required to produce Group accounts.

The term 'Group' is used to indicate individual transactions and policies of the PCC and Chief Constable for the year ended 31 March 2024. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the PRSR Act 2011.

The Financial Statements included here represent the accounts for the PCC and Group (PCC accounts on pages x. The financial statements cover the 12 months to the 31 March 2024.

Some figures within tables may not sum up exactly due to rounding differences when stating values to the nearest thousand pounds.

The notes relating to specific financial statement lines include the corresponding accounting policy. As a result there is not a separate principal accounting policies note but the section below details general accounting policies where there are not accompanying notes.

### **b. Accruals of income and expenditure**

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

- Fees, charges and rents due are accounted for as income at the date the Group provides the relevant goods or services;
- Any income received under contract is recognised in accordance with the performance obligations in the contract.
- Where income and expenditure has been recognised (using estimates when appropriate) but cash has not been received or paid, a debtor or creditor for the relevant year is recorded in the Balance Sheet.

### **c. Charges to Revenue for Non-Current Assets**

The PCC's and Group's CIES is charged with the following amounts, to record the real cost of holding fixed assets during the year.

- Depreciation attributed to the assets used by the relevant service;
- Revaluation gains or losses on land and buildings
- Amortisation of intangible assets

The Group is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. The Minimum Revenue Provision (MRP) is set on a prudent basis as determined by the Group in accordance with statutory guidance.

### **d. Government grants and other contributions**

Whether paid on account, by instalments or in arrears, revenue government grants and third party contributions are recognised as income at the date that the PCC satisfies the conditions of entitlement to the grant / contribution.

The grant / contribution is recognised within the CIES as income when the conditions of entitlement are known to be satisfied. If the grant / contribution has been received in advance of need then the amount is transferred to a Grant in Advance account.

Grants to cover general expenditure (e.g. Police Grant) are credited to the CIES within the provision of services.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account (CAA). Amounts in the Capital Grants Unapplied reserve are transferred to the CAA once they have been applied to fund capital expenditure.

### **e. Heritage assets**

A heritage asset is one with "historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture". The Group will recognise any heritage asset that is valued in excess of £500,000. As at 31<sup>st</sup> March 2024, the Group does not recognise any heritage assets on its balance sheet. Whilst the Group does display various items of historical interest in the force museum, the cost and effort of obtaining a valuation for these objects would be more than the perceived worth of the assets.

### **f. Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Group in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Group recognises on its Balance Sheet the assets that it controls and the liabilities

that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Group and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Group accounts for only its share of the jointly controlled assets, the liabilities, and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

### **g. Overheads and support services**

In line with CIPFA's Police Objective Analysis, the costs of support services are fully allocated to the Group's services.

### **h. Reserves**

The PCC maintains reserves that are either earmarked for specific purposes or held for accounting adjustments. Earmarked reserves will be established from time to time to meet specific expected revenue or capital costs as determined by the PCC. The PCC also maintains reserves to finance future commitments, unforeseen circumstances, fluctuations in annual grant settlements and council tax precepts and emergency expenditure which cannot be contained within the approved budget. The reserves strategy is that general balances continue between 2.5% and 3% of net budget expenditure.

Reserves are created by appropriating amounts in the CIES. When expenditure to be financed from a reserve is incurred, it is charged to the CIES against the Net Cost of Services. The reserve is appropriated back in the Movement of Reserves Statement so that there is no net charge for the expenditure.

Details of movements on usable revenue reserves during the year appear as per note 25.

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits and other technical accounting standards and they do not represent usable resources for the PCC – see note 26.

### **i. VAT**

Income and expenditure excludes any amounts related to VAT, as VAT collected is payable to HM Revenue and Customs and the vast majority of VAT paid is recoverable from it.

## **1. GROUP ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

The only standard introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code which affects policing are:

- IFRS 16 Leases
- Classification of Liabilities as Current or Non Current (IAS 1)
- Lease Liability in a sale and leaseback IFRS 16)
- Non-Current Liabilities with Covenants (IAS 1)
- International Tax Reform (IAS 12)
- Supplier Finance Arrangements (IAS 7 and IFRS &)

We are currently not in a position to reasonably estimate the possible impact that the application of the above standards will have on the 2024/25 accounts

## 2. GROUP SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the PCC to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income, and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

- a. Establishing the valuations of operational and residential properties (see Note for details of amounts and the valuation process involved). Depreciation is a calculation by the fixed asset register system, based on asset value and expected useful life of the asset. If the useful life of an asset is reduced then the depreciation charge to CIES will increase. The PCC monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year.
- b. We have reviewed all property leases to determine which ones, if any, need to be treated as a finance lease. The outcome of that review is that only the Abingdon PFI scheme needs to be treated as a finance lease; all other property leases are operating leases. The Group has procured a fleet of multifunctional printing devices. The contract for the supply of the service has been reviewed and has been deemed to be a finance lease. The Group has also entered into a contract for a supported, managed and monitored network and voice service. This has also been determined to be a finance lease. Further details of both leases can be found in note 29.
- c. The costs of a pension arrangement require estimates regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the PCC as advised by their actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- d. A judgement has been made of the expenditure allocated between the PCC and Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the PCC in accordance with the standard set of activities for each corporate body identified in CIPFA's published guidance at the time (SeRCOP). In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the PRSR Act and Home Office guidance.
- e. Changes to IFRS 11 (Joint Arrangements) required the Group to classify their collaborative arrangements. Senior Management within Thames Valley Police and their collaboration partners have considered the nature of the arrangements and most importantly, whether joint control exists within each arrangement, and in each case, a judgement has been made that the arrangement is outside the scope of the new collaboration standard. The Group will continue to account for its own share of income and expenditure of each arrangement. Details of these values are shown in note 12 (related party transactions).
- f. All surplus properties owned by the PCC have been reviewed and have been judged to meet the criteria of surplus properties rather than investment properties.
- g. On the 1st April 2018, significant changes were made to IFRS 9 (Financial Instruments). This has resulted in new classification categories for financial assets and liabilities. All investments and loans have been assessed at year-end and as all investments are made solely for payments



## NOTES TO THE ACCOUNTS

of principal and interest, a judgement has been made that they should all be held at amortised cost.

- h. During 2023/24 Thames Valley Police continued to operate the national store for Personal Protective Equipment (PPE) on behalf of all police forces in the country. The stock was initially supplied by forces and paid for via Home Office grant but this was then taken over (both supply and funding) by the Department of Health, TVP was responsible for the onward distribution as determined by the National Police Coordination Centre. As such, it has been determined that TVP are operating as an agent and not as principal in the acquisition and distribution of the stock. The PPE stock is held as an inventory on the Group Balance Sheet, valued at average market price, but no entries will be shown through the Consolidated Income and Expenditure Statement.

### 3. GROUP ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year involved the pension liability for police staff. The discount rates used to calculate the pension liabilities are estimates, any changes in which could impact on the total liability of the relevant pension funds. See note 23 for a sensitivity analysis and details of the impact of a change in the discount rate. Furthermore, the full impact of the McCloud/Sargeant judgement on both the police officer and police staff pension schemes is still unknown.

### 4. INTRA GROUP ADJUSTMENTS

Both the Police and Crime Commissioner and the Chief Constable are separate legal entities. The Group statement of accounts (PCC Group) reflects the consolidated accounts of the PCC and its subsidiary the Chief Constable.

The table below shows the movement through an intra group account within the respective accounts during 2022/23 and 2023/24. There are no outstanding intra group balances at year end, as the PCC paid all financial resources consumed at the request of the Chief Constable and an intra group adjustment was made to offset the Chief Constable's consumption of resources.

<b>Intra group balances for 2022/23</b>	<b>PCC £000</b>	<b>CC £000</b>	<b>Group £000</b>
Opening balance as at 1 <sup>st</sup> April 2022	0	0	0
Balance sheet intra group adjustment	(46,005)	46,005	0
PCC resources consumed at the request of the Chief Constable	(506,635)	506,635	0
PCC Intra group adjustment	(552,640)	552,640	0

<b>Intra group balances for 2023/24</b>	<b>PCC £000</b>	<b>CC £000</b>	<b>Group £000</b>
Opening balance as at 1 <sup>st</sup> April 2023	0	0	0
Balance sheet intra group adjustment	(33,199)	33,199	0
PCC resources consumed at the request of the Chief Constable	(544,313)	544,313	0
PCC Intra group adjustment	(577,512)	577,512	0

**NOTES TO THE ACCOUNTS**

**5. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS**

Adjustments from General Fund to arrive at the CIES amounts	2022/23				2023/24			
	Adjustments for capital purposes £000	Net change for the pensions Adustments £000	Other differences £000	Total Adjustments £000	Adjustments for capital purposes £000	Net change for the pensions Adustments £000	Other differences £000	Total Adjustments £000
PCC	11,107	(577)	(3)	10,527	6,552	71	3	6,626
<i>TVP operational budgets under the direction &amp; control of the Chief Constable</i>								
Employees		185,644	32	185,676		112,191	524	112,715
Premises								
Transport								
Supplies & Services								
Third Party Payments								
Capital Charges	(7,512)			(7,512)	(561)			(561)
Non specific Income								
net cost of services	<b>3,595</b>	<b>185,067</b>	<b>29</b>	<b>188,691</b>	<b>5,991</b>	<b>112,262</b>	<b>527</b>	<b>118,780</b>
other income & expenditure from the expenditure & funding analysis	(2,509)		(1,966)	(4,475)	(6,552)		539	(6,013)
<b>Difference between General Fund &amp; surplus or deficit and CIES statement surplus or deficit on the provision of services</b>	<b>1,086</b>	<b>185,067</b>	<b>(1,937)</b>	<b>184,216</b>	<b>(561)</b>	<b>112,262</b>	<b>1,066</b>	<b>112,767</b>

## NOTES TO THE ACCOUNTS

### 6. 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 the PCC and Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the PCC and Group to meet future capital and revenue expenditure. All items are adjustments between the general fund balance and the unusable reserves shown below.

**2023/24**

	General Fund Balance £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Unusable Reserves £000
<b>Adjustments to the Revenue Resources</b>				
<b>Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:</b>				
Pensions costs (transferred to or from the pensions reserve)	112,262			(112,262)
Financial instruments (transferred to the financial instruments adjustment account)	(20)			20
Council tax (transfers to or from the collection fund adjustment account)	559			(559)
Holiday Pay (transferred to the accumulated absences account)	527			(527)
Non current assets written off on disposal (charged to capital adjustment account)	3,169			(3,169)
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	20,006			(20,006)
<b>Total Adjustments to the Revenue Resources</b>	<b>136,503</b>	<b>0</b>	<b>0</b>	<b>(136,503)</b>
<b>Adjustments between revenue and Capital Resources</b>				
Transfer of non current asset sale proceeds from revenue to capital receipts reserve	(2,977)	2,977		0
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(2,900)			2,900
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(17,859)			17,859
<b>Total Adjustments between revenue and Capital Resources</b>	<b>(23,736)</b>	<b>2,977</b>	<b>0</b>	<b>20,759</b>
<b>Adjustments to capital resources</b>				
Use of capital receipts reserve to finance capital expenditure		(2,995)		2,995
Application of capital grants to finance capital expenditure			(6,317)	6,317
<b>Total Adjustments to capital resources</b>		<b>(2,995)</b>	<b>(6,317)</b>	<b>9,312</b>
<b>Total Adjustments</b>	<b>112,767</b>	<b>(18)</b>	<b>(6,317)</b>	<b>(106,432)</b>

## NOTES TO THE ACCOUNTS

2022/23

	General Fund Balance £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Unusable Reserves £000
<b>Adjustments to the Revenue Resources</b>				
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to or from the pensions reserve)	185,067			(185,067)
Financial instruments (transferred to the financial instruments adjustment account)	396			(396)
Council tax (transfers to or from the collection fund adjustment account)	(2,361)			2,361
Holiday Pay (transferred to the accumulated absences account)	29			(29)
Non current assets written off on disposal (charged to capital adjustment account)	0			0
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	21,621			(21,621)
				0
<b>Total Adjustments to the Revenue Resources</b>	<b>204,751</b>	<b>0</b>	<b>0</b>	<b>(204,751)</b>
<b>Adjustments between revenue and Capital Resources</b>				
Transfer of non current asset sale proceeds from revenue to capital receipts reserve	4,574	(4,574)		0
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(2,847)			2,847
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(22,262)			22,262
<b>Total Adjustments between revenue and Capital Resources</b>	<b>(20,535)</b>	<b>(4,574)</b>	<b>0</b>	<b>25,109</b>
<b>Adjustments to capital resources</b>				
Use of capital receipts reserve to finance capital expenditure		3,372		(3,372)
Application of capital grants to finance capital expenditure			(7,709)	7,709
<b>Total Adjustments to capital resources</b>		<b>3,372</b>	<b>(7,709)</b>	<b>4,337</b>
<b>Total Adjustments</b>	<b>184,216</b>	<b>(1,202)</b>	<b>(7,709)</b>	<b>(175,305)</b>

## 7. EVENTS AFTER THE BALANCE SHEET DATE

### Accounting Policy

When an event occurs after the balance sheet date which provides evidence of conditions that existed at the balance sheet date, an adjusting event occurs and the amounts recognised in the Statement of Accounts will be adjusted to take into account any values that reflect the adjusting event. Where an event occurs after the Balance sheet date that is indicative of conditions that arose after the balance sheet date, the amounts recognised in the statement of accounts are not adjusted but disclosed as a separate note to the accounts. Events after the balance sheet date are reflected up to the date when the statement of accounts is authorised for issue and published.

## NOTES TO THE ACCOUNTS

### 8. TRANSFERS TO / FROM EARMARKED RESERVES

This note explains the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24.

	Balance at 1/4/2023	Appropriation to (-) /from CIES	Balance at 31/3/2024	Purpose of Reserve
Reserve	£000	£000	£000	
Conditional funding reserve	4,041	243	4,284	Income received can only be spent on the specified project or activity
Transport reserve	1,282	88	1,370	TVP share of the Chiltern transport Consortium reserves
Service Delivery and Crime Management (SDCM) reserve	4,000	(1,638)	2,362	To fund the initial costs of this new operational policing priority in 2024/25
Insurance reserve	5,295	305	5,600	Funds held in case insurance provision proves inadequate to meet known liabilities
SEROCU reserve	5,151	1,179	6,329	Funding for SE Regional Organised Crime Unit, as defined in S22 agreement
Covid 19 Support reserve	2,923	(2,923)	0	Government grant support for Covid-19 to fund related costs (e.g. lower council tax receipts) during the period 2021/22 through to 2023/24
Crime Prevention Reserve	3,424	675	4,099	To support the Police & Crime Plan by funding services and grants to reduce crime & disorder and support victims & witnesses.
Partnership Fund Reserve	541	500	1,041	To fund the 3 year Partnership Funding provided to Community Safety Partners
Improvement and Performance (I&P) reserve	17,403	7,467	24,870	To help fund future policing initiatives
CCTV reserve	1,000	(365)	635	To help fund CCTV services and infrastructure across the Thames Valley
Estates reserve	9,446	8,776	18,222	To help fund the long-term capital costs of the police property estate
MTCP Financing Reserve	30,929	1,680	32,609	To help fund capital investment in future financial years
<b>Total</b>	<b>85,435</b>	<b>15,986</b>	<b>101,421</b>	

### 9. ANALYSIS OF ITEMS IN COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

#### a) Other Operating Expenditure

	2022/23 £000	2023/24 £000
Gain (-)/loss on disposal of fixed asset	4,586	192
Levies to national police service	0	0
<b>Total Operating Expenditure</b>	<b>4,586</b>	<b>192</b>

## NOTES TO THE ACCOUNTS

### b) Financing and Investment income and expenditure

	2022/23 £000	2023/24 £000
Interest payable	2,266	1,641
Impairment loss allowance	0	0
Pensions interest cost on net defined benefit liability	126,560	151,216
Subtotal Financing and Investment expenditure	128,826	152,857
Interest and investment income	(3,531)	(9,400)
<b>Total Operating Expenditure</b>	<b>125,295</b>	<b>143,456</b>

### c) Taxation and non specific grant income

	2022/23 £000	2023/24 £000
Police Grant		
Formula Grant	(88,432)	(88,740)
Council tax	(228,107)	(248,620)
Pensions top up grant	(31,184)	(31,283)
Capital grants and contributions	(7,083)	(6,744)
Council tax legacy grant	(17,640)	(14,720)
<b>Total taxation and non specific grant income</b>	<b>(545,875)</b>	<b>(564,139)</b>

### d) Specific grant income

	2022/23 £000	2023/24 £000
PFI grant	(1,032)	(1,032)
Counter terrorism grant (including dedicated security posts)	(57,927)	(41,245)
SEROCU grant	(4,908)	(4,042)
Disclosure Bureau Services	(1,804)	(2,180)
MOJ Victims and Witnesses grant	(4,943)	(4,563)
Home Office (Serious violence, Violence reduction unit)	(4,162)	(4,227)
Use of the apprenticeship levy	(2,014)	(2,202)
Pensions grant	(4,312)	(4,312)
Safer Streets	(991)	(400)
Recruitment uplift grant	(5,713)	(13,517)
Local Council Tax Guarantee	(2,133)	0
Specialist Firearms	(4,153)	(3,875)
Security Grant	(9,098)	(7,686)
Home Office ICT Grant	0	(20,000)
Innovation Fund	0	(1,712)
Pay Award Grant	0	(10,054)
Other small grants	(920)	(799)
<b>Total specific grant income</b>	<b>(103,659)</b>	<b>(121,843)</b>

## 10. OFFICERS' REMUNERATION

## NOTES TO THE ACCOUNTS

The following sums have been paid to members of the Chief Constable's Management Team as well as to the PCC's Statutory Officers.

	Year	Note	Salary, Fees & Bonuses	£	Bonus	£	Total	£	Re mun er ation	£	Pen sion Con trib	£	Total	£
<b>Police Force</b>														
John Campbell	2022/2023	1	187,074				187,074			0			187,074	
(Chief Constable)	2023/2024		0				0			0			0	
Jason Hogg	2022/2023	2	152,634				152,634			46,516			199,150	
(Chief Constable)	2023/2024		197,014				197,014			58,865			255,879	
Ben Snuggs	2022/2023	3							0				0	
(Deputy Chief Constable)	2023/2024		159,601				159,601			48,022			207,623	
Tim De Meyer	2022/2023	4	135,695				135,695			37,302			172,997	
(Assistant Chief Constable)	2023/2024		1,522				1,522			209			1,731	
Tim Metcalfe	2022/2023		123,762	500			124,262			34,310			158,572	
(Assistant Chief Constable)	2023/2024		136,728				136,728			38,201			174,928	
Dennis Murray	2022/2023	5	121,689				121,689			33,222			154,911	
(Assistant Chief Constable)	2023/2024		122,339				122,339			33,702			156,041	
Katy Barrow-Grint	2022/2023	6	0				0			0			0	
(Assistant Chief Constable)	2023/2024		125,727				125,727			34,632			160,360	
Christian Bunt (Temporary Assistant Chief Constable)	2022/2023		101,662	500			102,162			29,234			131,395	
	2023/2024		137,296				137,296			38,377			175,672	
Linda Waters	2022/2023		123,304	500			123,804			20,468			144,272	
(Director of Finance)	2023/2024		133,579				133,579			21,727			155,306	
Steven Chase	2022/2023	7	6,210				6,210			1,029			7,239	
(Director of People)	2023/2024		0				0			0			0	
Christine Kirby	2022/2023		116,027	500			116,527			19,261			135,788	
(Director of People)	2023/2024		127,280				127,280			20,909			148,189	
Mike Lattanzio (Chief Digital and Information Officer)	2022/2023	8	204,430				204,430			0			204,430	
	2023/2024		151,754				151,754			0			151,754	

Note 1 John Campbell left 31/03/2023, took non paid holiday up to the 16th April 2023

Note 2 Jason Hogg Became Chief Constable 01/04/23

Note 3 Ben Snuggs became Deputy Chief Constable 06/04/23

Note 4 Tim De Meyer left 02/04/23

Note 5 Dennis Murray Left in 06/10/23 but returned 07/11/23

Note 6 Katy Barrow-Grint became ACC 05/04/23

Note 7 Steven Chase left on 19/04/22

Note 8 Mike Lattanzio was on a temporary contract in 22/23, now employed by TVP

## NOTES TO THE ACCOUNTS

Following changes to taxation regulations, no chief officers have any taxable personal use of vehicles and therefore no longer incur a benefit in kind.

	Year	Note	Salary, Fees & Allowance	Bonuses	Total Remuneration excluding Pensions	Pension Contribution	Total
			£	£	£	£	£
<b>Office of the Police and Crime Commissioner</b>							
Paul Hammond (Chief Executive)	2022/2023	1	38,203		38,203	6,342	44,544
	2023/2024		0		0	0	0
Gillian Ormston (Chief of Staff)	2022/2023	2	54,361		54,361	9,024	63,385
	2023/2024		101,151		101,151	16,791	117,942
Ian Thompson (Chief Finance Officer)	2022/2023	3	41,839		41,839	6,664	48,502
	2023/2024		0		0	0	0
Martin Thornley (Chief Finance Officer)	2022/2023	4	55,701	500	56,201	9,246	65,448
	2023/2024		91,685		91,685	20,238	111,923

Note 1: Paul Hammond left as Chief Executive on 31/07/2022

Note 2: Gillian Ormston was appointed Chief of Staff on 05/09/2022

Note 3: Ian Thompson left as Chief Finance Officer on 31/08/2022

Note 4: Martin Thornley was appointed as Chief Finance Officer on 08/08/2022

	Year	Note	Salary, Fees & Allowance	Total Remuneration excluding Pensions	Pension Contribution	Total
			£	£	£	£
<b>Police and Crime Commissioner</b>						
Matthew Barber (PCC)	2022/2023		88,442	88,442	14,681	103,123
	2023/2024		88,600	88,600	14,708	103,308

The following table shows the number of staff employed and paid directly by TVP whose total remuneration package exceeded £50,000. In this respect, total remuneration comprises gross pay as recorded on employee's P60 tax returns, together with taxable benefits in kind as disclosed to the HM Revenue and Customs on Form P11D. This table excludes those senior officers whose salaries etc. are disclosed separately above.



## NOTES TO THE ACCOUNTS

Total Remuneration	2022/23	2023/24
£		
110,000 - 124,999	3	6
105,000 - 109,999	2	7
100,000 - 104,999	2	7
95,000 – 99,999	11	12
90,000 – 94,999	9	18
85,000 – 89,999	16	20
80,000 – 84,999	19	29
75,000 – 79,999	29	47
70,000 – 74,999	42	92
65,000 – 69,999	160	287
60,000 – 64,999	343	409
55,000 - 59,999	573	722
50,000 – 54,999	862	1,004
	<b>2,071</b>	<b>2,660</b>

### 11. FEES PAYABLE TO EXTERNAL AUDITORS

The Group has incurred the following costs in relation to the audit of the Statement of Accounts by the Groups external auditors, Ernst and Young:

	2022/23 £000	2023/24 £000
Fees payable in relation to auditing the PCC and Group accounts by the appointed auditor for the year	62	113
Refund in relation to prior years (PCC and Group)	0	0
Fees payable in relation to auditing the Chief Constable accounts by the appointed auditor for the year	28	52
Refund in relation to prior years (Chief Constable)	0	0
Other services provided by the auditor	0	0
<b>Total fees</b>	<b>91</b>	<b>165</b>

### 12. RELATED PARTY TRANSACTIONS

Central Government has effective control over the general operations of the Group - it is responsible for providing the statutory framework within which the Group operates and provides the majority of its funding in the form of grants. Details of significant transactions with government departments are disclosed elsewhere in the Statement of Accounts.

The Chiltern Transport Consortium provides a vehicle fleet management service to TVP, Bedfordshire Police, Cambridgeshire Constabulary, Hertfordshire Police, British Transport Police, Civil Nuclear Constabulary and the National Investigation Service. The following table provides a high-level split of gross costs.

	2022/23 £000	2023/24 £000
TVP	5,654	5,540
Bedfordshire Police	2,524	2,870
Civil Nuclear Constabulary	765	927
Hertfordshire Police	3,021	3,278
Cambridgeshire Constabulary	2,615	2,686
British Transport Police	2,946	3,269
National Investigation Service	36	41
External Income	(286)	1,160
<b>Total Gross Cost</b>	<b>17,274</b>	<b>19,744</b>

## NOTES TO THE ACCOUNTS

The South East Regional Organised Crime Unit (SEROCU) comprises several different capabilities as recommended by the National ROCU board. The following table provides a high-level split of gross costs.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
TVP	6,361	10,357
Hampshire Police	4,876	6,051
Sussex Police	4,104	5,079
Surrey Police	3,102	3,756
Kent Police	38	30
External Income	10,546	11,388
<b>Total Gross Cost</b>	<b>29,027</b>	<b>36,661</b>

TVP lead the regional Counter Terrorism Specialist Firearms Officers unit for Thames Valley, Hampshire, Surrey, Sussex and Kent but officers remain employed by their home force and hence their costs do not show in the TVP ledger. As lead TVP receives the full grant from National Counter Terrorism Police Head Quarters and distributes to the regional partners.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
TVP	3,188	3,154
Hampshire Police	(296)	(449)
Surrey / Sussex / Kent Police	(1,322)	(1,735)
External Income	4,071	4,459
<b>Total Gross Cost</b>	<b>5,640</b>	<b>5,429</b>
Net Direct Expenditure Incurred by other forces	4,093	4,299
<b>Total Unit Gross Cost</b>	<b>9,734</b>	<b>9,728</b>

TVP leads the Regional Collaboration of a number of intelligence functions through the Counter Terrorist Policing South East (CTPSE) unit, which co-ordinates these function to enable the South East forces of Thames Valley, Hampshire, Surrey, Sussex and Kent to respond appropriately to threats in the region. Most of the officers remain employed by their Home forces as do their direct costs.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
TVP	786	998
Hampshire Police	(147)	(139)
Surrey / Sussex / Kent Police	(171)	(325)
<b>Total Gross Cost</b>	<b>468</b>	<b>533</b>
Net Direct Expenditure incurred by other forces	1,189	1,390
<b>Total Unit Gross Cost</b>	<b>1,657</b>	<b>1,923</b>

We collaborate with Hampshire Police in terms of ICT, Information Management and ANPR which are led by TVP, and also Operations which is led by Hampshire. The following table provides a high-level split of the gross costs incurred by each force for the combined units for 2023/24.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
TVP	62,835	69,680
Hampshire Police	47,996	55,403
<b>Total Gross Cost</b>	<b>110,831</b>	<b>125,083</b>

Chief Officers are required to declare whether they, or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the PCC or Thames Valley Police

## NOTES TO THE ACCOUNTS

during the financial year. A letter has been sent to all chief officers to collect this information and the outcome is that there are two material related party transaction to disclose in 2023/24:

During the period April 2023 – March 2024 the Chief Digital and Information Officer and his wife were both senior members of the ICT department. The CIO's wife is a consultant, appointed through a recruitment agency. Invoices relating to the consultancy are appropriately scrutinised and the Chief Information Officer does not approve the invoices of his wife.

During the period April 2023 – March 2024 the Police and Crime Commissioner was a Director (non remunerated) of Bluelight Commercial Limited and National Business Crime Solution Limited. Both of these companies have completed work with Thames Valley Police. Invoices for both companies are appropriately scrutinised and approved.

### 13. TERMINATION BENEFITS

#### Accounting Policy

Termination benefits are amounts payable as a result of a decision by the Group to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are charged as an expense in the cost of services in the Comprehensive Income and Expenditure at the point in which the Group can no longer withdraw the offer of termination benefits.

Termination benefits are accounted for in the year in which the decision is made, not when the individual leaves TVP.

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

#### 2023/24

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages in each band £000
£0 - £40,000*	5	0	5	81
<b>Total</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>81</b>

\*due to confidentiality and the small number of people within the bands we cannot disclosure further details

#### 2022/23

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total cost of exit packages in each band £000
£0 - £20,000	2	2	4	28
£20,001 - £40,000	1	0	1	22
£40,001 - £60,000	1	0	1	47
£60,001 - £80,000	1	0	1	68
<b>Total</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>165</b>

The figures shown above include, where appropriate, the cost to the Group of paying the pension strain on those employees who accepted early retirement. Pension strain is a payment made to the pension fund to reflect the additional cost to the fund of the employee retiring early. It is not a payment made to the individual employee. Voluntary redundancies are only agreed in situations where, by accepting a volunteer, the Group avoids or reduces the requirement to select and implement compulsory redundancies.

## **14. PROPERTY, PLANT AND EQUIPMENT**

### **Accounting Policy**

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. The de-minimus level policy to capitalise expenditure is as follows:

<b>Asset Type</b>	<b>De-minimus £000</b>
Buildings (including PFI)	100
Leased Buildings	10
Vehicles	none
ICT (Total Collaborative project value)	50
Intangible assets (Total Collaborative project value)	50
ESMCP devices	none
Equipment	25
Assets funded by capital grant	none

Schemes with strategic importance (e.g. vehicles, force wide ICT projects, desktop PCs etc) may also be capitalised.

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the Group and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the balance sheet at cost.

### Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are carried in the balance sheet using the following measurement bases:

- assets surplus to requirements – measured at fair value, estimated at highest and best use from a market participant's perspective.
- dwellings, other land and buildings, vehicles, plant and equipment – lower of net current replacement cost or net realisable value in existing use.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

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

Assets included in the balance sheet at current value are revalued where there have been material changes in the value and as minimum revaluations are carried out every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognised unrealised gains.

### Disposals

When an asset is disposed of, sale proceeds are transferred to the usable capital receipts reserve and the gain or loss on disposal is shown in the CIES.

### Component assets

Where an item of PPE asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The Group has set a policy that it will separately account for components of buildings that have a value in excess of £500,000.

The components that will be identified and separately depreciated are as follows:

## NOTES TO THE ACCOUNTS

- Land
- Building fabric
- Mechanical and engineering services
- Roof
- Structures and elevations
- Internal fabric
- External areas

The component must be valued at a minimum of £200,000 or 10% of the value of the parent asset (whichever is greater) in order to be recognised.

### Impairment

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

Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement (CIES). Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, with an adjustment for depreciation that would have been charged if the loss had not been recognised

### Depreciation

This is provided for all assets with a useful finite life, by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use, on a straight-line basis.

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- Vehicles, - a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer. Once the vehicle reaches its residual value we stop depreciating.

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

### Grants and contributions

Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the Group has not satisfied. In that event the amount subject to condition is transferred to the capital grants receipts in advance account. Where the conditions of the grant / contribution are satisfied, but expenditure for which grant is given has not yet been incurred, then such sums will continue to be transferred to the capital grants unapplied reserve.

## NOTES TO THE ACCOUNTS

### Movement on Fixed Assets

#### 2023/24 Movements

	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Vehicles Plant and Equipment £000	Surplus Assets £000	Assets under construction £000	Total £000
<b>Cost or Valuation</b>							
At 1st April 2023	<b>202,771</b>	<b>7,100</b>	<b>1,417</b>	<b>68,173</b>	<b>9,498</b>	<b>56,752</b>	<b>345,711</b>
Additions	413	0	0	16,053	0	15,537	32,003
Revaluation increases /(decreases) to RR	6,522	355			1,187		8,064
Revaluation increases /(decreases) to SDPS	(3,109)						(3,109)
Disposals	(1,890)	(180)		(9,752)	0	(17)	(11,840)
Reclassifications	3,048					(3,048)	0
Write out fully depreciated assets							0
Depreciation written out on revaluation	(10,176)						(10,176)
<b>At 31st March 2024</b>	<b>197,578</b>	<b>7,275</b>	<b>1,417</b>	<b>74,474</b>	<b>10,685</b>	<b>69,224</b>	<b>360,654</b>
<b>Depreciation and Impairment</b>							
At 1st April 2023	<b>1,361</b>	<b>1</b>	<b>0</b>	<b>37,371</b>	<b>(204)</b>	<b>0</b>	<b>38,529</b>
Depreciation charge	9,038			9,853	1,158		20,049
Depreciation written out on revaluation	(10,176)				0		(10,176)
Disposal				(8,671)			(8,671)
Write out fully depreciated assets							0
Reclassifications							0
<b>At 31st March 2024</b>	<b>223</b>	<b>1</b>	<b>0</b>	<b>38,553</b>	<b>954</b>	<b>0</b>	<b>39,732</b>
<b>Net Book Value</b>							
<b>At 31st March 2024</b>	<b>197,355</b>	<b>7,274</b>	<b>1,417</b>	<b>35,921</b>	<b>9,731</b>	<b>69,224</b>	<b>320,922</b>

## NOTES TO THE ACCOUNTS

### 2022/23 Movements

	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Vehicles Plant and Equipment £000	Surplus Assets £000	Assets under construction £000	Total £000
<b>Cost or Valuation</b>							
At 1st April 2022	<b>214,746</b>	<b>8,400</b>	<b>1,518</b>	<b>63,697</b>	<b>8,523</b>	<b>19,355</b>	<b>316,239</b>
Additions	2,160	0	0	9,587	0	27,610	39,357
Revaluation increases /(decreases) to RR	8,758	515	162		1,718		11,153
Revaluation increases /(decreases) to SDPS	(2,891)				460		(2,431)
Disposals	(168)	(1,815)	(263)	(5,699)			(7,945)
Reclassifications	(10,374)			588		9,786	0
Write out expenditure not adding value	(53)						(53)
Write out expenditure not adding value	116						116
Depreciation written out on revaluation	(9,522)				(1,204)		(10,726)
<b>At 31st March 2024</b>	<b>202,772</b>	<b>7,100</b>	<b>1,417</b>	<b>68,173</b>	<b>9,497</b>	<b>56,751</b>	<b>345,710</b>
<b>Depreciation and Impairment</b>							
At 1st April 2023	<b>1,373</b>	<b>1</b>	<b>0</b>	<b>33,389</b>	<b>0</b>	<b>0</b>	<b>34,763</b>
Depreciation charge	9,508			9,225	1,000		19,733
Depreciation written out on revaluation	(9,522)				(1,204)		(10,726)
Disposal				(5,243)			(5,243)
Write out fully depreciated assets	2						2
Reclassifications							0
<b>At 31st March 2024</b>	<b>1,361</b>	<b>1</b>	<b>0</b>	<b>37,371</b>	<b>(204)</b>	<b>0</b>	<b>38,529</b>
<b>Net Book Value</b>							
<b>At 31st March 2024</b>	<b>201,411</b>	<b>7,099</b>	<b>1,417</b>	<b>30,802</b>	<b>9,701</b>	<b>56,751</b>	<b>307,181</b>

## NOTES TO THE ACCOUNTS

### Revaluations

Thames Valley Police's property valuers are Lambert Smith Hampton - Commercial Surveyors and Property Consultants. This company has been commissioned to undertake a rolling programme of valuation of one fifth of the property portfolio each year with the remainder being subject to a desktop valuation to ensure that an appropriate value for all properties is maintained within the accounts.

Properties were valued at 1<sup>st</sup> March 2024 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

The significant assumptions applied in estimating the fair values are:

- The condition of the properties at the date of valuation is identical to that found at the date of the valuer's inspection.
- There is no significant risk of contamination to the properties.
- No deleterious material has been used in the construction of the properties.
  
- The ground conditions are satisfactory for a traditional method of construction and that there are no contaminating or deleterious materials present which may prevent the development of the sites.
- The uses being carried out in each of the properties is an authorised planning use and that the buildings have been erected with full planning permission.
- The properties and their value are unaffected by any matters which will be revealed by a local search or by any statutory notice.
- The properties comply with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

### Fair Value disclosures for surplus assets

Details of the PCC's surplus assets and information about the fair value hierarchy as at 31 March 2024 are as follows:

<i>Recurring fair value measurements using:</i>	<b>Quoted prices in active markets for identical assets (level 1)</b>	<b>Other significant observable inputs (level 2)</b>	<b>Significant unobservable inputs (level 3)</b>	<b>Fair value as at 31 March 2023</b>
	£000	£000	£000	£000
Surplus operational properties		6,025		6,025
Surplus land		4,238		4,238
Telecommunications sharing sites		281		281
<b>Total</b>		<b>10,544</b>		<b>10,544</b>

Comparable figures for 2022/23 are as follows:

<i>Recurring fair value measurements using:</i>	<b>Quoted prices in active markets for identical assets (level 1)</b>	<b>Other significant observable inputs (level 2)</b>	<b>Significant unobservable inputs (level 3)</b>	<b>Fair value as at 31 March 2022</b>
	£000	£000	£000	£000
Surplus operational properties	0	5,962	0	5,962
Surplus land	0	4,178	0	4,178
Telecommunications sharing sites	0	281	0	281
<b>Total</b>	<b>0</b>	<b>10,421</b>	<b>0</b>	<b>10,421</b>



## NOTES TO THE ACCOUNTS

### Transfer between levels of fair value hierarchy

There were no transfers between levels 1 and 2 during the year.

### Valuation techniques used to determine level 2 and level 3 fair values for surplus assets:

#### Significant observable inputs – level 2

The fair value for all the surplus assets shown in the table above are based on quoted prices for similar properties in active markets. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at level 2 in the fair value hierarchy.

#### Significant unobservable inputs – level 3

There are no properties categorised at level 3 in the fair value hierarchy.

#### Valuation process for surplus assets

The fair value of surplus assets is measured annually at 1<sup>st</sup> March by external valuation experts Lambert Smith Hampton. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors and in conjunction with the Chief Constables' finance team. There have been no changes in valuation techniques used during the year.

### Capital Commitments

The following significant amounts are outstanding on capital contracts which have been entered into by the Chief Constable as at 31 March 2024. The amounts shown are the Thames Valley Police share of the Commitment. Where there is a total joint commitment to the contract by multiple forces, this value is shown in brackets.

This is a significant increase on 2022/23 (£3,194) due to issuing of contracts on three major build projects.

	<b>£000</b>
Building Projects	16,920
<b>Total</b>	<b>16,920</b>

## 15. CAPITAL EXPENDITURE AND FINANCING

The Group spent £40.426m on the acquisition and enhancement of long term assets in 2023/24, as the following table shows.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Land and buildings	28,493	16,043
Vehicles, plant and other equipment	6,970	10,524
Information, communications and technology	3,893	5,436
<b>Total tangible fixed asset expenditure</b>	<b>39,356</b>	<b>32,003</b>
Intangible assets (i.e. computer software licences)	1,069	1,911
<b>Total Capital Expenditure</b>	<b>40,426</b>	<b>33,914</b>

Financing of the capital programme is set out below.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Capital grant	14,764	12,886
Capital receipts	3,372	2,995
Borrowing Requirement	0	0
Third party contributions	28	175
Reserves contributions	1,000	4,868
Revenue contributions	21,262	12,991
<b>Total financing</b>	<b>40,426</b>	<b>33,914</b>

## 16. INTANGIBLE ASSETS

### Accounting Policy

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Group (e.g. software licences) are capitalised where it will bring benefits to the Group for more than one financial year. Internally generated assets include complex system costs and IT development costs. These are also capitalised where it will bring benefits to the group for more than one year. The balance is amortised to the CIES on a straight line basis over the economic life of the investment (over 5 years) to reflect the pattern of consumption of benefits.

	2022/23			2023/24		
	Internally Generated Assets £000	Other Assets £000	Total £000	Internally Generated Assets £000	Other Assets £000	Total £000
Gross Book Value						
Opening balance	20,987	9,928	30,915	21,829	9,284	31,113
Additions (purchased and internally generated)	842	229	1,071	1,008	903	1,911
Write out fully depreciated items	0	(873)	(873)	0	(5,816)	(5,816)
<b>Closing balance</b>	<b>21,829</b>	<b>9,284</b>	<b>31,113</b>	<b>22,837</b>	<b>4,372</b>	<b>27,208</b>
Depreciation						
Opening balance	(11,735)	(7,723)	(19,458)	(15,701)	(9,424)	(25,126)
Amortisation charged to income and expenditure	(3,966)	(2,574)	(6,540)	(4,168)	(598)	(3,592)
Write out fully depreciated items	0	873	873	0	5,816	5,816
<b>Closing balance</b>	<b>(15,701)</b>	<b>(9,424)</b>	<b>(25,126)</b>	<b>(19,870)</b>	<b>(4,206)</b>	<b>(22,902)</b>
<b>Net Book Value</b>	<b>6,127</b>	<b>(140)</b>	<b>5,987</b>	<b>4,141</b>	<b>(165)</b>	<b>4,307</b>

## 17. FINANCIAL INSTRUMENTS

### Accounting Policy

#### Financial liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings, this means that the amount presented in the balance sheet is the outstanding principal repayable plus accrued interest. Interest charges to the CIES is the amount payable for the year according to the loan agreement.

#### Financial assets

Financial assets held by the PCC comprise loans and receivables, which are assets that have fixed or determinable payments but are quoted in an active market. Financial assets are categorised based on a classification and measurement approach that reflects the business model for holding the financial asset and their cashflow characteristics. All financial assets held by the PCC are held solely for payment of principal and interest and are therefore measured at amortised cost. Interest and other income received is based on the capital value of their investment multiplied by the rate of interest. For most of the loans that the PCC has made, the amount presented in the balance sheet is the outstanding principal in the loan agreement plus accrued interest. The loans made by the PCC are short term investments consisting of fixed term deposits.

## NOTES TO THE ACCOUNTS

The following categories of financial instruments are carried in the Balance Sheet.

**2023/24**

	Long-Term		Current	
	Investments	Debtors	Investments	Debtors
<b>Financial Assets</b>				
Fair value through profit and loss				
Amortised cost		696	119,976	104,022
<b>Total financial assets</b>		<b>696</b>	<b>119,976</b>	<b>104,022</b>
Non-financial assets				
<b>Total</b>		<b>696</b>	<b>119,976</b>	<b>104,022</b>
<b>Financial liabilities</b>				
	<b>Borrowings</b>	<b>Creditors</b>	<b>Borrowings</b>	<b>Creditors</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fair value through profit and loss				
Amortised cost	47,178		329	126,602
<b>Total financial liabilities</b>	<b>47,178</b>		<b>329</b>	<b>126,602</b>
PFI and finance lease liabilities	4,054		1,716	0
Other non-financial liabilities				
<b>Total</b>	<b>51,232</b>		<b>2,045</b>	<b>126,602</b>

**2022/23**

	Long-Term		Current	
	Investments	Debtors	Investments	Debtors
	£000	£000	£000	£000
<b>Financial Assets</b>				
Fair value through profit and loss				
Amortised cost		781	111,896	65,464
<b>Total financial assets</b>		<b>781</b>	<b>111,896</b>	<b>65,464</b>
Non-financial assets				
<b>Total</b>		<b>781</b>	<b>111,896</b>	<b>65,464</b>
<b>Financial liabilities</b>				
	<b>Borrowings</b>	<b>Creditors</b>	<b>Borrowings</b>	<b>Creditors</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fair value through profit and loss				
Amortised cost	47,178		325	74,908
<b>Total financial liabilities</b>	<b>47,178</b>		<b>325</b>	<b>74,908</b>
PFI and finance lease liabilities	5,598		1,830	
Other non-financial liabilities				
<b>Total</b>	<b>52,776</b>		<b>2,156</b>	<b>74,908</b>

## NOTES TO THE ACCOUNTS

### Financial Instruments Gains and Losses

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

	Surplus or Deficit on the Provision of Services		Total	
	2022/23	2023/24	2022/23	2023/24
<b>Financial Instruments</b>				
Net gains/losses on:				
<b>Total net gains/losses</b>	-	-	-	-
Interest revenue:				
Financial assets measured at amortised cost other financial assets measured at fair value through other comprehensive income	(3,531)	(9,807)	(3,531)	(9,807)
<b>Total Interest Revenue</b>	<b>(3,531)</b>	<b>(9,807)</b>	<b>(3,531)</b>	<b>(9,807)</b>
<b>Interest expense</b>	2,266	1,641	2,266	1,641

### Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost (in current assets/long term liabilities with accrued interest in current assets/current liabilities). No financial asset or liability is held on the balance sheet at fair value. However, the fair value is shown below for information purposes.

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

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair values calculated are as follows:

	At 31 March 2023		At 31 March 2024	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair value £000
PWLB debt	47,178	36,874	47,178	34,588
Market loans	0	0	0	0
PFI and finance lease liability	7,428	7,428	5,223	5,223
Trade creditors	39,174	39,174	86,950	86,950
<b>Financial liabilities</b>	<b>93,780</b>	<b>83,476</b>	<b>139,350</b>	<b>127,308</b>

## NOTES TO THE ACCOUNTS

The fair value is lower than the carrying amount because the PCC's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date.

	At 31 March 2023		At 31 March 2024	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair value £000
Investments	111,896	111,896	119,570	119,570
Trade debtors	17,407	17,407	24,018	24,018
Cash and cash equivalents	13,730	13,730	69,085	69,085
<b>Total</b>	<b>143,033</b>	<b>143,033</b>	<b>143,587</b>	<b>143,587</b>

All investments are placed for periods of less than 12 months. As such the carrying amount is considered to approximate to the fair value.

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

## 18. INVENTORIES

### Accounting Policy

The Group holds stocks of uniforms, vehicle equipment, personal protective equipment (PPE) and other operational equipment. All stocks are valued at purchase price. This is not consistent with IAS2 which requires stocks to be valued at the lower of cost or net realisable value. However, net realisable value for many stock items such as uniforms would be negligible, therefore to comply with IAS2 would significantly understate the value to the Group of the assets held.

The value of inventories held by the Group as at 31<sup>st</sup> March 2024 is £3.373m. This is categorised as follows:

	2022/23 £000	2023/24 £000
Uniforms	723	1,065
Transport – parts and equipment	223	295
Other operational equipment	876	1,113
Personal Protective Equipment *	944	901
<b>Total</b>	<b>2,765</b>	<b>3,373</b>

\* As at 31<sup>st</sup> March 2024, Thames Valley Police held inventories of personal protective equipment on behalf of the Department of Health for onward distribution to all other 43 police forces in England and Wales. The Group are acting as an agent in this regard as TVP do not hold responsibility for ordering the stock or determining who should receive the stock. The value at the year end was £0.901 million, which was calculated at an average market price at the time of stock count.

The amount of TVP owned inventories recognised as an expense through the Comprehensive Income and Expenditure Statement during each year is as follows:

	2022/23 £000	2023/24 £000
Uniforms	1,787	1,626
Transport – parts, livery and equipment	2,414	2,887
Other operational equipment	276	276
<b>Total</b>	<b>4,478</b>	<b>4,788</b>

There was £2k of inventory write downs during 2023/24

## NOTES TO THE ACCOUNTS

As detailed in the accounting policy above, the Group departs from IAS2 by valuing stock at purchase price rather than net realisable value. The financial effect of complying with the code would be to reduce the value of TVP owned stock on the balance sheet as at 31<sup>st</sup> March 2024 from £3.373m to £2.97m, as per the table below.

	2022/23	2023/24
	£000	£000
Uniforms	0	0
Transport – parts and equipment	7	7
Other operational equipment	827	1,069
<b>Total</b>	<b>834</b>	<b>1,076</b>

### 19. DEBTORS

	2022/23	2023/24
	£000	£000
<i>Amounts falling due after more than one year</i>		
Trade receivables	202	202
Prepayments	547	469
Other receivable amounts	32	25
<b>Total long term debtors</b>	<b>781</b>	<b>696</b>
<i>Amounts falling due within one year</i>		
Trade receivables	17,205	23,815
Prepayments	6,005	5,896
Other receivable amounts	49,888	73,898
	73,098	103,609
Less provision for doubtful debts	(30)	(2)
<b>Total current debtors</b>	<b>73,068</b>	<b>103,607</b>
<b>Total debtors</b>	<b>73,849</b>	<b>104,304</b>

### 20. CASH AND CASH EQUIVALENTS

#### Accounting policy

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents shall include investments placed in instant access call accounts and money market funds which are readily convertible to known amounts of cash with insignificant risk of change in value.

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

For the purposes of this note:

'Cash' includes money held at the bank and/or bank overdraft.

'Cash equivalents' includes investments placed in instant access call accounts or Money Market Funds.

The balance of cash and cash equivalents as at 31<sup>st</sup> March 2024 is made up of the following elements:

	2022/23	2022/23
	£000	£000
Cash	105	177
Cash equivalents	13,625	29,479
<b>Total Cash and Cash equivalents</b>	<b>13,730</b>	<b>29,656</b>

## **21. ASSETS HELD FOR SALE**

### **Accounting Policy**

Non-current assets are classified as Held for Sale only if they meet all of the following criteria:

- The asset must be available for immediate sale in its present condition.
- The sale must be highly probable. This means the appropriate level of management within the Group must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The asset is re-valued immediately before reclassification and then carried at the lower of carrying value and fair value less costs to sell. Fair Value for Assets Held for Sale is the market value.

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

Assets Held for Sale are not depreciated.

Between the 31<sup>st</sup> March 2024 and 31<sup>st</sup> May 2024, no further assets have been classified as “held for sale”.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Balance outstanding at the start of the year	536	479
Assets newly classified as held for sale	53	0
Revaluation losses	0	0
Revaluation gains	0	0
Impairment losses	0	0
Assets declassified as held for sale	0	0
Assets sold	(110)	0
<b>Balance outstanding at year end</b>	<b>479</b>	<b>479</b>

## **22. CREDITORS**

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Trade payables	39,174	64,681
Other payables	36,351	61,921
<b>Total Creditors</b>	<b>75,525</b>	<b>126,602</b>



## **23. PROVISION**

### **Accounting Policy**

Provisions are made where an event has taken place that gives the Group an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service revenue account in the year that the Group becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made they are charged to the provision set up in the Balance Sheet.

#### Insurance Provision

The Group maintains a provision to meet insurance claims under a self-insurance scheme. There are cumulative limits to these, above which claims would be met by the Group's insurers. This provision covers two main areas of insurance, namely motor and employees/public liability. The adequacy of the insurance provision is assessed annually by a firm of actuaries. Payments for employees and public liability insurance are notoriously long tail, which means that it could be as long as 7 years before all current claims are finally paid and settled.

#### Allard Provision

Following successful claims in the court case Allard v Devon and Cornwall Police for unpaid overtime following recalls to duty, the judge has selected a number of test cases to consider all of the issues arising in these claims against forces across the country. Having completed calculations using estimated information we have made a provision for £2.0m, including potential interest which may become due.

Comparative figures for provisions are not required.

	<b>2023/24</b>
	<b>£000</b>
<b>Opening balance at 1 April 2023</b>	7,911
Transactions during the year:	
Additional provisions made in the period	1,204
Amounts used (incurred and charged against the provision) in the period	(48)
Amounts transferred to/from earmarked insurance reserve	
<b>Closing balance at 31 March 2024</b>	<b>9,067</b>
Short term Insurance Provision	5,073
Long term Insurance Provision	3,994
<b>Closing balance at 31 March 2024</b>	<b>9,067</b>

## **24. CONTINGENT ASSETS AND LIABILITIES**

### **Accounting Policy**

The Group recognises material contingent assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the Group's control.

We have no contingent assets or liabilities to report.

## 25. USABLE RESERVES

The Group maintains a number of cash reserves in the Balance Sheet which are available to help fund future spending plans.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Usable capital receipts	3,736	3,718
Capital grant unapplied account	6,317	0
Earmarked reserves	85,435	101,421
General balances	19,931	15,528
<b>Total</b>	<b>115,418</b>	<b>120,667</b>

### Usable Capital Receipts Reserve

This reserve holds the proceeds from the sale of fixed assets, pending their use to finance capital expenditure.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	3,736	3,736
Add receipts in year	3,372	2,977
Less applied to finance capital expenditure	(3,372)	(2,995)
<b>Closing balance at 31 March</b>	<b>3,736</b>	<b>3,718</b>

### Capital grants unapplied account

This reserve holds capital grant and contributions that do not have any outstanding conditions attached to them, but have not yet been used to finance capital expenditure.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Opening balance	14,026	6,317
Amounts received in year	0	0
Amounts applied to finance capital expenditure (transferred to capital adjustment account)	(7,709)	(6,317)
<b>Closing balance at 31 March</b>	<b>6,317</b>	<b>0</b>

### Earmarked Reserves

Please see Note 8 on page 34

### General Balances

The Group must retain adequate reserves so that unexpected demand pressures on budgets can be met without adverse impact on achievement of the Group's key priorities. The following table shows the movement in general balances during the year.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Opening balance as at 1 April	18,190	19,931
Planned use of balances to fund revenue expenditure	(259)	(4,403)
Transfer from / to (-) other reserves	0	0
Add revenue account surplus / (deficit)	2,000	0
<b>Closing balance at 31 March</b>	<b>19,931</b>	<b>15,528</b>

## 26. UNUSABLE RESERVES

The Group keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. This category of reserves includes those which hold unrealised gains and losses (revaluation reserve) where amounts would only become available to provide services if the assets were sold, and those which hold timing differences shown in the Movement in Reserves Statement line “adjustments between accounting basis and funding basis under regulations”.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Revaluation Reserve	100,073	100,139
Capital Adjustment Account	152,036	166,929
IAS 19 Pensions Reserve	(3,360,926)	(3,409,245)
Collection Fund Adjustment Account	4,904	4,345
Accumulated Absences Account	(6,114)	(6,641)
Financial Instrument Adjustment Account	(369)	(376)
<b>Total</b>	<b>(3,110,423)</b>	<b>(3,144,849)</b>

### Revaluation Reserve

The revaluation reserve records the accumulated gains on the Property, Plant and Equipment held by the Group arising from increases in value, as a result of inflation or other factors. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Balance brought forward	96,817	100,073
Revaluation of fixed assets	11,154	8,064
Amounts written out relating to sold assets	(1,061)	(943)
Historical cost depreciation adjustment	(6,837)	(7,055)
<b>Balance carried forward</b>	<b>100,073</b>	<b>100,139</b>

### Capital Adjustment Account (CAA)

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

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

## NOTES TO THE ACCOUNTS

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Opening Balance	132,270	152,036
Direct Revenue Financing	22,262	17,859
Credit for donated asset	0	0
Minimum Revenue Provision	2,847	2,900
Revaluation reserve write down	7,898	7,050
Receipts on disposal of fixed assets used to finance capital expenditure	3,371	2,995
Carrying value of disposed assets	(5,869)	(3,169)
Less:		
Annual depreciation and impairment	(25,535)	(26,338)
Application of Government grant and capital contributions to finance capital expenditure	14,793	13,061
<b>Closing balance</b>	<b>152,036</b>	<b>166,930</b>

### IAS 19 Pension Reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Opening balance	(5,132,980)	(3,360,926)
Remeasurement of the net defined benefit liability/(asset)	1,938,189	39,844
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(295,357)	(232,236)
Employer's pension contributions and direct payments to pensions payable in the year	129,222	144,073
<b>Closing balance</b>	<b>(3,360,926)</b>	<b>(3,409,245)</b>

## NOTES TO THE ACCOUNTS

### Collection Fund Adjustment Account

This account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the general fund from the local authority Collection Funds.

	2022/23 £000	2023/24 £000
Balance at 1 April	2,543	4,904
Amount by which council tax income credited to the Comprehensive Income and Expenditure account is different from council tax income calculated for the year in accordance with statutory requirements	2,361	(559)
<b>Closing balance at 31 March</b>	<b>4,904</b>	<b>4,345</b>

### Accumulated Absences Account

#### Accounting Policy

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, TOIL (time off in lieu) paid sick leave, bonuses and non-monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the Group

IAS 19 (Employee Benefits) requires the Group to account for short-term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are not taken by the balance sheet date. The accrual for untaken leave is charged to the provision of services, and reversed out through the Movement in Reserves Statement so that the leave is charged to the CIES in the financial year in which the holiday absence is taken.

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2022/23 £000	2023/24 £000
Opening balance	6,085	6,114
Reversal of prior year accrual	(6,085)	(6,114)
Accrual for accumulated absences at year end	6,114	6,642
<b>Closing balance at 31 March</b>	<b>6,114</b>	<b>6,642</b>

## Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

	2022/23 £000	2023/24 £000
Opening balance	0	(396)
Premiums incurred in the year and charged to the CIES	19	20
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(415)	0
<b>Closing balance at 31 March</b>	<b>(396)</b>	<b>(376)</b>

## 27. CAPITAL GRANT INCOME

The Group credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24. All grants were credited to Taxation and Non Specific Grant Income:

	2022/23 £000	2023/24 £000
Counter Terrorism grant	6,705	6,357
General capital grant	0	0
Third party contributions	0	212
Home office specific capital grants	0	0
Donated assets	0	0
<b>Total capital grant, contributions and donations</b>	<b>6,705</b>	<b>6,569</b>

## 28. GRANTS RECEIVED IN ADVANCE

This account holds the revenue and capital grants and contributions which have been received with conditions attached to them. As at 31st March 2024, the conditions have not been met.

### Capital Grants Received in Advance

	2022/23 £000	2023/24 £000
Opening balance	1,092	715
Amounts received in year	6,706	6,569
Amounts recognised in comprehensive income and expenditure account once conditions met	(7,083)	(6,789)
Amounts repaid once it is known that the conditions will not be met	0	0
<b>Total Capital Grants RIA</b>	<b>715</b>	<b>495</b>

## NOTES TO THE ACCOUNTS

Revenue Grants Received in Advance		
	2022/23	2023/24
	£000	£000
Opening balance	0	3,833
Amounts received in year	3,833	888
Amounts recognised in comprehensive income and expenditure account once conditions met	0	(3,833)
Amounts repaid once it is known that the conditions will not be met	0	0
<b>Total Revenue Grants RIA</b>	<b>3,833</b>	<b>888</b>

## 29. LEASES

### Accounting Policy

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

#### The PCC as lessee

##### Finance leases

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

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability on the balance sheet, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the CIES).

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

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

During 2019/20, the Group entered into a contract to lease a fleet of multi-function printers/scanners/photocopiers. The terms of the contract mean that these assets fulfil the criteria of a right for use asset and as such have been recognised on the Group balance sheet within the vehicle, plant and equipment category of Property, Plant and Equipment. This has been recognised with an initial value of £1.34 million. The assets have been determined to have a useful economic life of seven years and will be depreciated on a straight-line basis accordingly. An MRP charge will be charged to the accounts in line with the write down of the liability. The liability was revalued during 2020/21 following changes to the contract and additional machines brought into use.

## NOTES TO THE ACCOUNTS

The outstanding liability to the supplier is as follows:

	2022/23	2023/24
	£000	£000
Balance outstanding at the start of the year	1,168	928
Liability brought onto balance sheet		
Payments during the year	(239)	(247)
<b>Balance outstanding at year-end</b>	<b>928</b>	<b>681</b>

The Group is committed to payments as follows:

	Finance Lease principal	Interest	Total Cost
	£000	£000	£000
Payable in 2024/25	247	9	257
Payable within 2 to 5 years	438	7	445
Payable within 6 to 10 years			
<b>Total</b>	<b>685</b>	<b>16</b>	<b>701</b>

During 2020/21, the Group entered into a contract with BT to provide a fully supported, managed and monitored network and voice service. BT took ownership of all network assets previously held on the balance sheet of Thames Valley Police and ensured that any equipment that was at its 'end of life' stage was replaced or upgraded within the first year of the contract. The terms of the contract mean that these assets fulfil the criteria of a right for use asset and as such have been recognised on the Group balance sheet within the vehicle, plant and equipment category of Property, Plant and Equipment. This has been recognised with a value of £4.816 million. The assets have been determined to have a useful economic life of five years and will be depreciated on a straight-line basis accordingly. An MRP charge will be charged to the accounts in line with the write down of the liability.

The outstanding liability to the supplier is as follows:

	2022/23	2023/24
	£000	£000
Balance outstanding at the start of the year	3,788	2694
Liability brought onto balance sheet	0	0
Payments during the year	(1,094)	(992)
<b>Balance outstanding at year-end</b>	<b>2,694</b>	<b>1,697</b>

The Group is committed to payments as follows:

	Finance Lease principal	Interest	Total Cost
	£000	£000	£000
Payable in 2024/25	1,011	25	1,036
Payable within 2 to 5 years	254	5	259
Payable within 6 to 10 years	0	0	0
<b>Total</b>	<b>1,265</b>	<b>29</b>	<b>1,295</b>



## NOTES TO THE ACCOUNTS

### Operating leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

The Group leases various land and buildings. The amount paid under these arrangements in 2023/24 was £0.802m (2022/23 £0.913m).

The Group was committed at 31 March 2024 to making payments of £0.547m under operating leases, (2022/23 £0.508m) comprising the following elements (annual rental payments):

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Leases expiring within 12 months	24	39
Leases expiring between 1 year and 5 years	2	17
Leases expiring after 5 years	482	491
<b>Total</b>	<b>508</b>	<b>547</b>

Each lease comprises an element for land (approx. 30% of the total lease value) and buildings (approx. 70%).

### Group as lessor

#### **Accounting Policy**

Where the Group grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the "specific income" line in the CIES.

The gross value of assets held for use in operating leases was £5.395m (2022/23 £5.375m) for radio mast sites (valued at 31st March 2023 and subject to £1.05m depreciation to 31 March 2023). The Group received £0.394m in income from the use of these assets during 2022/23. (2022/23 £0.401m) The future annual minimum lease payment, under non-cancellable operating leases, is as follows:

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Payments receivable within 12 months	171	178
Payments receivable between 1 year and 5 years	278	317
Payments receivable after 5 years	91	80
<b>Total</b>	<b>540</b>	<b>575</b>

### Private Finance Initiatives and similar contracts

#### **Accounting Policy**

PFI contracts are agreements to receive services, where the responsibility for making available the PPE needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI Scheme at Abingdon, the Group carries the fixed assets used under this contract on its Balance Sheet.

The initial recognition of these fixed assets is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as PPE owned by the Group.

The amount payable to the PFI operator is analysed into three elements:

- fair value of the services received during the year – debited to the Income and Expenditure Account

## NOTES TO THE ACCOUNTS

- finance cost – an interest charge of 8.3% on the outstanding Balance Sheet liability , debited to interest payable in the Income and Expenditure Account.
- payment towards liability – applied to write down the balance Sheet liability towards the PFI operator.

2023/24 was the 24<sup>th</sup> year of a 30 year PFI contract for the construction, maintenance and operation of a new Sector Station for Abingdon, Traffic Base for policing the A34 and surrounding area and a new Headquarters for the Southern Oxfordshire Area. The PCC has rights under the contract to use the building 24/7, 365 days a year. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the building and maintain it in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the building as an operational police HQ and sector station. In 2002/03 the Police Authority paid a capital lump sum to Abingdon Ltd (the PFI provider) to convert the vacant mezzanine level into a Control Room.

Additional Custody cells and other ancillary facilities were added during 2010/11 and again the Authority paid a capital lump sum for this work. The only increase in the annual unitary charge relates to additional ongoing facilities management services and costs arising from the extension to the building which are provided under the PFI project agreement (e.g. cleaning, cyclical maintenance, etc).

At the end of the 30 year contract period the PCC will have the following options:

- Walking away without further payment
- Purchasing the building and site and operating itself
- Renegotiating terms for continued operation

The PCC only has the rights to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the remaining term of the contract.

### Property Plant and Equipment (PPE)

The assets used to provide these policing services at Abingdon are recognised on the PCC's Balance Sheet. Movements in their value are detailed in the analysis of the Movement on the PPE balance in Note 14.

### Payments

The PCC makes an agreed payment which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standard in any year but is otherwise fixed.

The PCC receives an annual grant from the Government to help finance these payments. This grant was initially calculated on a reducing balance basis over the 30-year contract term but, in 2005, it was converted to an annuity grant for the remaining 25 years of the contract. The PCC will receive grant income of £1.032m in each of the next 5 years, with a small residual payment of £0.043m in year 6.

Payments remaining to be made under the PFI contract at 31 March 2023 (excluding any estimation of inflation and availability performance deductions) are as follows.

	<b>Payment for services £000</b>	<b>Finance Lease principal £000</b>	<b>Interest £000</b>	<b>Sub- Total £000</b>	<b>Grant Income £000</b>	<b>Net Cost £000</b>
Payable in 2024/25	1,411	458	283	2,152	(1,032)	1,120
Payable within 2 to 5 years	5,645	2,247	715	8,606	(4,128)	4,479
Payable within 6 to 10 years	1,411	684	57	6,385	(1,075)	5,310
<b>Total</b>	<b>8,467</b>	<b>3,388</b>	<b>1,054</b>	<b>17,143</b>	<b>(6,235)</b>	<b>10,908</b>

## NOTES TO THE ACCOUNTS

Comparable figures for 2022/23 are as follows

	Payment for services £000	Finance Lease principal £000	Interest £000	Sub- Total £000	Grant Income £000	Net Cost £000
Payable in 2023/24	1,299	423	318	2,040	(1,032)	1,008
Payable within 2 to 5 years	5,197	2,074	888	8,159	(4,128)	4,031
Payable within 6 to 10 years	5,197	1,315	166	6,678	(3,139)	3,539
<b>Total</b>	<b>11,694</b>	<b>3,811</b>	<b>1,372</b>	<b>16,876</b>	<b>(8,299)</b>	<b>8,578</b>

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The outstanding liability to the contractor for capital expenditure incurred is as follows:

	2022/23 £000	2023/24 £000
Balance outstanding at the start of the year	4,196	3,806
Payments during the year	(390)	(423)
<b>Balance outstanding at year-end</b>	<b>3,806</b>	<b>3,383</b>

### 30. IMPAIRMENT LOSSES ON PROPERTY PLANT AND EQUIPMENT

Details of impairment losses on Property, Plant and Equipment are disclosed in note 14. All impairment losses on fully constructed assets have been experienced due to the general fall in market values.

### 31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

#### Overall procedures for managing risk

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

- ✓ by formally adopting the requirements of the CIPFA Code of Practice on Treasury Management;
- ✓ by adopting the Treasury Policy Statement and the treasury management clauses within Financial Regulations;
- ✓ by approving annually in advance prudential and treasury indicators for the following three years limiting:

## NOTES TO THE ACCOUNTS

- The PCC's overall borrowing;
  - Its maximum and minimum exposures to fixed and variable rates;
  - Its maximum and minimum exposures for the maturity structure of its debt;
  - Its maximum annual exposures to investments maturing beyond a year.
- ✓ by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

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

The annual treasury management strategy which incorporates the prudential indicators was approved by the PCC on 19 January 2023. The key issues within the strategy were:

- The Authorised Limit for 2023/24 was set at £92.715m. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £72.715m. This is the expected level of debt and other long term liabilities during the year.

The PCC's treasury management policies are implemented by staff in the Office of the PCC (OPCC). The OPCC maintains written principles for overall risk management, as well as written policies

(Treasury Management Practices - TMPs) covering specific areas such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

### **Credit risk**

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

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

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

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

The Investment Strategy for 2023/24 was approved by the PCC on 19<sup>th</sup> January 2023

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors.

The PCC's maximum exposure to credit risk in relation to its investments in individual banks [or group] and building societies of £40m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the PCC's deposits but there was no evidence at the 31 March 2024 that this was likely to crystallise.

## NOTES TO THE ACCOUNTS

The following analysis summarises the PCC's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years.

	Amount at 31 March 2024 £000	Historical experience of default %	Adjustment for market conditions at March 2023 %	Estimated maximum exposure to default and write- off £000
Customers	10,597	0.28	0.11	11

### Customers

Customers are assessed, taking into account their past trading experience and other factors, with new customers being subject to pre-payments for services to be received, in accordance with procedures set by the PCC.

The PCC does not generally allow credit for customers, such that £6.280m of the £10.597m balance on the Accounts Receivable ledger at 31 March 2024 is past its due date for payment (i.e. 30 day payment terms). The past due amount can be analysed by age as follows:

	31-Mar-2023 £000	31-Mar-2024 £000
Less than three months	4,540	2,786
Three to six months	97	219
Six months to one year	16	3,197
More than one year	15	78
<b>Total</b>	<b>4,667</b>	<b>6,280</b>

### **Liquidity risk**

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

The PCC has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. In addition, the PCC also has an overdraft facility with Nat West bank which can be increased in value if required. The PCC is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets is as follows:

	31-Mar-2023 £000	31-Mar-2024 £000
Less than one year	125,529	149,455
More than one year	0	0
<b>Total</b>	<b>125,529</b>	<b>149,455</b>

All trade and other payables are due to be paid in less than one year and are not shown in the table above.

## Refinancing and Maturity Risk

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

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC's approved treasury and investment strategies address the main risks and OPCC staff address the operational risks within the approved parameters. This includes:

- ✓ monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- ✓ monitoring the maturity profile of investments to ensure sufficient liquidity is available for the PCC's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows:

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of loans by type</b>		
Public Works Loans Board	47,178	47,178
Barclays	0	0
Other Local Authorities	0	0
	<b>47,178</b>	<b>47,178</b>
<b>Analysis of loans by maturity</b>		
Short term - less than 1 year	0	756
Between 1 and 2 years	756	0
Between 2 and 5 years	0	6,393
Between 5 and 10 years	12,589	10,196
More than 10 years	33,833	29,833
<b>Total</b>	<b>47,178</b>	<b>47,178</b>

All trade and other payables are due to be paid in less than one year.

## Market risk

### Interest rate risk

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

- borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Account will rise;
- borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances);
- investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Account will rise; and
- investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances)

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

## NOTES TO THE ACCOUNTS

The PCC has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the PCC's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team in the OPCC will monitor market and forecast interest rates within the year to adjust exposures appropriately.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2024, if all interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	<b>£000</b>
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	254
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>254</b>
Decrease in fair value of fixed rate investment assets	0
<b>Impact on Other Comprehensive Income and Expenditure</b>	<b>0</b>
Decrease in fair value of fixed rate long term borrowing liabilities (no impact on the Provision of Services or Other Comprehensive Income and Expenditure)	3,951

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

### **Price risk**

The PCC does not invest in equity shares nor does it have shareholdings in joint ventures or local industry. There is therefore, no exposure to price risk.

### **Foreign currency risk**

The PCC has no financial assets or liabilities denominated in foreign currencies.

Income received is banked immediately and converted using the spot exchange rate at the time of banking. All contracts are sought in sterling. In exceptional cases where this is not possible an additional price is sought from the contractor to fix the price in sterling. The PCC is then asked whether it wishes to pay this additional sum, or not.

Other than these exceptional cases the PCC has no exposure to loss arising from movements in exchange rates.

## **32. PENSIONS**

### **Accounting Policy**

#### Post employment benefits

The Group operates three pension schemes for police officers and a single scheme for police staff.

#### *Police Officers*

The Police Pension Scheme (PPS) is a contributory occupational pension scheme, governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976. The 2006 Police Pension Scheme (NPPS) which started on 1 April 2006, is a contributory occupational pension scheme governed by the Police Pension Act 1976 (as amended by the Police Pension Regulations 2007). The Police Pension Scheme 2015 (PPS 2015) which started on 1<sup>st</sup> April 2015 is also a contributory occupational pension scheme governed by the Police Pension Act 1976 (as amended by the Police Pension Regulations 2015) Officers make a contribution from their pensionable pay, based on salary bandings. The employee's contribution is set nationally by the Home Office and is subject to triennial revaluation. A Pension Fund was set up on 1 April 2006 to administer all three schemes.

This is an unfunded scheme administered by the Chief Constable, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pensions fund for the year is less than amounts payable, the Group must annually transfer an amount required to meet the deficit to the pension fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up grant. In the unlikely event that the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Group which must then repay the amount to central government

The PPS, NPPS and 2015 scheme are defined benefit schemes paid from revenue (without managed pension assets). Accrued net pension liabilities have been assessed on an actuarial basis in accordance with IAS 19 Employee Benefits, the net liability and a pensions reserve for both Pension schemes has been recognised on the balance sheet, as have entries in the CIES for movements in the asset / liability relating to the defined benefit scheme. Transfers into and out of the scheme representing joining and leaving police officers, are recorded on a cash basis in the pension fund, because of the length of time taken to finalise the sums involved.

Following the Code's requirements, IAS 19 has been fully recognised in the Group accounts. Scheme liabilities as shown on the balance sheet are calculated by determining future liabilities for pension payments and applying a discount rate equal to the yield on an index of long dated AA rated corporate bonds as at 31 March 2024.

#### *Police Staff*

Police staff are eligible to join the Local Government Pension Scheme (LGPS) administered by Buckinghamshire Council. This is a funded scheme. In 2021/22 the Group paid an employer's contribution representing 16.6% of pensionable pay. The contribution rate is determined by the Fund's actuary based on valuations every three years.

Additional contributions are payable to cover the cost of any early retirements except those due to ill-health. In addition, the Group is responsible for all pension payments relating to any added years' benefits, together with the related increases.

The values for each scheme are shown separately in the notes. Assets are measured at fair value which is assessed on the basis of bid price. Liabilities are measured using the projected unit method.



## NOTES TO THE ACCOUNTS

### Transactions relating to retirement benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Police Pension Scheme		LGPS	
	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000
<b>Comprehensive Income and Expenditure Statement</b>				
<i>Cost of Services</i>				
• current service costs	128,690	62,110	39,547	18,281
• past service costs	0	0	0	0
• curtailment and settlements	0	0	311	0
• Administration expenses			624	629
<i>Financing and Investment Income and Expenditure</i>				
• Net interest on defined liability	125,230	153,780	1,266	(2,564)
<hr/>				
<i>Total Post Employment Benefit Charged to the Surplus or deficit on the Provision of Services</i>	<b>253,920</b>	<b>215,890</b>	<b>41,748</b>	<b>16,346</b>
<hr/>				
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>				
• actuarial gains and losses and return on plan assets	(1,524,860)	33,730	(481,181)	(33,832)
<hr/>				
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(1,270,940)	249,620	(439,433)	(17,486)
<hr/>				
<b>Movement in Reserves Statement</b>				
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	253,920	215,890	41,748	16,690
<hr/>				
<i>Actual amount charged against council tax for pensions in the year:</i>				
• employers' contribution payable to scheme and retirement benefits payable to pensioners	53,875	63,775	20,835	23,103
<hr/>				

## NOTES TO THE ACCOUNTS

### Assets and liabilities in relation to retirement benefits

Reconciliation of present value of scheme liabilities:

	Unfunded liabilities: Police Pension Scheme		Funded liabilities: LGPS	
	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000
Opening balance at 1 April	4,715,800	3,336,230	1,125,417	702,202
Current service cost	105,420	36,110	39,236	19,302
Interest cost	125,230	153,780	26,910	33,079
Contributions by scheme participants	23,270	26,000	8,290	10,112
Actuarial gains (-) and losses	(1,524,860)	33,730	(481,181)	(33,823)
Losses on curtailments	0	0	311	0
Liabilities extinguished on settlements	0	0		
Benefits paid (net of transfers in)	(108,630)	(120,970)	(16,539)	(17,346)
Past service costs	0	0	0	0
Unfunded pension payments	0	0	(242)	(257)
Historical adjustment between assets & liabilities	0	0	0	0
<b>Closing balance at 31 March</b>	<b>3,336,230</b>	<b>3,464,880</b>	<b>702,202</b>	<b>713,620</b>

Reconciliation of fair value of the scheme assets:

	LGPS	
	2022/23 £000	2023/24 £000
Opening balance on 1 April	708,080	677,506
Interest on assets	25,644	35,643
Actuarial gains and losses (-)	(67,695)	37,275
Employer contributions, Including unfunded benefits	20,592	23,103
Contributions by scheme participants	8,290	10,112
Benefits paid	(16,781)	(17,603)
Administration expenses	(624)	(629)
Historical adjustment between assets & liabilities	0	0
<b>Closing balance on 31 March</b>	<b>677,506</b>	<b>766,428</b>
<b>Net liability on LGPS</b>	<b>24,696</b>	<b>(53,168)</b>

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

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Scheme has been assessed by the Government Actuaries Department. The County Council Fund liabilities have been assessed by Barnett Waddington, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2023.

## NOTES TO THE ACCOUNTS

The principal assumptions used by the actuary have been:

	Police Pension Scheme		LGPS	
	2022/23	2023/24	2022/23	2023/24
Mortality assumptions				
• Longevity at 65 for current pensioners (years)				
Men	21.9	21.9	21.1	20.8
Women	23.5	23.6	24.6	24.3
• Longevity at 65 for future pensioners (years)				
Men	23.5	23.6	22.3	22.0
Women	25.0	25.1	24.6	25.7
Rate of inflation - CPI	2.60%	2.60%	2.90%	2.85%
Rate of increase in salaries	3.85%	3.85%	3.90%	3.85%
Rate of increase in pensions	2.60%	2.60%	2.90%	2.85%
Rate of discounting scheme liabilities	4.65%	4.75%	4.80%	

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on “reasonably possible” changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decrease for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated.

	<b>Impact on the Defined Benefit Obligation</b>			
	<b>Police Pension Scheme</b>		<b>LGPS</b>	
	<b>Increase in assumption £ million</b>	<b>Decrease in assumption £ million</b>	<b>Increase in assumption £ million</b>	<b>Decrease in assumption £ million</b>
Longevity (increase or decrease by 1 year)	84.00	(84.00)	729.00	(683.00)
Rate of increase in salaries				
• LGPS (increase or decrease by 0.1%)			707.00	(7.4.00)
• Police Pension (increase or decrease by 0.5%)	37.00	(37.00)		
Rate of increase in pensions				
• LGPS (increase or decrease by 0.1%)			719.00	(693.00)
• Police Pension (increase or decrease by 0.5%)	281.00	(281.00)		
Rate for discounting schemes				
• LGPS (increase or decrease by 0.1%)			692.00	(720.00)
• Police Pension (increase or decrease by 0.5%)	(285.00)	285.00		

The Police Pension Scheme has no assets to cover its liabilities. The LGPS assets consist of the following categories, by proportion of the total assets held:

## NOTES TO THE ACCOUNTS

	At 31 March 2023	At 31 March 2024
	%	%
Equities – UK	0	0
Equities - Overseas	51	51
Gilts	8	9
Bonds	11	12
Property	5	6
Cash	2	1
Infrastructure	7	8
Alternative assets	0	0
Private Equity	5	0
Multi Asset/Diversified Fund	9	10
Private debt	2	3
<b>Total</b>	<b>100</b>	<b>100</b>

## NOTES TO THE ACCOUNTS

### 33. NOTES TO THE CASHFLOW STATEMENT

Analysis of operating, investing and financing activities:

	2022/23	2023/24
	£000	£000
<b><u>Operating activities</u></b>		
Taxation	(228,107)	(248,620)
Grants	(414,300)	(433,413)
Sales of goods and rendering of services	(93,424)	(91,586)
Interest received	(1,771)	(7,727)
<b>Cash inflows generated from operating activities</b>	<b>(737,601)</b>	<b>(781,346)</b>
Cash paid to and on behalf of employees	518,442	573,726
Cash paid to suppliers of goods and services	164,455	158,082
Interest paid	1,927	1,657
Other payments for operating activities	0	0
<b>Cash outflows generated from operating activities</b>	<b>684,824</b>	<b>733,465</b>
<b>Net cash flows from operating activities</b>	<b>(52,777)</b>	<b>(47,881)</b>
<b><u>Investing activities</u></b>		
Purchase of property, plant and equipment and intangible assets	40,426	33,914
Purchase of short and long term investments	0	0
Proceeds from the sale of property, plant and equipment	(3,372)	(2,977)
Proceeds from short and long term investments	20,000	6,000
Other receipts from investing activities	(6,706)	(6,569)
<b>Net cash flows from investing activities</b>	<b>50,348</b>	<b>30,368</b>
<b><u>Financing activities</u></b>		
Cash receipts of short and long term borrowing	7,000	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and PFI	1,724	1,658
Repayments of short and long term borrowing	(3,104)	(20)
<b>Net cash flows from financing activities</b>	<b>5,620</b>	<b>1,638</b>

Analysis of non-cash adjustments:

	2022/23	2022/23
	£000	£000
IAS 19 pension liability	(185,067)	(112,859)
Depreciation, impairment and amortisation	(28,704)	(26,750)
Carrying amount of non current assets sold	(7,945)	(3,169)
Premium/discount on restructuring of debt	(396)	(20)
Other non cash items charged to deficit	7,054	6,217
(Increase)/decrease in provisions	3,600	1,156
Increase/(decrease) in stock	404	651
Increase/(decrease) in debtors	28,122	30,870
(Increase)/decrease in creditors	(18,679)	(48,132)
<b>Total adjustment for non cash items</b>	<b>(201,611)</b>	<b>(152,037)</b>

## POLICE PENSION FUND ACCOUNTS

### Police Pension Fund Account Statements

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from the PCC Police Fund. This statement shows income and expenditure for the police pension schemes and does not form part of the chief constable or the PCC Group's statement of accounts.

### Fund Accounts

	2022/23 £000	2023/24 £000
<b>Contributions Receivable</b>		
From employer		
- normal	(53,919)	(59,189)
- early retirements	(587)	(756)
From members	(23,290)	(26,021)
<b>Transfers in</b>		
- individual transfers in from other schemes	(714)	(512)
<b>Benefits Payable</b>		
- pensions	94,649	103,868
- commutations and lump sum retirement benefits	14,710	13,833
- lump sum death benefits	88	0
<b>Payments to and on account of leavers</b>		
- refund of contributions	150	46
- individual transfers out to other schemes	98	14
<b>Sub-total for the year before transfer from the Group of an amount equal to the deficit</b>	<b>31,184</b>	<b>31,283</b>
<b>Additional funding payable by the Group to fund the deficit for the year<sup>1</sup></b>	<b>(31,184)</b>	<b>(31,283)</b>
<b>Net amount</b>	<b>0</b>	<b>0</b>

<sup>1</sup>The annual deficit on the Police Pensions Account is funded in full by the Home Office Pension's Top-up grant. This income is shown in the PCC and Group Income and Expenditure Statement

### Pension Fund Net Asset Statement

	2022/23 £000	2023/24 £000
Unpaid pension benefits	0	0
Amount owing from the general fund	0	0
<b>Net Current Assets and Liabilities</b>	<b>0</b>	<b>0</b>

## **Introduction**

This section of the Statement of Accounts reports on the Income and Expenditure, Assets and Liabilities attributable to the Police and Crime Commissioner (PCC) for Thames Valley Police. It focuses on those discrete activities that the PCC has direct responsibility for such as community safety and commissioning services for victims and witnesses of crime. This is separate to the PCC Group accounts, which details the total income, expenditure and balance sheet position for the PCC and the Chief Constable in consolidation.

The PCC accounts have been prepared under the International Financial Reporting Standards (IFRS) using the IFRS Based Code of Practice on Local Authority Accounting.

## **Accounting policies**

The accounting policies adopted by the Group have been followed in preparing the PCC accounts. Where the policy deviates from the Group policy, the PCC accounting policy is shown with the appropriate note.

**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**PCC Movement in Reserves Statement for the years ended 31<sup>st</sup> March 2023 and 2024**

	Note	General Fund £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Note		25	8	25	25	25	46	
<b>Balance at 31st March 2022</b>		<b>18,189</b>	<b>48,423</b>	<b>3,737</b>	<b>14,026</b>	<b>84,375</b>	<b>269,476</b>	<b>353,850</b>
<b><u>Movement in reserves during 2022/23</u></b>								
<b>Total comprehensive Expenditure and Income</b>		37,656	0	0	0	37,656	20,180	57,836
Adjustments between accounting basis & funding basis under regulations	36	898			(7,709)	(6,811)	1,658	(5,153)
<b>Net increase/Decrease before transfers to Earmarked Reserves</b>		<b>38,554</b>	<b>0</b>	<b>0</b>	<b>(7,709)</b>	<b>30,845</b>	<b>21,838</b>	<b>52,683</b>
Transfers to (-) /from earmarked reserves		(36,814)	37,014			200	0	200
<b>Increase/Decrease in Year</b>		<b>1,740</b>	<b>37,014</b>	<b>0</b>	<b>(7,709)</b>	<b>31,044</b>	<b>21,838</b>	<b>52,882</b>
<b>Balance at 31st March 2023 carried forward</b>		<b>19,928</b>	<b>85,436</b>	<b>3,737</b>	<b>6,317</b>	<b>115,419</b>	<b>291,314</b>	<b>406,732</b>
<b><u>Movement in reserves during 2023/24</u></b>								
<b>Total comprehensive Expenditure and Income</b>		11,134	0	0	0	11,134	8,932	20,066
Adjustments between accounting basis & funding basis under regulations	36	448		(18)	(6,317)	(5,887)	5,887	0
<b>Net increase/Decrease before transfers to Earmarked Reserves</b>		<b>11,582</b>	<b>0</b>	<b>(18)</b>	<b>(6,317)</b>	<b>5,247</b>	<b>14,819</b>	<b>20,066</b>
Transfers to (-) /from earmarked reserves	8	(15,986)	15,986			0	0	0
<b>Increase/Decrease in Year</b>		<b>(4,404)</b>	<b>15,986</b>	<b>(18)</b>	<b>(6,317)</b>	<b>5,247</b>	<b>14,819</b>	<b>20,066</b>
<b>Balance at 31st March 2024 carried forward</b>		<b>15,524</b>	<b>101,423</b>	<b>3,719</b>	<b>0</b>	<b>120,667</b>	<b>306,133</b>	<b>426,798</b>



**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**PCC Expenditure and Funding Analysis Disclosure note 2023/24**

The Expenditure and Funding Analysis is a disclosure note that shows how annual expenditure is used and funded from resources (government grants and council tax) by police bodies in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the departments Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. See note 35 for more details. Please note that this is not a primary statement.

	2021/22			2022/23		
	Net expenditure charged to general fund	Adjustments between Accounting basis & Funding basis	Net expenditure in the CIES	Net expenditure charged to general fund	Adjustments between Accounting basis & Funding basis	Net expenditure in the CIES
	£000	£000	£000	£000	£000	£000
<b>PCC</b>						
Office of the PCC	1,672	(580)	1,092	1,475	74	1,549
Democratic representation	136		136	159		159
Other costs	(10,760)	11,107	347	8,150	6,552	14,702
Commissioned services	1,842		1,842	2,205		2,205
<b>Cost of Services</b>	<b>(7,110)</b>	<b>10,527</b>	<b>3,417</b>	<b>11,989</b>	<b>6,626</b>	<b>18,615</b>
Other income & expenditure	(31,444)	(9,629)	(41,073)	(23,570)	(6,178)	(29,748)
<b>(Surplus) or Deficit</b>	<b>(38,554)</b>	<b>898</b>	<b>(37,656)</b>	<b>(11,582)</b>	<b>448</b>	<b>(11,134)</b>
Opening General Fund Balance	18,189			19,931		
Add (surplus) or Deficit	37,656			11,582		
Transfers to/from reserves & General Balances	(36,814)			(15,986)		
<b>Closing General Fund Balance</b>	<b>19,031</b>			<b>15,526</b>		

**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**PCC Comprehensive Income and Expenditure Statement 2023/24**

	2022/23			2023/24		
	Gross expenditure £000	Gross Income £000	Net Expenditure £000	Gross expenditure £000	Gross Income £000	Net Expenditure £000
Office of the PCC	1,092	0	1,092	1,549	0	1,549
Democratic representation	136	0	136	159	0	159
Other costs	8,778	0	8,778	14,702	0	14,702
Commissioned services	6,335	(4,493)	1,842	6,768	(4,563)	2,205
<b>Cost of Services before funding</b>	<b>16,341</b>	<b>(4,493)</b>	<b>11,848</b>	<b>23,177</b>	<b>(4,563)</b>	<b>18,615</b>
Intra group funding			503,358			544,313
<b>Net cost of services</b>			<b>515,206</b>			<b>562,928</b>
<b>Other operating Expenditure:</b>						
Gain/loss on disposal	37a		(568)			(2,170)
Levies to national police service			0			0
<b>Financing &amp; investment income &amp; expenditure:</b>						
Interest payable	37b	2,266	2,266	1,641		1,641
Pensions interest cost	37b		0	8		8
Interest & investment income	37b		(3,531)		(9,400)	(9,400)
<b>Taxation &amp; non specific grant income</b>	37c		<b>(545,875)</b>		<b>(564,139)</b>	<b>(564,139)</b>
<b>Surplus/deficit on provision of service</b>			<b>(32,502)</b>	0		<b>(11,134)</b>
Surplus/deficit on revaluation of fixed assets	41/21		(17,210)			8,064
Remeasurement of net defined liability			(2,970)			869
Other gain/loss			0			0
<b>Total other comprehensive Income and Expenditure</b>			<b>(20,180)</b>			<b>8,932</b>
<b>Total comprehensive Income &amp; Expenditure</b>			<b>(52,682)</b>			<b>(2,202)</b>

**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

### The Balance Sheet for the PCC

This shows the value at 31<sup>st</sup> March of the assets and liabilities recognised by the PCC. Net assets are matched by the reserves held by the PCC. Reserves are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the PCC may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the capital receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the PCC is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

31/03/2023 £000		Note	31/03/2024 £000
	<b>Long Term Assets</b>		
275,799	Property, Plant and Equipment	41	284,514
6,494	Leased assets	29	6,494
0	Intangible assets		0
0	Long term investments	17	0
547	Long term debtors	43	469
	Asset related to defined benefit pension schemes	23	371
<b>282,840</b>	<b>Total Long Term Assets</b>		<b>291,848</b>
	<b>Current Assets</b>		
111,896	Short term investments	17	119,570
0	Inventories		0
29,705	Short term debtors	43	30,231
13,730	Cash and cash equivalents	20	29,605
480	Assets held for sale	21	480
46,005	Intra group balance	4	33,199
<b>201,817</b>	<b>Total Current Assets</b>		<b>213,084</b>
	<b>Current Liabilities</b>		
(2,156)	Short term borrowing	17	(2,045)
(18,016)	Short term creditors	44	(23,441)
(3,833)	Revenue Grants Received in Advance	28	(888)
0	Provisions		0
(27)	Accumulated absences	46	(30)
<b>(24,032)</b>	<b>Total Current Liabilities</b>		<b>(26,404)</b>
	<b>Long Term Liabilities</b>		
0	Long term creditors		0
0	Provisions		0
(52,776)	Long term borrowing	17	(51,232)
(303)	Liability related to defined benefit pension schemes	47	0
0	Donated assets account		0
(714)	Capital grants received in advance	28	(540)
<b>(53,793)</b>	<b>Total Long Term Liabilities</b>		<b>(51,771)</b>
<b>406,832</b>	<b>Net Assets / (liabilities)</b>		<b>426,757</b>
	<b>Reserves</b>		
115,418	Usable reserves	25	120,667
291,413	Unusable reserves	46	306,090
<b>406,831</b>	<b>Total Reserves</b>		<b>426,757</b>

## The Cash Flow Statement for the PCC

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

	Note	At 31 March 2023	At 31 March 2024
		£000	£000
Net (surplus)/deficit on the provision of services		(37,656)	(11,134)
Adjust net surplus/deficit for non cash movements	48	(6,572)	7,435
Adjust for items included in surplus/deficit that are investing and financing activities		2,837	2,785
<b>Net cash flows from Operating Activities</b>		<b>(41,391)</b>	<b>(914)</b>
Investing Activities	48	38,960	15,150
Financing Activities	48	5,619	1,638
<b>Net increase (-) or decrease in cash and cash equivalents</b>		<b>3,189</b>	<b>15,874</b>
Cash and cash equivalents at the beginning of the reporting period	20	16,922	13,732
Cash and cash equivalents at the end of the reporting period	20	13,732	29,605

**34 SIGNIFICANT ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires the PCC to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

- a. Establishing the valuations of operational and residential properties (see Note 14 for details of amounts and the valuation process involved). Depreciation is a calculation by the system, based on asset value and expected useful life of the asset. If the useful life of an asset is reduced then the depreciation charge to CIES will increase. The PCC monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year
- b. We have reviewed all property leases to determine which ones, if any, need to be treated as a finance lease. The outcome of that review is that only the Abingdon PFI scheme needs to be treated as a finance lease; all other property leases are operating leases. The Group has procured a fleet of multifunctional printing devices. The contract for the supply of the service has been reviewed and has been deemed to be a finance lease. The Group has also entered into a contract for a supported, managed and monitored network and voice service. This has also been determined to be a finance lease. Further details of both leases can be found in note 29
- c. The costs of a pension arrangement require estimates regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the PCC as advised by their actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- d. A judgement has been made of the expenditure allocated between the PCC and Chief Constable to reflect the financial resources of the PCC consumed at the request of the Chief Constable. The basis adopted for this allocation was determined by the PCC in accordance with the standard set of activities for each corporate body identified in CIPFA's published guidance at the time (SeRCOP). In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the PRSR Act and Home Office guidance.
- e. All surplus properties owned by the PCC have been reviewed and have been judged to meet the criteria of surplus properties rather than investment properties
- f. On 1st April 2018, significant changes were made to IFRS 9 (Financial Instruments). This has resulted in new classification categories for financial assets and liabilities. All
- g. investments and loans have been assessed at year end and as all investments are made solely for payments of principal and interest, a judgement has been made that they should all be held at amortised cost.

**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**35 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS**

Adjustments from General Fund to arrive at the CIES amounts	2022/23				2023/24			
	Adjustments for capital purposes £000	Net change for the pensions Adustments £000	Other differences £000	Total Adjustments £000	Adjustments for capital purposes £000	Net change for the pensions Adustments £000	Other differences £000	Total Adjustments £000
<b>PCC</b>								
Office of the PCC		(577)	(3)	(580)		71	3	74
Democratic representation				0				0
Other costs	11,107			11,107	6,552			6,552
Commissioned services				0				0
<b>net cost of services</b>	<b>11,107</b>	<b>(577)</b>	<b>(3)</b>	<b>10,527</b>	<b>6,552</b>	<b>71</b>	<b>3</b>	<b>6,626</b>
				0				0
other income & expenditure from the expenditure & funding analysis	(7,663)		(1,966)	(9,629)	(6,717)		539	(6,178)
<b>Difference between General Fund &amp; surplus or deficit and CIES statement surplus or deficit on the provision of services</b>	<b>3,444</b>	<b>(577)</b>	<b>(1,969)</b>	<b>898</b>	<b>(165)</b>	<b>71</b>	<b>542</b>	<b>448</b>

### **36 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 the Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the PCC to meet future capital and revenue expenditure. All items are adjustments between the general fund balance and the unusable reserves shown below.

#### **2023/24 Adjustments**

	<b>General Fund Balance</b> £000	<b>Capital Receipts Reserve</b> £000	<b>Capital grant unapplied</b> £000	<b>Unusable Reserves</b> £000
<b>Adjustments to the Revenue Resources</b>				
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to or from the pensions reserve)	71			(71)
Financial instruments (transferred to the financial instruments adjustment account)	(20)			20
Council tax (transfers to or from the collection fund adjustment account)	559			(559)
Holiday Pay (transferred to the accumulated absences account)	3			(3)
Non current assets written off on disposal (charged to capital adjustment account)	2,198			(2,198)
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	7,576		0	(7,576)
				0
<b>Total Adjustments to the Revenue Resources</b>	<b>10,387</b>	<b>0</b>	<b>0</b>	<b>(10,387)</b>
<b>Adjustments between revenue and capital Resources</b>				
Transfer of non current asset sale proceeds from revenue to capital receipts reserve	(2,170)	2,170		
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(2,900)			2,900
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(4,868)			4,868
<b>Total Adjustments between revenue and Capital Resources</b>	<b>(9,938)</b>	<b>2,170</b>	<b>0</b>	<b>7,768</b>
<b>Adjustments to capital resources</b>				
Use of capital receipts reserve to finance capital expenditure		(2,188)		2,188
				0
Application of capital grants to finance capital expenditure	0		(6,317)	6,317
<b>Total Adjustments to capital resources</b>	<b>0</b>	<b>(2,188)</b>	<b>(6,317)</b>	<b>8,505</b>
<b>Total Adjustments</b>	<b>448</b>	<b>(18)</b>	<b>(6,317)</b>	<b>5,887</b>

**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**2022/23 Adjustments**

	General Fund Balance £000	Capital Receipts Reserve £000	Capital grant unapplied £000	Unusable Reserves £000
<b>Adjustments to the Revenue Resources</b>				
Amounts by which income and expenditure included in the CIES are difference from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to or from the pensions reserve)	(577)			577
Financial instruments (transferred to the financial instruments adjustment account)	396			(396)
Council tax (transfers to or from the collection fund adjustment account)	(2,361)			2,361
Holiday Pay (transferred to the accumulated absences account)	(3)			3
Non current assets written off on disposal (charged to capital adjustment account)	0			0
reversal of entries in relation to capital expenditure (charged to the capital adjustment account)	6,871		0	(6,871)
<b>Total Adjustments to the Revenue Resources</b>	<b>4,325</b>	<b>0</b>	<b>0</b>	<b>(4,325)</b>
<b>Adjustments between revenue and capital Resources</b>				
Transfer of non current asset sale proceeds from revenue to capital receipts reserve	4,574	(4,574)		
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(2,847)			2,847
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	0			0
<b>Total Adjustments between revenue and Capital Resources</b>	<b>1,727</b>	<b>(4,574)</b>	<b>0</b>	<b>2,847</b>
<b>Adjustments to capital resources</b>				
Use of capital receipts reserve to finance capital expenditure		3,372		(3,372)
Application of capital grants to finance capital expenditure	0		(7,709)	7,709
<b>Total Adjustments to capital resources</b>	<b>0</b>	<b>3,372</b>	<b>(7,709)</b>	<b>4,337</b>
<b>Total Adjustments</b>	<b>6,052</b>	<b>(1,202)</b>	<b>(7,709)</b>	<b>2,859</b>

**37 ANALYSIS OF ITEMS IN COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

**a) Other operating Expenditure**

	2022/23 £000	2023/24 £000
Gain (-)/loss on disposal of fixed asset	(568)	(2,170)
Levies to national police service	0	0
<b>Total Operating Expenditure</b>	<b>(568)</b>	<b>(2,170)</b>



**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**b) Financing and Investment income and expenditure**

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Interest payable	2,266	1,641
Impairment loss allowance	0	0
Pensions interest cost on net defined benefit liability	0	8
Subtotal Financing and Investment expenditure	2,266	1,649
Interest and investment income	(3,531)	(9,400)
<b>Total Operating Expenditure</b>	<b>1,001</b>	<b>(6,103)</b>

**c) Taxation and non specific grant income**

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Police Grant	(173,430)	(174,033)
Formula Grant	(88,432)	(88,740)
Council tax	(228,107)	(248,620)
Pensions top up grant	(31,184)	(31,283)
Capital grants and contributions	(7,083)	(6,744)
Council tax legacy grant	(17,640)	(14,720)
<b>Total taxation and non specific grant income</b>	<b>(545,875)</b>	<b>(564,139)</b>

**d) Specific grant income**

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
MoJ Victims & Witnesses grant	(4,493)	(4,562)
<b>Total specific grant income</b>	<b>(4,493)</b>	<b>(4,562)</b>

**38 OFFICERS' REMUNERATION**

	Year	Note	Salary, Fees & Allowance £	Bonuses £	Total Remuneration excluding Pensions £	Pension Contribution £	Total £
<b>Office of the Police and Crime Commissioner</b>							
Paul Hammond	2022/2023	1	38,203		38,203	6,342	44,544
(Chief Executive)	2023/2024		0		0	0	0
Gillian Ormston	2022/2023	2	54,361		54,361	9,024	63,385
(Chief of Staff)	2023/2024		101,151		101,151	16,791	117,942
Ian Thompson	2022/2023	3	41,839		41,839	6,664	48,502
(Chief Finance Officer)	2023/2024		0		0	0	0
Martin Thornley	2022/2023	4	55,701	500	56,201	9,246	65,448
(Chief Finance Officer)	2023/2024		91,685		91,685	20,238	111,923

- Note 1: Paul Hammond left as Chief Executive on 31/07/2022  
 Note 2: Gillian Ormston was appointed Chief of Staff on 05/09/2022  
 Note 3: Ian Thompson left as Chief Finance Officer on 31/08/2022  
 Note 4: Martin Thornley was appointed as Chief Finance Officer on 08/08/2022

	Year	Note	Salary, Fees & Allowance £	Total Remuneration excluding Pensions £	Pension Contribution £	Total £
<b>Police and Crime Commissioner</b>						
Matthew Barber	2022/2023		88,442	88,442	14,681	103,123
(PCC)	2023/2024		88,600	88,600	14,708	103,308

The following sums have been paid to the PCC's Statutory Officers.  
 The following table shows the number of staff employed and paid directly by the PCC whose total remuneration package exceeded £50,000. In this respect, total remuneration comprises gross pay as recorded on employee's P60 tax returns, together with taxable benefits in kind as disclosed to the HMRC on Form P11D. This table excludes those senior officers whose salaries etc. are disclosed separately above, as well any staff who, as at 31<sup>st</sup> March 2024, are seconded to national bodies such as the College of Policing.

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Total Remuneration £	2022/23	2023/24
70,000 – 74,999	0	1
65,000 – 69,999	0	4
60,000 – 64,999	4	0
55,000 - 59,999	0	2
50,000 – 54,999	0	2
<b>Total</b>	<b>4</b>	<b>9</b>

### 39 FEES PAID TO EXTERNAL AUDIT

The PCC has incurred the following costs in relation to the audit of the Statement of Accounts by the PCC's external auditors, Ernst and Young:

	2022/23 £000	2023/24 £000
Fees payable in relation to auditing the PCC accounts by the appointed auditor for the year	62	113
Refund relating to prior year	0	0
<b>Total fees</b>	<b>62</b>	<b>113</b>

### 40 RELATED PARTY TRANSACTIONS

Central Government has effective control over the general operations of the PCC - it is responsible for providing the statutory framework within which the Group operates and provides the majority of its funding in the form of grants. Details of significant transactions with government departments are disclosed elsewhere in the Statement of Accounts.

Members and Chief Officers are required to declare whether they, or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the PCC Group during the financial year. The Chief Financial Officer has written to the PCC, deputy PCC and chief officers to collect this information.

During the period April 2023 – March 2024 the Police and Crime Commissioner was a Director (non remunerated) of Bluelight Commercial Limited and National Business Crime Solution Limited. Both of these companies have completed work with Thames Valley Police. Invoices for both companies are appropriately scrutinised and approved.

## **41 PROPERTY PLANT AND EQUIPMENT (PPE)**

### **Accounting Policy**

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. The de-minimus level policy is to capitalise expenditure as follows:

<b>Asset Type</b>	<b>De £000</b>	<b>Minimus</b>
Buildings (including PFI)	100	
Leased Buildings	10	
Equipment	25	
ICT (Total Collaborative project value)	50	
Assets funded by capital grant	none	

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the PCC and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the balance sheet at cost.

### Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are carried in the balance sheet using the following measurement bases:

- assets surplus to requirements – measured at fair value, estimated at highest and best use from a market participant’s perspective
- dwellings and other land and buildings – lower of net current replacement cost or net realisable value in existing use.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

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

Assets included in the balance sheet at current value are revalued where there have been material changes in the value and as a minimum revaluations are carried out every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognised unrealised gains.

### Component assets

Where an item of PPE asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The PCC has set a policy that it will separately account for components of buildings that have a value in excess of £500,000.

The components that will be identified and separately depreciated are as follows:

- Land
- Building fabric
- Mechanical and Engineering services
- Roof
- Structures and Elevations
- Internal fabric

- External areas

The component must be valued at a minimum of £200,000 or 10% of the value of the parent asset (whichever is greater) in order to be recognised

#### Impairment

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

Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement (CIES). Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, with an adjustment for depreciation that would have been charged if the loss had not been recognised.

#### Disposals

When an asset is disposed of, sale proceeds are transferred to the usable capital receipts reserve and the gain or loss on disposal is shown in the CIES

#### Depreciation

This is provided for all assets with a useful finite life, by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use, on a straight line basis over the useful life of the property as estimated by the valuer

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

#### Grants and contributions

Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the PCC has not satisfied. In that event the amount subject to condition is transferred to the capital grants receipts in advance account. Where the conditions of the grant / contribution are satisfied, but expenditure for which grant is given has not yet been incurred, then such sums will continue to be transferred to the capital grants unapplied reserve.

**POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS**

**Movement on Fixed Assets**

**2023/24 movements**

	Other Land and Buildings	Police Houses	Equity Share	Vehicles Plant and Equipment	Surplus Assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1st April 2023	<b>202,771</b>	<b>7,100</b>	<b>1,417</b>	<b>7,298</b>	<b>9,498</b>	<b>56,752</b>	<b>284,836</b>
Additions	413	0	0		0	15,537	15,950
Revaluation increases /(decreases) to RR	6,522	355			1,187		8,064
Revaluation increases /(decreases) to SDPS	(3,109)						(3,109)
Disposals	(1,890)	(180)			0	(17)	(2,087)
Reclassifications	3,048					(3,048)	0
Write out fully depreciated assets							0
Depreciation written out on revaluation	(10,176)						(10,176)
<b>At 31st March 2024</b>	<b>197,578</b>	<b>7,275</b>	<b>1,417</b>	<b>7,298</b>	<b>10,685</b>	<b>69,224</b>	<b>293,478</b>
<b>Depreciation and Impairment</b>							
At 1st April 2023	<b>1,361</b>	<b>1</b>	<b>0</b>	<b>1,015</b>	<b>(204)</b>	<b>0</b>	<b>2,173</b>
Depreciation charge	9,038			277	1,158		10,473
Depreciation written out on revaluation	(10,176)				0		(10,176)
Disposal							0
Write out fully depreciated assets							0
Reclassifications							0
<b>At 31st March 2024</b>	<b>223</b>	<b>1</b>	<b>0</b>	<b>1,292</b>	<b>954</b>	<b>0</b>	<b>2,470</b>
<b>Net Book Value</b>							
<b>At 31st March 2024</b>	<b>197,355</b>	<b>7,274</b>	<b>1,417</b>	<b>6,006</b>	<b>9,731</b>	<b>69,224</b>	<b>291,007</b>

RR = Revaluation Reserve

SDPS = Surplus or Deficit in Provision of Services

## 2022/23 movements

	Other Land and Buildings £000	Police Houses £000	Equity Share £000	Surplus Assets £000	Vehicles, Plant and Equipment	Assets under construction £000	Total £000
<b>Cost or Valuation</b>							
At 1st April 2022	<b>214,746</b>	<b>8,400</b>	<b>1,518</b>	<b>8,523</b>	<b>7,298</b>	<b>19,355</b>	<b>259,841</b>
Additions	2,160	0	0	0	0	27,610	29,769
Leased assets brought onto balance sheet	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0
Assets under construction - brought into use	0	0	0	0	0	0	0
Revaluation increases /(decreases) to RR	8,758	515	162	1,718	0	0	11,153
Revaluation increases /(decreases) to SDPS	(2,891)	0	0	460	0	0	(2,431)
Disposals	(168)	(1,815)	(263)	0	0	0	(2,247)
Reclassifications	(10,374)	0	0	0	0	9,787	(588)
Assets reclassified to/from Held for sale	(53)	0	0	0	0	0	(53)
Write out expenditure not adding value	116	0	0	0	0	0	116
Depreciation written out on revaluation	(9,522)	0	0	(1,204)	0	0	(10,726)
<b>At 31st March 2023</b>	<b>202,771</b>	<b>7,100</b>	<b>1,417</b>	<b>9,498</b>	<b>7,298</b>	<b>56,752</b>	<b>284,835</b>
<b>Depreciation and Impairment</b>							
At 1st April 2022	<b>1,372</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,373</b>
Depreciation charge	9,508	0	0	1,000	1,015	0	11,523
Depreciation written out on revaluation	(9,522)	0	0	(1,204)	0	0	(10,726)
Impairment losses / (reversals) to RR	0	0	0	0	0	0	0
Impairment losses / (reversals) to SDPS	0	0	0	0	0	0	0
Disposal	2	0	0	0	0	0	2
Reclassifications	0	0	0	0	0	0	0
<b>At 31st March 2023</b>	<b>1,360</b>	<b>1</b>	<b>0</b>	<b>(204)</b>	<b>1,015</b>	<b>0</b>	<b>2,172</b>
<b>Net Book Value</b>							
<b>At 31st March 2023</b>	<b>201,411</b>	<b>7,099</b>	<b>1,417</b>	<b>9,701</b>	<b>6,283</b>	<b>56,752</b>	<b>282,663</b>

RR = Revaluation Reserve

SDPS = Surplus or Deficit in Provision of Services

The above table includes £1.158m valuation for Maidenhead Police station. As at the 31<sup>st</sup> March 2023 this property had started to be demolished, with the demolition being complete in April 2023.

## Revaluations

Thames Valley Police's property valuers is Lambert Smith Hampton - Commercial Surveyors and Property Consultants. This company have been commissioned to undertake a rolling programme of valuation of one fifth of the property portfolio each year with the remainder being subject to a desktop valuation to ensure that an appropriate value for all properties is maintained within the accounts.

Properties were valued at 1<sup>st</sup> March 2021 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

The significant assumptions applied in estimating the fair values are:

- The condition of the properties at the date of valuation is identical to that found at the date of the valuer's inspection
- There is no significant risk of contamination to the properties
- No deleterious material has been used in the construction of the properties
- The ground conditions are satisfactory for a traditional method of construction and that there are no contaminating or deleterious materials present which may prevent the development of the sites.

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- The uses being carried out in each of the properties is an authorised planning use and that the buildings have been erected with full planning permission
- The properties and their value are unaffected by any matters which will be revealed by a local search or by any statutory notice.
- The properties comply with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

### Fair Value disclosures for surplus assets

Details of the PCC's surplus assets and information about the fair value hierarchy as at 31 March 2024 are as follows:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Fair value as at 31 March 2023
	£000	£000	£000	£000
Surplus operational properties		6,025		6,025
Surplus land		4,238		4,238
Telecommunications sharing sites		281		281
<b>Total</b>		<b>10,544</b>		<b>10,544</b>

Comparative figures for 2022/23 are:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Fair value as at 31 March 2022
	£000	£000	£000	£000
Surplus operational properties		5,962		5,962
Surplus land		4,178		4,178
Telecommunications sharing sites		281		281
<b>Total</b>		<b>10,421</b>		<b>10,421</b>

### Transfer between levels of fair value hierarchy

There were no transfers between levels 1 and 2 during the year

### Valuation techniques used to determine level 2 and level 3 fair values for surplus assets

#### Significant observable inputs – level 2

The fair value for all the surplus assets shown in the table above are based on quoted prices for similar properties in active markets. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at level 2 in the fair value hierarchy

#### Significant unobservable inputs – level 3

There are no properties categorised at level 3 in the fair value hierarchy.

#### Valuation process for surplus assets

The fair value of surplus assets is measured annually at 1<sup>st</sup> March by external valuation experts Lambert Smith Hampton. All valuations are carried out in accordance with the methodologies and bases for



## POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS

estimation set out in the professional standards of the Royal Institution of Chartered Surveyors and in conjunction with the Chief Constables' finance team. There have been no changes in valuation techniques used during the year

### Capital commitments

The PCC had £ 16.920m (2022/23 £1.219m) outstanding on capital contracts which have been entered into at 31 March 2024. This is significantly higher than 2022/23 due to issuing contracts on three major build projects

## 42 CAPITAL EXPENDITURE AND FINANCING

The PCC spent £15.950m on the acquisition and enhancement of long term assets in 2023/24, as the following table shows

	2022/23	2023/24
	£000	£000
Land and buildings	28,493	15,950
Vehicles, plant and other equipment	0	0
Information, communications and technology	0	0
<b>Total tangible fixed asset expenditure</b>	<b>28,493</b>	<b>15,950</b>
Intangible assets (i.e. computer software licences)	0	0
<b>Total Capital Expenditure</b>	<b>28,493</b>	<b>15,950</b>

## 43 DEBTORS

	2022/23	2023/24
	£000	£000
<i>Amounts falling due after more than one year</i>		
Trade receivables	0	0
Prepayments	547	469
Other receivable amounts	0	0
<b>Total long term debtors</b>	<b>547</b>	<b>469</b>
<i>Amounts falling due within one year</i>		
Trade receivables	0	0
Prepayments	72	0
Other receivable amounts	29,634	30,231
	29,705	30,231
Less provision for doubtful debts	0	
<b>Total current debtors</b>	<b>29,705</b>	<b>30,231</b>
<b>Total debtors</b>	<b>30,253</b>	<b>30,700</b>

## 44 CREDITORS

	2022/23	2023/24
	£000	£000
Trade payables	1,064	5,653
Other payables	16,953	17,787
<b>Total Creditors</b>	<b>18,016</b>	<b>23,441</b>

## **45 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

### **Accounting Policy**

The PCC recognises material contingent assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the PCC's control.

As at 31<sup>st</sup> March 2024, there are no known contingent assets or liabilities

## **46 UNUSABLE RESERVES**

The PCC keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. This category of reserves includes those which hold unrealised gains and losses (revaluation reserve) where amounts would only become available to provide services if the assets were sold, and those which hold timing differences shown in the Movement in Reserves Statement line "adjustments between accounting basis and funding basis under regulations"

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Revaluation Reserve	100,073	100,138
Capital Adjustment Account	187,162	201,641
IAS 19 Pensions Reserve	(303)	371
Collection Fund Adjustment Account	4,904	4,345
Accumulated Absences Account	(27)	(30)
Loan Redemption Account	(396)	(376)
<b>Total</b>	<b>291,413</b>	<b>306,090</b>

### **Revaluation Reserve**

The revaluation reserve records the accumulated gains on the Property, Plant and Equipment held by the Group arising from increases in value, as a result of inflation or other factors. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Balance brought forward	96,817	100,073
Revaluation of fixed assets	11,154	8,064
Amounts written out relating to sold assets	(1,061)	(943)
Historical cost depreciation adjustment	(6,837)	(7,055)
Balance carried forward	<b>100,073</b>	<b>100,139</b>

## POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS

### Capital Adjustment Account (CAA)

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

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

	2022/23 £000	2023/24 £000
<b>Opening Balance</b>	<b>173,998</b>	<b>187,162</b>
Direct Revenue Financing	1,000	4,868
Minimum Revenue Provision	2,847	2,900
Voluntary Revenue Provision	0	0
Revaluation reserve write down	7,898	7,055
Receipts on disposal of fixed assets	2,827	2,170
Carrying value of disposed assets	(2,247)	(2,198)
Reversal of past losses on upwards revaluations	2,076	531
Less:		
Annual depreciation and impairment	(16,030)	(13,908)
Application of Government grant and capital contributions to finance capital expenditure	14,793	13,061
Application of reserves to finance capital expenditure		
<b>Closing balance</b>	<b>187,162</b>	<b>201,641</b>

### IAS 19 Pension Reserve

	2022/23 £000	2023/24 £000
Opening balance	(3,850)	(303)
Remeasurement of the net defined benefit liability/(asset)	4,053	683
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(746)	(280)
Employer's pension contributions and direct payments to pensions payable in the year	240	271
<b>Closing balance</b>	<b>(303)</b>	<b>371</b>

## POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS

### Collection Fund Adjustment Account

This account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the general fund from the local authority Collection Funds.

	2022/23	2023/24
	£000	£000
Balance at 1 April	2,543	4903
Amount by which council tax income credited to the Comprehensive Income and Expenditure account is different from council tax income calculated for the year in accordance with statutory requirements	2,361	(559)
<b>Balance at 31 March</b>	<b>4,903</b>	<b>4,345</b>

### Accumulated Absences Account

#### Accounting Policy

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, TOIL (time off in lieu) paid sick leave, bonuses and non-monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the PCC.

IAS 19 (Employee Benefits) requires the PCC to account for short term compensating absences which include time owing and annual leave accrued by accruing for the benefits which have accumulated but are not taken by the balance sheet date. The accrual for untaken leave is charged to the provision of services, and reversed out through the Movement in Reserves Statement so that the leave is charged to the CIES in the financial year in which the holiday absence is taken.

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2022/23	2023/24
	£000	£000
Opening balance	(30)	(27)
Reversal of prior year accrual	30	27
Accrual for accumulated absences at year end	(27)	(30)
<b>Closing balance</b>	<b>(27)</b>	<b>(30)</b>

## 47 PENSIONS

### Accounting Policy

#### Post employment benefits

Police staff are eligible to join the Local Government Pension Scheme administered by Buckinghamshire Council. This is a funded scheme. In 2023/24 the PCC paid an employer's contribution representing 16.6% of pensionable pay. The contribution rate is determined by the Fund's actuary based on valuations every three years.

Additional contributions are payable to cover the cost of any early retirements except those due to ill-health. In addition the PCC is responsible for all pension payments relating to any added years' benefits, together with the related increases.

The values for each scheme are shown separately in the notes. Assets are measured at fair value which is assessed on the basis of bid price. Liabilities are measured using the projected unit method. Liabilities are discounted at 2.00% (2.00% in 2021/22).

#### Transactions relating to retirement benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2022/23 £000	2023/24 £000
<b>Comprehensive Income and Expenditure Statement</b>		
<i>Cost of Services</i>		
• current service costs	643	276
• past service costs	0	0
• curtailment and settlements	0	0
• Administration expenses	6	6
 <i>Financing and Investment Income and Expenditure</i>	 97	 8
• Net interest on defined liability		
 <i>Total Post Employment Benefit Charged to the Surplus or deficit on the Provision of Services</i>	 <b>746</b>	 <b>290</b>
 <i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
• actuarial gains and losses and return on plan assets	(4,663)	(300)
 <i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	 (3,917)	 (10)
 <b>Movement in Reserves Statement</b>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	746	290
 <i>Actual amount charged against council tax for pensions in the year:</i>		
• employers' contribution payable to scheme	240	271
• retirement benefits payable to pensioners		

## POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS

### Assets and liabilities in relation to retirement benefits

Reconciliation of present value of scheme liabilities:

	Funded liabilities: LGPS	
	2022/23 £000	2022/24 £000
Opening balance at 1 April	11,173	6,923
Current service cost	643	276
Past service cost	0	0
Interest cost	284	332
Contributions by scheme participants	108	134
Actuarial gains (-) and losses	(4,663)	(300)
Benefits paid (net of transfers in)	(622)	(150)
Historical adjustment between assets and liabilities	0	0
<b>Closing balance at 31 March</b>	<b>6,923</b>	<b>7,215</b>

Reconciliation of fair value of the scheme assets:

	2022/23 £000		2023/24 £000	
Opening balance on 1 April	7,323	6,620		
Interest on assets	187	324		
Actuarial gains and losses (-)	(610)	393		
Employer contributions, including unfunded benefits	240	271		
Contributions by scheme participants	108	134		
Benefits paid	(622)	(150)		
Administration expenses	(6)	(6)		
Historical adjustment between assets and liabilities	0	0		
<b>Closing balance on 31 March</b>	<b>6,620</b>	<b>7,586</b>		
<b>Net Liability on LGPS</b>	<b>303</b>	<b>(371)</b>		

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

The actual return on scheme assets in the year was £0.610million.

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The County Council Fund liabilities have been assessed by Barnett Waddington, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2019

## POLICE AND CRIME COMMISSIONER 2023/24 ACCOUNTS

The principal assumptions used by the actuary have been:

	2022/23	2023/24
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions		
• Longevity at 65 for current pensioners (years)		
Men	21.1	20.8
21.0Women	24.6	24.3
• Longevity at 65 for future pensioners (years)		
Men	22.3	22.0
Women	26.0	26.0
Rate of inflation - CPI	2.9%	3.9%
Rate of increase in salaries	3.9%	3.9%
Rate of increase in pensions	2.9%	2.9%
Rate of discounting scheme liabilities	4.8%	4.95%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on “reasonably possible” changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decrease for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated.

### Impact on the Defined Benefit Obligation

	LGPS	
	Increase in assumption £ 000	Decrease in assumption £ 000
Longevity (increase or decrease by 1 year)	280	(259)
Rate of increase in salaries (increase or decrease by 0.1%)	269	(269)
Rate of increase in pensions (increase or decrease by 0.1%)	279	(259)
Rate for discounting schemes (increase or decrease by 0.1%)	(259)	280

The LGPS assets consist of the following categories, by proportion of the total assets held:

	31 March 2023 %	31 March 2024 %
Equities - Overseas	56	51
Gilts	9	9
Bonds	11	12
Property	5	6
Cash	2	1
Infrastructure	7	8
Multi Asset/Diversified Income	9	10
Private debt	2	3
<b>Total</b>	<b>100</b>	<b>100</b>

**48 NOTES TO THE CASHFLOW STATEMENT**

Analysis of operating, investing and financing activities:

	<b>2022/23</b>	<b>2023/24</b>
	£000	£000
<b><u>Operating activities</u></b>		
Taxation	(228,107)	(248,620)
Grants	(414,300)	(433,413)
Sales of goods and rendering of services	(93,424)	(91,586)
Interest received	(1,771)	(7,727)
<b>Cash inflows generated from operating activities</b>	<b>(737,601)</b>	<b>(781,346)</b>
Cash paid to and on behalf of employees	518,442	573,726
Cash paid to suppliers of goods and services	164,455	158,082
Interest paid	1,927	1,657
Other payments for operating activities	0	0
<b>Cash outflows generated from operating activities</b>	<b>684,824</b>	<b>733,465</b>
<b>Net cash flows from operating activities</b>	<b>(52,777)</b>	<b>(47,881)</b>
<b><u>Investing activities</u></b>		
Purchase of property, plant and equipment and intangible assets	28,493	17,871
Purchase of short and long term investments	0	0
Proceeds from the sale of property, plant and equipment	(2,827)	(2,152)
Proceeds from short and long term investments	20,000	6,000
Other receipts from investing activities	(6,706)	(6,569)
<b>Net cash flows from investing activities</b>	<b>38,960</b>	<b>15,150</b>
<b><u>Financing activities</u></b>		
Cash receipts of short and long term borrowing	7,000	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and PFI	1,724	1,658
Repayments of short and long term borrowing	(3,104)	(20)
<b>Net cash flows from financing activities</b>	<b>5,619</b>	<b>1,638</b>



## Annual Governance Statement 2023/24

This Annual Governance Statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Thames Valley have complied with their published corporate governance framework for the year ended 31 March 2024, including plans for the financial year 2024/25.

A glossary of terms is provided at the end of the Statement of Accounts.

### SCOPE OF RESPONSIBILITY

Following the introduction of the Police Reform and Social Responsibility Act 2011 (the 2011 Act), the PCC and Chief Constable were established on 22<sup>nd</sup> November 2012 as separate legal entities ('corporations sole') which means they are both entitled to own assets and employ staff. However, the 2011 Act gives PCCs responsibility for the totality of policing within their force area and requires them to hold their force Chief Constable to account for the operational delivery of policing.

Under the 2011 Act, the PCC is the recipient of all funding, including government grant, precept and other sources of income related to policing and crime reduction, and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, who provides professional advice and recommendations to the PCC. However, the PCC is ultimately accountable to the public for the management of the Police Fund.

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards of governance and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively in the discharge of their statutory duties and powers. Both the PCC and Chief Constable are required to, and have, appointed chief financial officers who each have a fiduciary duty to the local taxpayer for securing the efficient use of public funds. Under the Local Government Act 1999 the PCC makes arrangements to secure continuous improvement in the way their functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, including police officers and staff under his direction and control, remains operationally independent in the service of the public. In discharging his overall responsibilities, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The Policing Protocol Order 2023 requires both the PCC and Chief Constable to abide by the seven principles of personal conduct set out in 'Standards in Public Life: First Report of the Committee on Standards in Public Life' (commonly known as the 'Nolan Principles'), i.e. 'Selflessness', 'Integrity', 'Objectivity', 'Accountability', 'Openness', 'Honesty' and 'Leadership'. The Nolan Principles are incorporated into the PCC's Code of Conduct.

The College of Policing 'Code of Ethics' 2024 applies to every individual who works in policing, including the Chief Constable and PCC. The Code of Ethics sets out ethical principles of Courage, Respect and Empathy, and Public Service.

In addition, the statutory Code of Practice for Ethical Policing gives direction to the Chief Constable on promoting and supporting ethical and professional behaviour within the force.

(Copies of the PCC's Code of Conduct and the College of Policing's Code of Ethics can be found at:

[Code of Ethics.](#)

[https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code\\_of\\_Ethics.pdf](https://www.college.police.uk/What-we-do/Ethics/Ethics-home/Documents/Code_of_Ethics.pdf))

## ANNUAL GOVERNANCE STATEMENT

In addition, from an organisational perspective, the PCC and Chief Constable have approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA / SOLACE guidance 'Delivering Good Governance in Local Government' (<http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>)

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the Code and the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of the system of internal control.

### THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that statutory entities (in this case, the PCC and Chief Constable) achieve their intended outcomes whilst acting in the public interest at all times.

The governance framework comprises the systems and processes, and culture and values by which the PCC and Chief Constable discharge their responsibilities and through which the police service accounts to and engages with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

### THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and Thames Valley Police (TVP) include:

#### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The PCC and the Chief Constable have developed and approved a 'Joint Corporate Governance Framework' which clarifies the working relationship between the PCC, Chief Constable and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations. The Framework is informed by the requirements of 'The Good Governance Standard for Public Services' and is consistent with the seven Nolan Principles of standards in public life.

The College of Policing 'Code of Ethics' 2024 supports and guides every individual who works in policing. The Code of Ethics sets out ethical principles of Courage, Respect and Empathy, and Public Service.

In addition, the statutory Code of Practice for Ethical Policing 2023 gives direction to the Chief Constable on promoting and supporting ethical and professional behaviour within the force.

Measures are in place to ensure that the PCC, Deputy PCC (when appointed) and employees of the Office of the PCC (OPCC) and TVP are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. This includes the Anti-Fraud, Bribery and Corruption Policy and guidance on the acceptance of gifts, loans and hospitality. Notifications of disclosable interests and a register of gifts and hospitality are published on the PCC and the Force websites.

The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public.

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The Force has a Professional Standards Department (PSD) whose role is to uphold the ethical and professional standards of TVP. PSD manages the application of police misconduct regulations, and the administration of complaints by members of the public against the quality of service they have received from the Force and/or the conduct of police officers and police staff below the rank of Chief Constable. The PCC has a statutory responsibility to undertake reviews (formerly known as 'appeals') of the handling and outcome of complaints made against the Force, where requested by complainants, to improve transparency and accountability on behalf of the public. Furthermore, complaints against the Chief Constable are dealt with by the PCC. The independent Thames Valley Police and Crime Panel (PCP) handles formal complaints made against the PCC.

A Professional and Ethical Standards Panel has been jointly established by the PCC and Chief Constable to facilitate the discharge of their respective statutory obligations around handling and monitoring of police complaints, and to ensure that issues relating to policing integrity, ethics and professional standards are independently considered to maintain public confidence in policing. It does this by providing an annual assurance report to the PCC and Chief Constable, a copy of which can be found on the website

In addition, in 2023, the Independent Scrutiny and Oversight Board (ISOB) has been conceived and developed based on the national structure for the Police Race Action Plan. Its purpose is to provide independent oversight of the work of Thames Valley Police concerning the Race Action Plan.

Both the PCC and Chief Constable are required to demonstrate respect for the rule of law and comply with relevant laws and regulations. To that end, both employ in-house legal advisors to provide assurance and guidance upon lawful decision-making. The PCC is independent of Force management and operational decision-making, which is the responsibility of the Chief Constable. Established mechanisms and guidance are in place to ensure that the PCC and Chief Constable do not breach or misuse their legal and regulatory powers inadvertently. The PCC and his Deputy (when appointed) are subject to the PCC's Code of Conduct and Oath of Office, and the Chief Constable (and all other individuals who work in policing) are subject to the College of Policing's Code of Ethics, both of which are consistent with the Nolan principles. The Chief of Staff of the OPCC is also the designated statutory Monitoring Officer, and the OPCC Head of Governance and Compliance is Deputy Monitoring Officer, with responsibility for advising on the legality and appropriateness of the PCC's actions and decisions.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with good practice. Guidance originating from the College of Policing and NPCC is disseminated Force-wide by the Learning and Development Team in People Services and/or the Policing Strategy Unit. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (APAC<sup>2</sup>E) and Police and Crime Commissioners' Treasurers Society (PACCTS), and is disseminated amongst the OPCC.

The Force employs a Force Vetting Manager and team within the Professional Standards Department to ensure compliance with relevant national vetting standards.

### **B. Ensuring openness and comprehensive stakeholder engagement**

The PCC has a statutory responsibility to consult the Chief Constable and obtain the views of the community and victims of crime about the policing of the Force area, and they must have regard to their views as well as the priorities of responsible authorities within the Thames Valley and relevant government bodies before issuing a police and crime plan (the Police and Criminal Justice Plan).

The Police and Criminal Justice Plan must be published by the end of the financial year in which the PCC is elected and, may be reviewed and revised, as necessary and appropriate, to ensure it remains relevant and fit for purpose. In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public.

The PCC's 'Police and Criminal Justice Plan 2021-2025' discharges the above duties and sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered, over the

## ANNUAL GOVERNANCE STATEMENT

four-year period of his current tenure of office. The delivery of his Plan is supported by the Force's Strategic Plan, the OPCC's internal Strategic Delivery Plan and the corporate Financial Strategy. The Police and Criminal Justice Plan has due regard to the Strategic Policing Requirement as issued by the Home Secretary and is developed in consultation with the Chief Constable, informed by the views of the local community, victims of crime and the priorities of other key stakeholders.

The independent Thames Valley Police and Crime Panel meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the priorities and key aims contained in his Police and Criminal Justice Plan. It also meets specifically to consider the PCC's proposed annual council tax precept increase; Police and Criminal Justice Plan, Annual Report and any proposed senior appointments to the roles of Deputy PCC, Chief Constable, OPCC Chief of Staff and OPCC Chief Finance Officer.

Arrangements have been agreed upon and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements. These arrangements include a schedule of formal public and private meetings, i.e. regular public Performance and Accountability Meetings (formerly known as 'Level 1' meetings), with the reports and agendas published on the PCC's website, supplemented by regular fortnightly informal, private, liaison meetings between the PCC and Chief Constable (in respect of which minutes are taken but not published).

The Framework of Corporate Governance defines the parameters for decision-making, including delegations, financial regulations and contract regulations. The PCC has published his policy statement on decision-making. All formal and significant PCC decisions taken under this policy are published on his website.

The PCC proactively publishes information to maintain openness and transparency with the public on this same website; in doing so, he also meets his obligations under the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) and, as a public authority, under the Freedom of Information Act 2000.

The PCC published his 2022/23 Annual Report last June (2023) which highlighted key achievements against his strategic Police and Criminal Justice Plan. The PCC's 2023/24 Annual Report is due to be published in June 2024.

The Chief Constable has prepared and published the TVP Strategic Plan. A performance update on the strategic plan is provided to the PCC's Performance and Accountability meetings every 8 weeks, in respect of which the agenda and papers are published on the PCC's website.

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

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

The PCC works with and part-funds local authority Community Safety Partnerships, Youth Offending Teams and Drug and Alcohol Teams across the Thames Valley to support crime reduction and community safety activities in their local areas. Such activities are aligned with the PCC's strategic priorities and key aims, as set out in the Police and Criminal Justice Plan and are funded by the PCC's Community Safety Fund. Through working in partnership, these activities not only help the PCC to deliver their strategic objectives but also support partners in achieving their local priorities too.

The PCC chairs the Thames Valley Local Criminal Justice Board, which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being

## ANNUAL GOVERNANCE STATEMENT

addressed individually and collectively by the criminal justice agencies. The PCC has chaired this Board since January 2019. An Assistant Chief Constable (ACC) represents TVP on the Board.

The Force has appropriate mechanisms for engaging with a variety of external organisational stakeholders. The Chief Constable generally attends Local Authority Chief Executive's meetings annually. The Chief Constable has delivered a presentation and answered questions in an open forum to each Council across the Thames Valley.

The South East Regional Integrated Policing (SERIP) Board considers regional change programmes and projects. All collaborative change programmes are supported by appropriate change frameworks to ensure appropriate governance processes are adopted and supported by standard products including risk and issue logs.

The OPCC and TVP communication and engagement strategies explain how local people can interact with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction.

In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. Furthermore, the decisions and actions of the PCC are subject to regular review and scrutiny by the Police and Crime Panel.

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. "Have your say" is a consultation and priority-setting process which aims to increase public consultation and ensure that the Force tackles issues which most concern communities. In addition, the Force has active social media outlets including Facebook and Twitter. The Thames Valley Alert system also enables electronic public engagement en masse.

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

The PCC's Police and Criminal Justice Plan sets out his strategic policing and crime reduction priorities and key aims, and how these will be delivered over his tenure of office.

The Chief Constable has published the annual TVP Strategic Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Criminal Justice Plan and the Home Secretary's national Strategic Policing Requirement. Progress against the Force's strategic objectives (the seven 'Priority Outcomes') is assessed through focussed Strategic Plan success measures and reviewed via the Service Improvement Reviews, Force Performance Group and Strategic Vulnerabilities framework.

The organisation is committed to the identification and consideration of collaboration opportunities regarding systems, processes and resources to sustain service delivery and increase the capacity and resilience of the organisation without diminishing capability and access to specialist services.

Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements established under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration, supported by appropriate advisors from the respective Force departments / SERIP.

There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including Multi-Agency Safeguarding Hubs (MASHs).

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The Medium Term Financial Plan (MTFP) and Medium Term Capital Plan (MTCP) ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The Productivity Strategy is an integral part of the MTFP and identifies where savings and efficiencies can be achieved, and hence more resources directed to priority areas. Service delivery is reviewed within the Force's Governance & Service Improvement (GSI) department, developing an understanding of present and future demand to inform organisational and operational strategies aimed at sustaining service delivery or improvement. The Force Review has been initiated to achieve effectiveness improvements and efficiencies, to improve service delivery with our finite resources, ensuring the financial sustainability of the force.

Risk and business continuity matters are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery. Strategic Risk and Business Continuity are managed within the Force's GSI department, bringing together horizon scanning, local risk registers and change-programme risk and business continuity issues.

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

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

The Force planning cycle incorporates the annual Force Management Statement, financial plans, workforce plans and the PCC's Police and Criminal Justice Plan to inform the Force's annual Strategic Plan. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (CCMT) and monitored through the service improvement framework and quarterly updates to inform the PCC's Performance and Accountability meetings.

The Chief Constable maintains a rolling MTFP, which forms the basis of the annual budgets and provides a framework for the evaluation of future proposals. These are accompanied by mid-term workforce plans, managed by the People Directorate.

Decision-making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. The National Decision Model was introduced to ensure a greater focus on delivering the mission of policing, acting in accordance with values, enhancing the use of discretion, reducing risk aversion and supporting the appropriate allocation of limited policing resources as the demand for them increases. Both are now fully embedded in the Force, to ensure officers have the tools to act lawfully in their decision-making and to enable them to use their full powers for the benefit of citizens, communities and other stakeholders.

Collaborative projects and programmes, or those requiring the support of a collaborated unit to deliver, are co-ordinated and prioritised based on priorities, strategic objectives, capacity and financial capability and are governed through a Joint Change Governance board with representation from Thames Valley Police, Hampshire Constabulary and collaborated units.

In-flight programmes are managed by a Programme Board, chaired by a Senior Responsible Officer. Updates inform the Joint Portfolio Meeting, run collaboratively with Hampshire Constabulary, to enable coordination, planning and oversight of resources from enabling departments to achieve the desired outcomes. All programmes and projects have strategic oversight through the Force Transformation Board, DCCs' Collaboration Board, and respective Chief Officer Groups. Collaborated programmes consider and manage shared risks and issues.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a MTFP and a MTCP, which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective financial probity framework for decision making. The MTFP and MTCP are closely aligned with the PCC's Police and Criminal Justice Plan and the Force Strategic Plan. The PCC approves the MTFP and the MTCP as well as the Force's

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annual budgets. The Police and Crime Panel must review the PCC's proposed council tax precept increase and make recommendations to the PCC before he formally sets the annual budget in February each year. Formal budget monitoring is undertaken on a regular basis throughout the year and reviewed at the regular liaison meetings between the PCC and Chief Constable.

The Productivity Strategy forms an integral part of the MTFP and incorporates the outcomes of initiatives such as Effectiveness & Efficiency or the Estates Asset Management Plan.

Force and Local Police Area Tasking and Co-ordination Group processes enable the regular review of operations, performance and resource deployment in an operational setting. CCMT provides strategic oversight for performance against Strategic Plan measures and priorities, as well as financial plans and asset management plans.

### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal matters and treasury management, is sourced externally, as this is more practical and cost-effective.

Chief Officers have clearly defined leadership roles and are responsible for implementing strategy and managing the delivery of services within their respective portfolios.

Officers and staff manage their performance and continuous development through the Performance Development Review framework. An annual assessment of competencies linked to Strategic Plan outcomes is supported by interim reviews and a requirement for officers and staff to undertake Continuous Professional Development. The framework also allows for the management of unsatisfactory performance or attendance where it is identified. The Force has a stated Health and Wellbeing Strategy, along with a workforce plan focussed on recruitment, retention and resilience. Progress on becoming increasingly representative of the communities the Force serves is also an area of focus. The Force is committed to being considered an employer of choice.

Chief Officers have promoted a learning environment climate focussed on continuous service improvement, recognising the importance of independent and peer review when needed. Integral to this is the identification of lessons learned, recommendations and identified areas for improvement through the end of project / programme closure reports undertaken before transitioning to business as usual, results analysis, individual management reviews, serious case reviews and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) audit / inspection processes.

The PCC has received appropriate induction training. As the PCC has a power to appoint a Deputy to assist him discharge his statutory functions, where appointed the Deputy PCC will also receive appropriate induction training. Ongoing training and development for the PCC (and the Deputy PCC when appointed) includes attendance at appropriate national conferences and seminars.

The PCC has also implemented a staffing structure within the OPCC to ensure it has the necessary capability and capacity to support him deliver his statutory functions, such as commissioning services for victims and witnesses. 'Victims First' is the overarching name for all the PCC's services in providing support for victims of crime.

The Chief of Staff as Head of Paid Service, monitors the workload and performance of the PCC's office via the internal OPCC Strategic Delivery Plan, which allows them to monitor activities and identify workload priorities and staffing capacity needs in accordance with the delivery of the PCC's strategic priorities. This is presented to the PCC at the Performance and Accountability Meeting.

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). The Chief Constable and fellow chief officers are members of the National Police Chiefs' Council (NPCC).

### **F. Managing risks and performance through robust internal control and strong public financial management**

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The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The Risk Management Policy is supported by the Risk and Business Continuity Communications Strategy. The management of risk is governed through the Force Risk Management Group, which exists to oversee strategic risk management and business continuity processes; take ownership of strategic risk issues; delegate actions to appropriate risk managers; accept strategic risk reports and recommendations through the Governance and Service Improvement department, authorise actions and allocate resources where necessary.

Due to likely impact of cyber-attacks on front line policing, all police forces are monitored by the National Monitoring Centre (NMC) operated by Police Digital Services. In addition, both TVP and HIOWC have interfaces into the cyber response planning. Both forces approach risk management, strategic governance, and Business Continuity separately and the Joint units (JOUs) work closely with each of these teams to ensure a holistic approach and response. The teams lead on testing business units through desk-top scenarios, which are supported by JICT to assess the readiness of individual team's response during a cyber-event. Lessons learned are captured and actions set where required to close any gaps identified during these exercises. Cyber business Continuity resilience is tested both technically in ICT and also organisationally. Cyber BC exercises have been taking place across the whole force.

The PCC and Chief Constable monitor service delivery effectively via their respective performance regimes.

The PCC has a duty to hold the Chief Constable to account for the performance of TVP generally. The PCC has therefore implemented an effective scrutiny and oversight function. The PCC holds quarterly public 'Performance and Accountability' meetings at which the Chief Constable is required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Criminal Justice Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Strategic Plan. Similarly, the PCC meets fortnightly with the Chief Constable on a private, informal, basis to review and discuss more regularly the general performance of the Force against topical national, regional and local issues. The PCC maintains an HMICFRS tracker to follow up on any risks to the performance of the Force that have been highlighted by HMICFRS inspections.

The OPCC provides an update against its internal Strategic Delivery Plan to the PCC via the OPCC Strategic Management Group monthly meetings and quarterly Performance and Accountability meetings. The PCC, therefore, receives regular reports on service delivery plans and on progress towards outcome achievement of the priorities and aims set out in the Police and Criminal Justice Plan.

The Chief Constable holds quarterly Performance Group meetings together with his management team, regularly attended by the PCC as an observer, in which the Chief Constable reviews performance of the Force against the annual Strategic Plan. The Service Improvement Review framework is a comprehensive schedule of LPA or Departmental review meetings, starting with a period of fieldwork, and culminating with a meeting, chaired by the DCC with attendance from the local command team, to review findings and set actions. A performance update against the Force Strategic Plan is considered quarterly at CCMT meetings. This same meeting determines and monitors Force strategy, policies and performance. Gold Groups are set up and managed in response to particular areas of vulnerability or to manage particular areas of performance as necessary, for example in response to a critical incident.

The Chief Constable has implemented monthly Demand & Performance meetings, chaired by the DCC, attended by ACC of crime and ACC LP, the FCR and 3 Chief Superintendents. The meeting reviews the Demand and Performance paper. In addition, the Improvement and Innovation meeting has also been set up, chaired by the DCC, in which constructive challenge and debate on recommendations, thematic operational policies and procedures is encouraged. The findings of these meetings are fed into the Chief Constable's Performance Group or CCMT.

The Force Risk Management Group oversees risk management within the Force and is chaired by the Chief Constable. The Group focuses on strategic risks but also monitors risk management processes across the Force, including within change programmes as well as a risk radar that considers potential future risks for the force. The OPCC maintains its own strategic risk register.



## ANNUAL GOVERNANCE STATEMENT

A Joint Independent Audit Committee (JIAC) operates in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Home Office Financial Management Code of Practice. The JIAC's main role is to provide assurance to the PCC and Chief Constable that the corporate internal control and governance framework, including risk management, is operating adequately and effectively. It does this by providing an annual assurance report to the PCC and Chief Constable. The JIAC meets in public, and reports and minutes are placed on the PCC's website.

Effective counter-fraud and anti-corruption arrangements are in place and are monitored, in the main, by the Force's Professional Standards Department. The Anti-Fraud, Bribery and Corruption Policy is updated every two years.

The Internal Audit Team provides assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control.

The Force manages its information in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation (UK GDPR), the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information. This is overseen by the Information Governance Board chaired by the Chief Information Officer (who also holds the position of Senior Information Risk Owner). The Joint Information Management Unit leads on information compliance for both TVP and Hampshire Constabulary (HC) and ensures that appropriate policies and procedures are in place. The Joint Information Management Unit is also responsible for providing guidance on the lawful sharing of information with partners, completion of Data Protection Impact Assessments and maintaining a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. National Centre for Applied Learning Technologies (NCALT) training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

### Financial management arrangements

The annual financial strategy and the capital strategy for the forthcoming financial year are approved as part of the annual financial planning in January each year. The PCC and Chief Constable have agreed a Value for Money Strategy during 2023/24 and this approach is reflected in the financial arrangements.

The Chief Constable produces a MTFP and a MTCP which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision-making. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is regularly reviewed by the CCMT as well as being presented to the PCC's regular liaison meetings between the PCC and Chief Constable.

The Productivity Strategy is an integral part of the MTFP, challenging the effectiveness of the force and identifying savings and efficiencies to help balance the budget whilst achieving the PCC's and Chief Constable's objectives. The delivery savings within the Productivity Strategy are monitored as part of the regular financial monitoring, and by the Force Transformation Board.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Director of Finance. The Chief Internal Auditor provides a regular update to the JIAC and provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.

The financial management arrangements conform with the governance requirements of the CIPFA Financial Management Code.

## ANNUAL GOVERNANCE STATEMENT

### **G. Implementing good practices in transparency, reporting and audit to deliver effective accountability**

The PCC and the Chief Constable attempt to strike a balance between providing the right amount of information to satisfy transparency demands and enhance effective public scrutiny whilst not being too onerous to provide and for users to easily access and understand.

The PCC's decisions and actions are scrutinised by the Police and Crime Panel, which includes reviews of significant documentation produced by the OPCC for the benefit of the public.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) and publishes required information on his website. Decisions of significant public interest made by the PCC are published in accordance with a template that ensures they are easy to access and interrogate. Similarly, public reports are compiled in accordance with best practice and scrutinised by the JIAC. Furthermore, the OPCC (and TVP) take all reasonable steps to help make sure our online services are accessible to all users, including disabled people.

The Chief Constable's Corporate Communications department oversees communications to the public on behalf of the Force. In doing so they abide by the corporate style guide, which is designed to ensure communications are issued in an understandable style appropriate to the intended audience. In addition, the PCC has his own communications team.

The PCC and Chief Constable both report at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way.

The PCC and Chief Constable maintain a process to assess the extent to which the organisation is applying the principles contained in the Framework of Corporate Governance and publish the results of that assessment in the Annual Governance Statement, including an action plan for improvement and evidence to demonstrate good governance in action.

The PCC and Chief Constable ensure that the performance information that accompanies the financial statements is prepared in a consistent and timely basis and the statements allow for comparison with other similar entities.

The PCC and Chief Constable ensure that all accepted recommendations for corrective action made by external audit are acted upon.

The Joint Internal Audit team has direct access to the PCC, Chief Constable and the JIAC, and provides assurance with regard to the organisation's governance arrangements. The JIAC monitors progress with regards to the timely implementation of agreed internal audit report actions.

Both the PCC and Force are subject to external independent scrutiny and review, through the external audit of their financial statements, systems and management arrangements, and through the inspection of policing performance by HMICFRS. The resultant audit and inspection reports are published on both the PCC and TVP websites.

HMICFRS is charged with independently assessing the effectiveness, efficiency and legitimacy of police forces and fire and rescue services, in the public interest. The PCC is required to publish a response to formal reports issued by HMICFRS. The Force engages fully with the cycle of Police Effectiveness, Efficiency and Legitimacy (PEEL) inspections, Joint Targeted Area Inspections and Thematic Inspections as required.

The PCC and Chief Constable make the best use of peer challenge, reviews and inspections from regulatory bodies and professional partners (e.g. College of Policing) and implement agreed recommendations.

Before delivering key services through third-party suppliers, the PCC and Chief Constable gain assurance on risks associated with service delivery and subject these arrangements to regular review.

When working in partnership, the PCC and Chief Constable ensure that the arrangements for accountability are clear and that the need for wider public accountability has been recognised.

## ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the adequacy and effectiveness of the governance framework on at least an annual basis. This includes:

### a) The Police and Crime Commissioner

The PCC has the following key statutory duties and powers to:

- produce and publish a five-year Police and Criminal Justice Plan that sets out the PCC's policing and crime objectives;
- set the annual policing budget and council tax precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control;
- undertake reviews (formerly known as appeals), where requested by a complainant, of the handling and outcome of their complaints made against the Force;
- handle complaints made against the Chief Constable;
- have regard to the relevant priorities of, and act in co-operation with responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the Force area;
- commission victims' support services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and
- produce and publish an annual report.

The following key governance activities took place during 2023/24 and demonstrate how the PCC has discharged these powers and duties during that year:

- The PCC published his 2022/23 Annual Report in June 2023 to highlight major achievements during that financial year and to report on operational and financial performance during 2022/23
- The OPCC published its Strategic Delivery Plan for 2023/24. This is an internal OPCC management action plan that supports the PCC in monitoring the delivery of both policing and non-policing activities, aligned with his Police and Criminal Justice Plan. Progress reports were presented to the PCC in public meetings regularly throughout the year, and the Plan is reviewed and updated annually.
- During the autumn of 2023, the PCC worked closely with the Chief Constable to update the MTFP (2024/25 to 2027/28). He submitted his budget and council tax proposals for 2024/25 to the Police and Crime Panel on 19 January 2024. The Panel endorsed his £13 increase in Band D council tax.
- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. South East region; bilateral with Hampshire; Chiltern Transport Consortium and the National Police Air Service).
- The PCC has actively engaged with stakeholders and undertaken a Scrutiny Review of the governance structures which underpin the entire external scrutiny both of joint panels and panels owned solely by TVP. Recommendations from this review were published in March.
- The PCC has been actively engaged in the scrutiny of major Force business change programmes.
- Four PCC public Performance and Accountability meetings (formerly known as 'Level 1' meetings) were held in 2023/24, supplemented by fortnightly private and informal liaison meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account.

### b. The Force

The CCMT met on 14 occasions as part of the strategic governance framework between April 2023 and March 2024. This also included finance and strategic planning sessions. The Joint Chief Officers Group (TVP and HC) met formally in May 2023 to determine and monitor collaborated strategy, policies and

## ANNUAL GOVERNANCE STATEMENT

performance. Governance structures incorporated internal arrangements for the safety and wellbeing of officers and staff, as well as external arrangements for the enactment of new legislation and the continuity of policing services to the public.

The Strategic Risk Register and Business Continuity incidents are reviewed quarterly at CCMT and emerging risks were discussed at a monthly Risk, Improvement and Learning meeting. Existing business continuity plans were reviewed and revised to reflect evolving challenges.

Key discussions during the year included the review of the MTFP, MTCP, the PCC reserves and the Asset Management Plan, as part of the annual budget cycle. The financial plans were considered several times and the associated decisions facilitated the formal approval of the Revenue Estimates and Capital Estimates 2023/24 by the PCC at his Level 1 meeting in January 2024. As part of the annual budget process, the Productivity Strategy was reviewed and continues to play an important role in identifying options to address the budget shortfall and ensure the use of resources is focused on priority areas. Delivery of the outcomes from the Effectiveness & Efficiency Programme remains a central aspect of productivity.

CCMT reviews finance and workforce planning, performance and HMICFRS activity regularly. Strategic Risks and Business Continuity are included quarterly. Other significant areas of note discussed in 2023/24 include Strategic Priorities, recruitment and retention and Senior Appointment Boards. The Strategic Plan success measures are reviewed comprehensively at the Operational and Organisational Force Performance Group meetings that are held monthly.

The Force Transformation Board met every other month to review all in-flight change programmes in the Thames Valley only portfolio including programmes under the six pillars of the TVP 2025 strategy alongside the delivery of the savings plan (Productivity Strategy). The Joint DCC Collaboration Board met every other month as part of the governance for all bi-lateral programmes including the Contact Management Programme, RMS and Digital First. The regional SERIP board met twice in 2022 to review the Emergency Services Mobile Communications Programme (ESMCP). These governance boards are in addition to the regular programme boards chaired by each programmes' Senior Responsible Owner. Both CCMT and Force Transformation Board are aligned to bilateral forums including the Joint Chief Officer Group and DCCs Collaboration Board, and regional forums such as SERIP.

The Governance & Service Improvement department continues to draw together corporate and strategic elements of the organisation. The over-arching function is to provide a central point of coordination, governance, strategy, policy and guidance development, change delivery, and the provision of internal evaluation of delivery including the identification of opportunities for continuous improvement.

The PEEL inspection report 2023-2025 was published on 6<sup>th</sup> December 2023 and looks at police effectiveness, efficiency and legitimacy. The findings show the force has improved in some areas, although there is more we need to do to across 5 areas in particular; protecting vulnerable people, investigating crime, responding to the public, managing suspects and offenders and leadership and force management. TVP has been actively working on improvements in key areas identified in the inspection and providing monthly assurance updates to HMICFRS with evidence of progress.

All recommendations and areas for improvement from inspection activity are being actioned and are tracked, updated and signed off via the DCC Risk, Improvement and Learning meeting before uploading onto the HMICFRS monitoring portal. The Risk, Improvement and Learning meeting, chaired by the DCC, has been established to provide governance, leadership and drive to continuously improve and innovate in support of the Force's strategic aims; central to this is the timely delivery of improvement activity and the identification, sharing and adoption of organisational learning from all areas, reviews and inspections. This forum will ensure accountability, coordination, and timeliness of action. There have been 12 meetings between April 2023 and March 2024.

### c. **The Joint Independent Audit Committee**

During 2023/24 the JIAC met five times to consider the external audit and internal audit plans for 2023/24, as well as receive timely updates in terms of risk management and business continuity. The JIAC also received regular briefings, including appropriate written reports, during the year from the PCC, Chief Constable and relevant senior officers. JIAC members also attend Force working groups (including the Force Transformation Board, TVP/HC Bilateral Governance Board and Performance Group) and other panel meetings (including the Professional and Ethical Standards Panel) as observers to gain a greater understanding of current governance, operational and risk activities and to assist their judgment of the adequacy of the overall Corporate Governance Framework.

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The JIAC's Annual Assurance Report for 2023 was presented to the PCC and Chief Constable at their JIAC meeting on 15 December 2023. At that time the JIAC was able, based on the information that they had considered collectively or knew about individually, to give assurance to the PCC and Chief Constable that the risk management and internal control environment in Thames Valley was operating efficiently and effectively.

### d. **The Governance Advisory Group**

A joint OPCC/TVP officer governance group (the 'Governance Advisory Group') operates with the following terms of reference:

- To provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance;
- To review and provide feedback on the effectiveness of the corporate governance systems determined by the PCC and Chief Constable.

The Governance Advisory Group also developed this joint Annual Governance Statement for 2023/24.

### e. **Internal Audit**

As at March 2023, the 2023/24 Joint Internal Audit Plan was collated and endorsed by the JIAC. The plan has been completed and on the basis of this work, the opinion of both organisations' governance, risk and control frameworks is **reasonable assurance**. A combined opinion is provided due to both organisations sharing a number of business as usual processes and systems.

The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness. The opinion demonstrates a good awareness and application of effective risk management, control and governance to facilitate the achievement of both organisations' objectives, outcomes and delivery of services. Areas were identified through our work where the design or effectiveness of arrangements in place required enhancing or strengthening. Where these areas were reported, management responded positively, identifying appropriate actions to address the risks raised. At a statistical level, the overall opinion represents an improvement compared to the previous year. However, as the Joint Internal Audit Plan does not include the same audits year on year, this cannot be taken as a direct comparison.

In terms of the implementation of audit actions and mitigation of risk, progress has been generally good across both organisations. The number of actions completed (between 2021 and 2024) is 67%, with only 8% being overdue. However, there was a significant increase in the number of overdue actions reported during the year, peaking at 60 in October. This was reduced to 36 by March 2024, but the monitoring of progress in implementing audit report actions will continue to be a specific focus for 2024/25.

As in previous years, to support this year's opinion additional sources of assurance were utilised where they provided commentary on the effectiveness of the organisations' governance framework or general management of risk. The assurances obtained provided a positive view of the organisation's arrangements and supported the overall opinion of reasonable assurance.

### f. **External audit**

In recent years, audit opinions have been delayed across the sector. EY provided unqualified audit opinions relating to the 2021/22 accounts in October 2023, and the 2022/23 accounts in May 2024. Audit certificates for the 2020/21 and 2021/22 were provided in April 2024. The audit certificate for 2022/23 is outstanding, awaiting the NAO's position on the Whole of Government Accounts.

### g. **Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)**

During 2023/24 HMICFRS published a number of reports regarding inspection activity, research or super-complaints. These are considered by the Force via the DCC's Risk Improvement and Learning meeting. All reports are publicly available on the HMICFRS website.

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Below are the inspection reports that contain recommendations or areas for improvement for policing (specific to TVP or nationally). All inspection reports that contain recommendations for the Force require the PCC to publish a formal response within 56 days of the publication of the report, except for reports resulting from super-complaints:

Date published by HMICFRS	National / Force Report	Report Types	Report Title	Date CC Reported to PCC	PCC Response to HMICFRS: Y/N
05/03/2023	National	Child protection	An inspection of how well the police and National Crime Agency tackle the online sexual abuse and exploitation of children	18/05/2023	Y
09/06/2023	National	Annual report	State of Policing: The Annual Assessment of Policing in England and Wales 2022	N/A	N/A
07/07/2023	National	Spotlight	Police performance: Getting a grip	09/08/2023	Y
11/07/2023	National	Firearms	An inspection of how effective police forces are in the deployment of firearms	09/08/2023	Y
11/08/2023	National	Homicide, Joint Inspection	Homicide prevention: An inspection of the police contribution to the prevention of homicide	07/11/2023	Y
25/08/2023	National	Race, Thematic inspection	Race and policing: An inspection of race disparity in police criminal justice	07/11/2023	Y

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			decision-making		
25/08/2023	National	Race, Thematic inspection	Race and Policing: A review of the police service's leadership and governance arrangements for race-related matters	07/11/2023	Y
25/10/2023	Force	Letter	Inspection into Thames Valley Police commissioned by the police and crime commissioner	N/A	Y
08/11/2023	Force	Child protection	Thames Valley – National child protection inspection	18/01/2024	Y
06/12/2023	Force	PEEL	PEEL 2023–2025: An inspection of Thames Valley Police	N/A	Y
19/12/2023	National	Joint inspection	Meeting the needs of victims in the criminal justice system	18/01/2024	Y

The PCC (or OPCC) is invited to attend the Strategic Brief at the start of inspection activity and the de-brief provided by HMICFRS following each inspection. Alternatively, the Chief Constable may provide the PCC with a briefing following an HMICFRS inspection.

### h. **Risk management and business continuity**

The Force Risk Management Group met four times during 2023/24 as part of the CCMT strategy meetings. High-level strategic risk management and business continuity issues were reported to the JIAC on a timely basis. As at 31<sup>st</sup> March 2024, there were 21 strategic risks on the Strategic Risk Register and 6 identified issues.

Business continuity incidents, categorised by impact, were detailed in quarterly reports to CCMT and then the JIAC, including measures taken to minimise their impact. Issues reported primarily related to

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ICT loss of service and estates issues. The JIAC also received information on exercises to test business continuity plans, which now include key learning points.

All risks at a local and strategic level have clear ownership, are regularly reviewed and rescored according to the risk matrix, and are allocated the appropriate risk action – tolerate, treat, transfer, terminate. Risks to collaborated programmes or areas under bi-lateral governance feature on both Forces' registers.

### i. **Health and Safety and Environmental Management**

The Health, Safety and Wellbeing and Environmental Protection Policy Statements are accessible to all staff via the Intranet and displayed on the health and safety notice boards in all TVP premises.

The Health & Safety Annual Report and the Wellbeing report were taken back to JIAC in 2023 for scrutiny and sign off. The report covered the key management areas specified within 'Managing for Health & Safety HSG65 2013 and documented the continuous improvement of Thames Valley Police policies and procedures for the effective management of health and safety.

The Head of the Governance & Service Improvement (G S & I) Department has overall management responsibility for the governance and implementation of Health and Safety at the operational policing, strategic and tactical levels and in respect of policing infrastructure including buildings.

### j. **Ethics and Integrity**

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handled by the Force. The Professional and Ethical Standards Panel (previously called Complaints, Integrity and Ethics Panel) meets every two months and reports jointly to the PCC and Chief Constable. The Panel conducts an assessment of how the Force deals with complaints and how the PCC deals with reviews and provides a challenge and support role in respect of how the Force responds to ethical issues.

During the last 12 months, some of the issues the Panel challenged were how TVP deal with suspects with mental health issues, concern for public confidence, the backlog of digital forensic jobs and prioritisation of caseloads.

The Panel's Annual Assurance Report for 2023 Report highlighted that the Panel had scrutinised matters including the following themes:

- Violence against Women and Girls (VAWG)
- Police perpetrated domestic abuse (PPDA)
- Sexual misconduct
- Stop and search
- Right care, right person
- The Casey Review
- MARLENE – a system that populates complaint data automatically.

The Panel was able to assure the PCC and Chief Constable that the complaints handling and management arrangements in place within TVP are operating efficiently and effectively. However, following the recommendations of the Governance Scrutiny Review, the PESP is due to be split into 2 groups; one looking at complaints and another looking at ethics.

The Force also has an internal Ethics & Integrity Board, chaired by the Head of the Professional Standards Department (PSD), or Workforce Planning, which meets quarterly. The Force has recruited a dedicated Ethics Researcher, supporting the Ethics & Integrity Board. The Ethics Champions network has been rejuvenated, and now meet regularly to discuss ethical considerations or concerns raised from across the Force.

Policies are reviewed by the Strategic Independent Advisory Group to provide feedback on accessibility and raise ethical considerations. These are then taken to the Professional Ethics Standards Panel as necessary and appropriate.



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The Chief Constable continues to promote the fundamental importance of TVP officers and staff employing the highest professional standards and principles that are embodied and enforced through the Code of Ethics. All police officers and staff have been required to complete an online training package and attend a dedicated Code of Ethics training session. All new Officers and staff receive training on the Code of Ethics as part of their induction.

During 2023/24, one member left PESP so the total number of members stands at 6.

During 2023/24 the PSD received and processed 3660 complaints and 58 conduct matters and held 29 misconduct meetings and 13 misconduct hearings under the statutory scheme. In addition, the OPCC itself handled 7 complaints made against the Chief Constable and received 272 requests for complaint reviews as per the statutory police complaints scheme.

### k. **Thames Valley Police and Crime Panel**

During 2023/24 the independent Police and Crime Panel (PCP) met on 4 occasions. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the year 2022/2024 and scrutiny and consideration of the PCC's 2023/24 budget and council tax precept proposals. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the previous PCC's Police and Criminal Justice Plan strategic priorities and key aims, including the contribution made by other partner agencies, and updates on matters of topical interest to the Panel.

In addition, the Panel operates a permanent Complaints Sub-Committee as well as ad-hoc task and finish working groups. During 2023/24 the Chief of Staff of the OPCC, acting under delegated authority on behalf of the PCP, referred 3 complaints against the PCC/Deputy PCC to the PCP for consideration by them under the statutory scheme. None of these complaints were upheld, save for one whereby the Panel made a recommendation for an apology by the PCC and requested an update on the new Caseworker system.

The Panel itself published its own 2022/23 Annual Report in June 2023.

### l. **Collaboration and partnership working**

The joint TVP and HC Joint Collaboration Governance Board formally met six times during 2023/24. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Contact Management, Joint Operations Unit, Joint ICT and Joint Information Management) as well as the development of collaborated change programmes. Updates are provided on new collaborative opportunities being explored. These formal meetings were supplemented by specific briefings for the PCCs and senior officers as appropriate. In addition to the Governance Board, the Joint Chief Officer Group met 3 times during 2023/24

Governance of collaboration between Forces across the South East region is undertaken at the SE Regional Integrated Policing (SERIP) Board (chaired and attended by Deputy Chief Constables), and by PCCs and Chief Constables at the Regional Governance Board, 2 meetings of the regional governance board were held during 2023/24. The South East Regional Organised Crime Unit, hosted by TVP, brings together the regional organised crime units under one structure. It is operationally aligned with the Counter Terrorism Policing South East unit. A regional Assistant Chief Constable (ACC), who reports directly to the Chief Constable of TVP, exercises overall command of the regional crime and counter-terrorism functions. This ACC also represents serious organised crime at the South East Regional Governance Board and nationally with the National Crime Agency and other key stakeholders.

### m. **Conclusion**

The work carried out by the Governance Advisory Group to review the Joint Corporate Governance Framework itself, and how it has been applied in practice over the financial year 2023/24, has informed the latest review of the Framework. Consequently, the PCC and Chief Constable will be able to satisfy

## ANNUAL GOVERNANCE STATEMENT

themselves that key governance structures supporting the discharge of their responsibilities have and continue to receive effective scrutiny.

### SIGNIFICANT GOVERNANCE ISSUES

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

There were no significant actual or potential governance issues identified in respect of the 2023/2024 year AGS which were due to be monitored during 2023/24

There are currently no significant actual or potential governance issues identified in respect of 2023/2024 activities. Accordingly, the Governance Advisory Group is satisfied to the best of its knowledge that no material breaches of the governance arrangements occurred in 2023/24 and there are no significant weaknesses in the internal control and governance environment.

In any event, the governance arrangements of the PCC and the Chief Constable will remain under review quarterly over the forthcoming financial years.

**Matthew Barber**

Police and Crime Commissioner

**Jason Hogg**

Chief Constable

**Absolute return portfolio**

This refers to investment strategies which target a return that is above zero, and are often linked to other financial benchmarks such as LIBOR (London Inter Bank Offered Rate)

**ACC**

Assistant Chief Constable

**Accruals**

The concept that income and expenditure are recognised as they are earned or incurred not as money is paid or received.

**Actuarial gains and losses**

Actuarial gains and losses arise where actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses) or the actuarial assumptions have been changed.

**AGS**

Annual governance statement

**Alternative assets**

These are less traditional investments where risks can be greater but potential returns higher over the long term, e.g. investments in private equity partnerships, hedge funds, commodities, foreign currency and futures.

**APCC**

Association of police & Crime Commissioners

**Amortisation**

The gradual elimination of a liability, such as a loan, in regular payments over a specified period of time

**Appropriations**

Transfer of monies between the revenue account and the balance sheet.

**Assets**

An asset is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit

**Bonds**

Bonds are debt obligations issued by private corporations to finance a variety of purposes, e.g. business expansion. When a bond is issued, the corporation promises to return the money on a specified date, paying a stated rate of interest. Bonds do not provide ownership interest in the corporation

**Budget**

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

**Capital Charge**

A charge to the revenue account to reflect the cost of using fixed assets.

### **Capital Expenditure**

As defined in the Local Government and Housing Act 1989, but broadly expenditure on the acquisition of a fixed asset or expenditure which extends the life or value of an existing fixed asset.

### **Capital Financing Requirement**

The capital financing requirement (CFR) measures the Group's underlying need to borrow or finance by other long-term liabilities for a capital purpose.

### **Capital Receipts**

Proceeds from the sale of capital assets. They may be used to finance new capital expenditure or repay existing loan debt. Receipts available to finance capital expenditure in future years are held in the usable capital receipts reserve.

### **Carrying value**

An accounting measure of value, where the value of an asset or a company is based on the figures in the company's balance sheet. For assets, the value is based on the original cost of the asset less any depreciation, amortization or impairment costs made against the asset. For a company, carrying value is a company's total assets minus intangible assets and liabilities such as debt. Also known as "book value".

### **CCMT**

Chief Constable's Management Team

### **Chief Constable**

The most senior police officer in charge of a police force

### **CIES**

Comprehensive Income and Expenditure Statement

### **CIPFA**

Chartered Institute of Public Finance and Accountancy, a professional accountancy membership body, and a standard-setting body for UK public sector accountancy.

### **CMP**

Contact Management Platform

### **Collaboration**

Where two or more police forces work jointly, governed by a legal agreement, in order to realise operational efficiency, resilience and cost effectiveness.

### **Contingency**

An event that may occur but that is not likely or intended

### **CPIH**

Consumer Prices Index including owner occupiers' housing costs. This is the most comprehensive measure of inflation, and is produced by the Office for National Statistics

**CPS**

Crown Prosecution Service

**Creditors**

Amounts owed by the group at the Balance Sheet date for goods received or work done.

**CTC**

Chiltern Transport Consortium

**CTPSE**

Counter Terrorism Police South East (formally known as South East Counter Terrorism Unit)

**Current service (pensions) cost**

An estimate of the true economic cost of employing people in a financial year, earning years of service that will eventually entitle them to the receipt of a lump sum and pension when they retire. It measures the full liability estimated to have been generated in the year and is thus unaffected by whether any fund established to meet liabilities is in surplus or deficit.

**Curtailed & settlements**

Curtailed arises as a result of the early payment of accrued pensions on retirement on the grounds of efficiency, redundancy or where the employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.

**DCC**

Deputy Chief Constable

**Debtors**

Amounts due to the Group but unpaid at the Balance Sheet date.

**De minimus**

An amount so small that it will not have a significant impact on the accounts

**Depreciation**

A charge calculated either on a straight line or reducing balance basis, to reflect the diminishing value of an asset over its useful economic life.

**DHEP**

Degree Holder Entry Programme

**Direct Revenue Financing**

The amount of capital expenditure to be financed by a contribution from the revenue account in a single year.

**Earmarked**

Monies set aside for a specific purpose

#### **Equities**

Shares in UK and overseas companies.

#### **ESMCP**

Emergency Services Mobile Communications project

#### **Expected return on assets**

The expected return on assets is a measure of the return (income from dividends, interest etc, and gains on invested sums) on the investment assets held by the pension scheme for the year. It is not intended to reflect the actual realised rate by the scheme, but a longer-term measure, based on the value of assets at the start of the year (taking into account movements in assets during the year) and an expected return factor.

#### **Fair Value**

Fair value is the value of an asset or liability in an arms length transaction between unrelated willing and knowledgeable parties.

#### **Fixed Assets**

Tangible assets which yield benefits to the Group for periods of more than one year

#### **Gilts**

The familiar name given to sterling, marketable, fixed interest securities (or bonds) issued by the British Government.

#### **Gold, Silver Bronze groups**

A gold–silver–bronze command structure is a command hierarchy used for major operations by the emergency services of the United Kingdom.

#### **Grant**

A sum of money given by a government or other organisation for a particular purpose.

#### **Hedge Funds**

A specialist fund that seeks to generate consistent returns in all market conditions by exploiting opportunities resulting from inefficient markets.

#### **HC**

Hampshire Constabulary

#### **HMICFRS**

Her Majesty's Inspectorate of Constabulary, Fire and rescue services

#### **HS&E**

Health Safety and Environment

#### **IAS**

International Accounting Standard

**ICT**

Information, Communications & Technology

**IFRS**

International Financial Reporting Standards

**Impairment**

This only relates to fixed assets, including cash investments. Impairment is caused either by a consumption of economic benefits or by a general fall in prices.

**Intangible Fixed Assets**

Assets that do not have a physical substance, but provide a benefit over a period of time, e.g. computer software.

**JIAC**

Joint Independent Audit Committee

**JOU**

Joint Operations Unit (with Hampshire Constabulary)

**Leasing**

A method of financing expenditure over a period of time. There are two main types of lease:

a) Finance lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Group's balance sheet at a current valuation.

b) Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

**LGPS**

Local Government Pension Scheme

**Liability**

An obligation that legally binds an individual or company to settle a debt

**Loans Outstanding**

Loans raised to finance capital spending which have still to be paid.

**LPA**

Local Policing Area

**MASH**

Multi Agency Safeguarding Hub

**MOJ**

Ministry of Justice

**MPs**

Members of Parliament

**MTCP**

Medium Term Capital Plan

**MTFP**

Medium Term Financial Plan

**Minimum Revenue Provision (MRP)**

The minimum amount of the Group's outstanding debt which must be repaid by the revenue account in the year

**MiRS**

Movement in reserves statement

**NCALT**

National Centre for Applied Learning Technologies

**Net Book Value**

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

**Net Revenue Expenditure**

Expenditure funded by core government grants (police grant, formula grant and legacy council tax grants) and council tax income

**Net Present Value (NPV)**

The difference between the present value of cash inflows and the present value of cash outflows.

**Nolan Principles**

The 7 principles of public conduct are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership

**NPAS**

National Police Air Service

**NPCC**

National Police Chiefs Council (the representative body for Chief Constables)

**OPCC**

Office of the Police and Crime Commissioner



**Outturn**

The actual level of spending and income in a particular year

**Past service (pension) costs**

These are non-periodic costs – they arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years.

**PCC**

Police and Crime Commissioner

**PCDA**

Police Constable Degree Apprenticeship

**PCP**

Police and Crime Panel

**PCSO**

Police Community Support Officer

**PEEL**

Police Effectiveness, Efficiency and Legitimacy programme

**PESP**

Professional and Ethical Standards Panel

**PESTELO**

Political, Economic, Social, Technological, Environmental, Legal, Organisational (police analysis)

**PFI**

Private Finance Initiative

**Police Funding Formula**

A needs based funding formula used by the Home Office to allocate police grant to the 43 police forces in England and Wales

**Police Grant**

Police grant is allocated by the Home Office using a highly complex needs based formula. This grant finances around 40% of police revenue expenditure.

**PPE**

Depending on context:  
Property, Plant and Equipment; or  
Personal Protective Equipment

**Precept**

Council Tax rate set by the PCC

### **Provision**

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

### **PSD**

Professional Standards Department

### **Public Works Loans Board (PWLB)**

A Government body from which local authorities may raise long term loans

### **PUP**

Police Uplift Programme - Home Office plan to fund 20,000 extra police officers before 31<sup>st</sup> March 2023

### **Remuneration**

All amounts paid to or receivable by a person. It includes taxable expenses and the estimated money value of any other benefits received by an employee other than in cash (e.g. benefits in kind).

### **Reserves**

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. General reserves represent accumulated balances which may be used to support future spending.

### **Revenue Expenditure**

Spending on day to day running expenses of the PCC and Force.

### **RMS**

Resource Management System

### **RPI**

Retail Price Index, a measure of inflation which includes housing costs.

### **SEERPIC**

South East and Eastern Police Insurance Consortium

### **SeRCOP**

Service Reporting Code of Practice

### **SERIP**

South East Regional Integrated Policing

### **SEROCU**

South East Regional Organised Crime Unit

### **SOLACE**

Society of Local Authority Chief Executives

**Specific Grants**

Government grants to aid certain services, usually paid at a fixed proportion of spending actually incurred.

**TVP**

Thames Valley Police

**Uplift Programme**

The Home Office has promised to fund 20,000 extra police officers before 31<sup>st</sup> March 2023; also known as Police Uplift Programme (PUP)

**Usable Capital Receipts**

Capital receipts available to finance capital expenditure in future years.

**VFM**

Value for Money