

Chief Constable for Northumbria

Statements of Account 2023/24



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Preface

Vanessa Jardine - Chief Constable, Northumbria

It is just over a year since I took the post of Chief Constable for Northumbria Police and I remain incredibly impressed and humbled by the hard work of officers and staff across the Force.

The challenges within policing continue to evolve within an increasingly dynamic crime landscape. The Force is determined to keep abreast of these challenges, to continually improve and provide an outstanding service to the fantastic rich and diverse communities we serve and protect.



We maintain an excellent working relationship with the Office of the Police and Crime Commissioner with scrutiny and accountability facilitated through regular meetings.

I have purposely simplified our Purpose and Vision; Keep people safe and fight crime and become an outstanding police Force. Our simplified objectives are to focus on prevention, be there when the public need us and deliver an outstanding service. Officers and staff embed these objectives in their daily work to ensure we continue to deliver the best possible policing service.

Narrative Statement

Introduction

The Statements of Account present the Chief Constable's financial performance for the year-ended 31 March 2024. This includes the overall financial position at the end of that period, and the cost of services provided.

The narrative and financial summary that follows provides an overview of the accounting arrangements and a guide to the most significant matters in the financial statements.

Northumbria Police – Key Facts

Northumbria Police is one of the largest police forces in the country, serving a population of 1.5 million people from a variety of communities and covers an area of more than 2,000 square miles.

Northumbria Police is dedicated to building trust and confidence and reducing crime and disorder in the communities within the [North East](#) of England.



Northumbria Police operates over a six-area command structure which encompasses Tyne and Wear and Northumberland. The Force covers an area from the Scottish border down to County Durham and from the Pennines to the Northeast coast.

Workforce Numbers

The number of officers, staff and special constables working for the Force as at 31 March each year are shown in the table below; in addition the Force is also supported by cadets and other volunteers.

As at 31 March 2023	Workforce	As at 31 March 2024
3,818	Police Officers	3,845
1,970	Police Staff	1,986
147	Police Community Support Officers (PCSOs)	73
93	Special Constables	85

The Statements of Account

The accounts are prepared in-line with the statutory arrangements introduced under the Police Reform and Social Responsibility Act 2011.

Under the provisions of the Act, the Commissioner and Chief Constable are created as two separate corporation soles. For financial reporting purposes, the Chief Constable is a subsidiary of the Commissioner by virtue of the powers the Commissioner has to govern the financial and operating policies of the Chief Constable.

The accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011.
- The Home Office Revised Financial Management Code of Practice for the Police Forces of England and Wales and Fire and Rescue Authorities created under section 4A of the Fire and Rescue Services Act 2004.
- The Police and Crime Commissioner for Northumbria's Governance Arrangements including Financial and Contract Regulations.

The liabilities associated with the staff costs of the Chief Constable are recorded in the Chief Constable's accounts and consolidated under the Police and Crime Commissioner's Group accounts.

The Commissioner is responsible for the finances of the whole Group; she receives all income and funding, including all government grants and Council Tax Precept, into the Police Fund and makes all the payments for the Group from the Police Fund. In turn, the Chief Constable fulfils her function under the Act within an annual budget set by the Commissioner. The Chief Constable is consulted on this budget as part of the budget setting process.

A scheme of delegation¹ is in operation between the two bodies determining their respective responsibilities. The detailed accounting arrangements between the Commissioner and Chief Constable are detailed in Note 3 to the accounts.

¹ Available at PCCs website

Relationship between the Police and Crime Commissioner and the Chief Constable

Each has specific roles and responsibilities.

These roles and responsibilities can be summarised as follows:

The Police and Crime Commissioner:

- Provides a link between the police and the community.
- Sets out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan.
- Prepares and publishes an annual report on progress in the delivery of the Police and Crime Plan.
- Sets out the Force's budget and community safety grants.
- Sets the policing and crime Precept.
- Oversees community safety, the reduction of crime and value for money in policing.
- Commissions victims' and witness services, including restorative justice.
- Appoints the Chief Constable (and dismissal when necessary).
- Holds the Chief Constable to account for the performance of the Force, including that of police officers and civilian staff under their direction and control.
- Receives all income from grants, Precept and charges.
- Has the responsibility for all borrowing.



The Chief Constable:

- Responsible for maintaining the King's peace and for the direction and control of the Force.
- Accountable to the law for the exercise of police powers.
- Accountable to the Commissioner for the delivery of efficient and effective policing, and the management of resources and expenditure by the Police Force.
- Operationally independent of the Commissioner but must have regard to the Commissioner's Police and Crime Plan.
- May not borrow money.

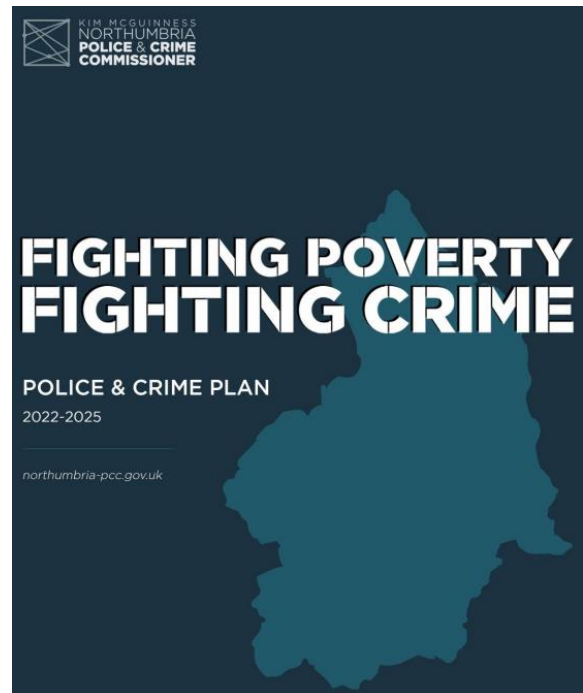
Police and Crime Plan 2022-2025

The Police and Crime Commissioner determines the priorities for policing within the Police and Crime Plan, through comprehensive engagement and consultation across our communities to ensure that the priorities reflect the expectations of the public. The Chief Constable and Police and Crime Commissioner work closely together to ensure effective delivery of the Plan.

The Police and Crime Plan 2022 – 2025 covers the key areas of focus the Force are expected to deliver on, alongside other national policing requirements. It was put together after a region-wide consultation process by the former Commissioner in 2022, in which thousands of residents and organisations had their say on what those priorities should be.

The Police and Crime Plan forms the basis of how the Commissioner holds the Force to account on behalf of the public and as part of that process the Commissioner reports regularly on the Force’s performance towards the Police and Crime Plan priorities.

The current Police and Crime Plan can be found on the Commissioners website.



Susan Dungworth is the new Police and Crime Commissioner elected on 2 May 2024 and replacing the former Commissioner Kim McGuinness who had held the post for five years. Over the coming months the new Commissioner will set out a new Police and Crime Plan for Northumbria Police which will provide the strategic focus for future use of resources.

Force Strategy

In February 2024 the Chief Constable launched the new **Force Strategy**.

The **PURPOSE** of the Force is unchanged, ‘Keep people safe and fight crime’.

The Force has simplified its **VISION**, ‘To be an outstanding police Force’.

New Force **OBJECTIVES** introduce three key areas for all officers and staff to concentrate on:

- Focus on prevention.
- Be there when the public needs us.
- Deliver an outstanding service.

The Force Strategy is underpinned by the principles outlined in the newly revived College of Policing Code of Ethics:

‘Do the right things, in the right way, for the right reasons.’



Financial Performance 2023/24

Key Highlights

For 2023/24 the Northumbria Police revenue budget was originally set at £355.584 million which included grant income of £277.738 million from central government, Council Tax Precept income of £69.790 million and the planned use of £8.056m earmarked reserves.

At Quarter 2 the revenue budget was reduced by £6.754 million to £348.830 million, and the planned use of reserves was reduced to £1.302 million. The mid-year realignment was as a result of 2023/24 revenue budget requirements having been reassessed as part of the budget planning for 2024/25 and reflected a number of significant changes that had occurred since the budget was agreed in February 2023.

As part of the National Police Uplift Programme, forces across the country were given recruitment targets to be achieved from September 2019 to March 2023, with an aim of increasing the number of police officers by 20,000 nationally. The Uplift target for Northumbria was 615 additional police officers by March 2023 and Northumbria has fully delivered against this target.

In addition to the national Uplift target the Force took the decision to commit to recruiting additional numbers in 2022/23 which took them over and above the original target set by the Government, delivering a further 78 officers.

In 2023/24 the Force was able to successfully maintain this higher target, and in the Police Grant Settlement for 2024/25 the Government have confirmed the additional numbers are added to the 'Uplift baseline' for Northumbria bringing the total Uplift allocation to 693 officers.

These accounts explain the detailed financial transactions that have taken place during the year which concludes that the year-end revenue outturn position is an underspend of £5.077 million.

During 2023/24 the capital programme delivered investment of £15.138 million in capital schemes delivering estates refurbishment, continued investment in vehicles and operational equipment, and in new digital policing systems and technologies.

Financial Context 2023/24

Since 2010, Central Government's austerity drive saw unprecedented cuts to the funding provided to policing, with Northumbria being the hardest hit of any force in England and Wales. Central Government formula funding for policing in Northumbria was reduced by more than 31% in real terms between 2010/11 and 2018/19, as confirmed independently by the National Audit Office (NAO). As a result, police officer numbers in Northumbria reduced by more than 1,100 between March 2010 and March 2019. By March 2021 the Force had made £148.000 million of cuts and efficiencies to manage the reductions imposed by government. Further details can be found on the NAO website.

The structure of Police funding means those which have a lower Council Tax Precept will suffer the most, as any cut from government is to the larger proportion of their funding. Over the period of austerity covered by the Comprehensive Spending Review (CSR) 2010 and 2015, Northumbria has experienced the largest impact of cuts because it receives more in grant in proportion to its Council Tax; around 80% in 2023/24 was funded by Home Office grant. In addition, Northumbria has the lowest Precept of any PCC in England and Wales, and a low yield.

By March 2021 Northumbria Police had made £148.000m of cuts and efficiencies to manage the scale of reductions imposed by government since 2010. For Northumbria, employee pay accounts for the majority of the annual revenue budget and therefore those savings delivered were mainly realised through reductions to the workforce.

At the start of the 2019/20 financial year, police officer numbers had fallen by more than 1,100 since 2010 and staff by over 800, a reduction of 29% in the total workforce as shown in the following table:

Workforce Reductions	31 March 2010	31 March 2019	Reduction between 2010 and 2019		31 March 2024
	FTE	FTE	FTE	%	FTE
Police Officers	4,187	3,081	(1,106)	(26%)	3,845
Police Staff	2,534	1,717	(817)	(32%)	2,059
Workforce	6,721	4,798	(1,923)	(29%)	5,904

The increase in the precept for the financial years 2019/20 to 2023/24 has delivered vital new funding for Northumbria. This coupled with the Uplift target set for Northumbria has enabled the Force to start re-investing in officers and staff, although still some way from the numbers lost since 2010.

Revenue Expenditure and Income Summary

Revenue expenditure represents the day to day running costs of providing policing services and includes expenses such as employee pay, vehicle and premises running costs, supplies and services, IT and communications. Revenue expenditure for the Chief Constable is fully funded by income from the Commissioner.

The Chief Constable's Executive Board monitors the revenue monitoring position each month and each quarter they are also considered as part of a consolidated Group position at the joint Business Meeting between the Chief Constable and the Commissioner.

The Comprehensive Income and Expenditure Statement (CIES) presents the outturn on an accounting basis and that differs from how the Chief Constable manages the budget during the year. Capital charges for the use of assets, the cost of annual leave / lieu time balances and accrued pension benefits reported in the CIES are not included within the revenue budget. In addition, certain elements of income that are managed by the Chief Constable on behalf of the Commissioner are included in monitoring but not in the CIES, as all income is received by the Commissioner.

Revenue Outturn 2023/24

The Commissioner delegated a budget of £333.645 million to the Chief Constable for 2023/24, to enable the discharge of the activities under the Chief Constable's direction and control. The outturn position against the Chief Constable's revenue budget reflects an underspend of £3.849 million.

Details of the 2023/24 revenue outturn for the Chief Constable are set out in the following table

Revenue Outturn 2023/24					
Budget Heading	Budget 2023/24 £000	Expenditure 2023/24 £000	Income 2023/24 £000	Outturn 2023/24 £000	Variance 2023/24 £000
Workforce	301,057	302,246	-	302,246	1,189
Overtime and SPS	5,237	7,396	(1,758)	5,638	401
Business Services	1,190	1,223	-	1,223	33
Communications and Engagement	181	239	(122)	117	(64)
Contributions & Subscriptions	8,489	8,219	-	8,219	(270)
Crime	982	1,033	-	1,033	51
Criminal Justice	(378)	186	(514)	(328)	50
Custody	370	2,506	(2,942)	(436)	(806)
Digital Policing	14,030	11,658	-	11,658	(2,372)
Estates	10,656	11,363	(47)	11,316	660
Finance	624	778	(28)	750	126
Fleet	4,831	5,120	(345)	4,775	(56)
Forensic Services	2,081	2,090	-	2,090	9
Information Management Unit	116	149	(77)	72	(44)
Insurance	1,826	1,849	-	1,849	23
Legal Services	535	503	(653)	(150)	(685)
Operations	217	1,069	(914)	155	(62)
Other Income	(24,917)	-	(26,450)	(26,450)	(1,533)
People Development	3,408	3,678	(776)	2,902	(506)
People Services	1,843	1,853	(5)	1,848	5
Procurement	1,267	2,861	(1,927)	934	(333)
Secondments	-	1,041	(1,068)	(27)	(27)
Budget Outturn	333,645	367,060	(37,626)	329,434	(4,211)
Operational Reserve Expenditure	-	261	-	261	261
National Policing Capabilities (Hosted Services)	-	467	(773)	(306)	(306)
External Funding Schemes	-	10,888	(10,481)	407	407
Net Expenditure	333,645	378,676	(48,880)	329,796	(3,849)

The Chief Constable has delivered policing services in Northumbria for 2023/24 within the budget allocated by the Commissioner for the financial year.

The underspend of £3.849 million includes expenditure of £0.261 million against the Operational Reserve and income and expenditure relating to funded schemes.

The underspend relates primarily to additional income received in year for football policing, digital policing costs and contracts, vehicle recovery, Operation Safeguard, and underspends on expenditure areas such as digital policing, external training, and the Northumbria contribution to the North East Regional Organised Crime Unit (NEROCU).

In addition to the core revenue budget, the Chief Constable manages expenditure against funded hosted services such as the National Rural Crime Unit and other external funding schemes which include specific grants such as Counter Terrorism and other grants and contributions from the Home Office, Local

Authorities and external bodies. The majority of income received has been fully utilised in 2023/24 and the outturn position reflects a net transfer of £0.407 million from the external funding reserve and a transfer of £0.306 million to the National Policing Capabilities (hosted services) reserve to be used in 2024/25.

Details of performance are set out later in this Narrative Statement.

Capital Programme

Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all non-current assets are under the control of the Commissioner. Details of capital expenditure and funding in relation to the acquisition and enhancement of assets, which amounted to £15.138 million in 2023/24, are shown in the financial statements of the Commissioner.

The Chief Constable's Comprehensive Income and Expenditure Statement (CIES) receives an annual charge for the use of operational assets based on capital charges. For the 2023/24 financial year this charge was £13.211 million (£12.379 million 2022/23).

Governance

Governance arrangements are set out in the Annual Governance Statement (AGS) published with the Statements of Account.

Value for Money

Financial control involves the existence of a control structure which ensures that all resources are used as efficiently and effectively as possible to attain the Commissioner's and Chief Constable's objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of those assets and resources over which the Chief Constable has delegated control.

The Internal Audit Service, provided under an agreement with Gateshead Council, is required to objectively examine, evaluate and report upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the Commissioner and Chief Constable's resources.

This is achieved through the delivery of a risk based annual audit plan which is monitored by the JIAC on a quarterly basis. The Internal Audit Executive also prepares an annual report based on the work of the Internal Audit Service which provides an independent and objective opinion on the internal control, governance and risk environments of the Commissioner and Chief Constable, based on the work undertaken by the Internal Audit Service throughout 2023/24.

The financial management and performance reporting framework follows national and/or professional best practice, and its key-elements are set out below:

- Financial Regulations establish the principles of financial control. They are designed to ensure that the Commissioner conducts financial affairs in a way which complies with statutory provision and reflects best professional practice. Contract Standing Orders set-out the rules to be followed in respect of contracts for the supply of goods and services.
- A robust system through which the Force manages Finance, People Services, Payroll and Procurement processes is used throughout the Force. This enables systematic control to be applied, particularly in relation to budget management. This ensures that responsibility and accountability for resources rest with those managers who are responsible for service provision. This is underpinned by systematic controls which ensure financial commitments are approved by the relevant manager.
- In accordance with the Prudential Code and best accounting practice, the Commissioner produces a four-year Medium Term Financial Strategy (MTFS) and capital programme. The Chief Constable

produces a Medium-Term Financial Plan (MTFP) that informs the MTFS of the Commissioner. These are reviewed on an on-going basis and form the core of resource planning, setting the precept level, the annual revenue budget and capital programme.

- The MTFS includes known commitments, anticipated resource availability and other expenditure items which the Chief Constable has identified as necessary to deliver both national and local policing priorities.
- During the 2023/24 financial year the Force introduced a Priority Based Budgeting (PBB) approach to business planning aimed at creating efficiency savings to best invest for the future, and which can be delivered whilst maintaining performance and identifying opportunities to improve policing services. Efficiencies identified through PBB are being delivered in 2024/25 and across the new 4-year MTFS period to 2027/28.
- The annual revenue budget provides an estimate of the annual income and expenditure requirements for the Chief Constable and sets out the financial implications of the Commissioner's policies. It provides the Executive Team with the authority to incur expenditure and a basis on which to monitor and report on financial performance.
- The Commissioner approved a balanced budget for the Force in 2023/24 which included an increase in the Council Tax Precept of £15.00 per year for a Band D property.
- The additional income generated by the precept increase for 2023/24 was £6.120m and was used to:
 - Deliver a restructure of neighbourhood policing, allocating 134 new officers into specialist frontline roles to take on the fight against crime, and;
 - Help protect the Force from the impact of significant budget pressures and spiraling inflation.
- Monthly financial performance reports are presented to the Executive Board that focus on year-to-date information and forecast outturn enabling officers to establish a clear understanding of financial performance. These are then presented quarterly to the Commissioner through the joint Business Meeting, and these are available on the Commissioner website for wider scrutiny of financial performance by the public. Additional monitoring reports are produced and discussed with budget managers on a regular basis throughout the year.

Performance Information – Police and Crime Plan 2023/24

Police and Crime Plan Priorities

Fighting Crime

Improving Lives

Preventing Crime

Contact Management

- For the 12 months to March 2024, the number of 999 calls increased by 1% compared to the previous 12 months, from 300,906 to 303,182 whilst the number of 101 non-emergency calls increased by 5% over the same period, from 448,138 to 469,374. Changes in call volumes reflect national trends.
- The percentage of 999 calls answered within call handling standards for the 12 months to March 2024 was 91%, with an average answer time of 6 seconds. This compares to 82% and an average answer time of 15 seconds for the previous 12 months.
- The percentage of non-emergency 101 calls answered within call handling standards for the 12 months to March 2024 was 52%, with an average answer time of 4 minutes 01 seconds. This compares to 44% and an average answer time of 5 minutes 52 seconds for the previous 12 months.
- Right Care Right Person (RCRP) was launched in 2023/24 and involves the police working with partner agencies to identify the most appropriate agency to give vulnerable people the care and support they need. Whilst some mental health incidents do require police attendance, there are a significant number that involve no safety risk or crime. The new approach will mean police can focus on attending health incidents where there's a significant safety risk or crime being committed and refer others to the appropriate partner agency.
- The communications leadership model is changing in order to support improved service delivery through enhanced training, support and focus at every leadership level. Providing teams with the knowledge and confidence required to deliver outstanding service safely and independently.
- A number of other changes have been made throughout the year to improve call handling performance including; the strategic design of a new Interactive Voice Response (IVR); introduction of new front-end technology; improved accessibility/availability of digital channels; focus on demand reduction/prevention to create capacity; improved quality reducing failure demand and the review of key time shift patterns (tailored around high abandonment periods).
- The satisfaction of volume crime victims with their initial contact with police remains high and stable over time.

Response

- Grade 1 (emergency response) incident demand has reduced compared to the previous year. For the 12 months to March 2024, there were 4% fewer grade 1 incidents than the previous 12-month period.
- There has been an increase in the percentage of incidents attended on time for grade 1 incidents in the 12 months to March 2024. 79% of urban grade 1 incidents were attended within 15 minutes and 59% of rural grade 1 incidents were attended within 20 minutes for the 12 months to March 2024, compared to 76% and 50%, respectively for the previous period.
- Grade 2 (priority response) incident demand has also reduced on the previous year. For the 12 months to March 2024 there were 2% fewer grade 2 incidents compared to the previous 12-month period.
- There has been a small increase in the percentage of incidents attended on time for grade 2 incidents in the 12 months to March 2024. 51% of grade 2 incidents were attended within 60 minutes for the 12 months to March 2024, compared to 50% for the previous period.

- Satisfaction with response times have remained consistent with the previous period.
- Changes to our Force operating model were implemented on 4 March 2024, with a focus on delivering high quality public service. As part of the new force operating model, the Force moved from three to six area commands, aligned to local authority boundaries. This will support the ambition to develop more collaborative relationships with partners. It will also support greater ownership, leadership, and accountability for performance at a local level.
- In addition, resources within response policing teams (RPT) have been increased by transferring investigative capability from the Criminal Investigation Department (CID) into RPT. These changes provide greater resilience to meet peak incident demand, but also deliver improvements with investigations.
- A dedicated response appointment has been introduced providing a 24-hour service level agreement for victims. These scheduled appointments provide an improved service for victims whilst also providing greater opportunity to balance and meet demands, including response times.
- Overall, the new force operating model will provide a number of benefits, including improving response to emergency and priority calls, opportunities for greater tasking and improving our resilience to deal with large scale events. It will also increase visibility in communities through a preventative focus on crime and anti-social behaviour, increase the quality of investigations and improve satisfaction levels. The new model will allow for a better balance of investigative demand across RPT and CID, providing improved staff welfare.

Anti-Social Behaviour (ASB)

- There has been a 1% (+505) increase in ASB related incidents in the 12 months to March 2024 compared to the previous 12-month period. 22% of ASB is youth-related in this 12-month period compared to 28% in the previous period.
- Multi-agency seasonal operations have successfully targeted hotspot locations, whilst enforcement and diversionary interventions have been effectively utilised to target key offenders.
- Motorbike ASB continues to be a key cause of concern identified by residents. Operation Capio is in place to target offenders and uses a problem-solving approach to hotspot locations. Bespoke motorbike teams are in locations where there are significant increases in incidents. The Force has invested in drone capability, a tactic which has been successfully utilised to track and seize stolen motorbikes used in ASB and wider criminality.
- ASB on the transport network and interchanges remain key issues and the focus for Home Office funded high visibility deployments. A Safer Transport Partnership group has been created to ensure improved intelligence sharing and offender management.
- The Force continues to identify repeat victims of ASB and seeks to utilise problem solving to tackle causality, with a view to increasing the percentage of victims who experience no further ASB incidents following positive activity.
- For the 12 months to March 2024, 71% of ASB victims feel satisfied with their overall experience of service. This has increased from 70% for the previous 12 months. Fewer victims are satisfied with the actions taken by police, although this reduction is not statistically significant.

Recorded Crime

- Total recorded crime has increased by 2% for the 12 months to March 2024. Increases have been seen in a number of crime groups, most notably theft and handling and shoplifting. Serious violent crime has increased by 4% compared to the previous year.

- Over the same period reductions have been seen in criminal damage, vehicle crime, theft of a pedal cycle, other theft and handling crimes, other serious sexual offences, assault without injury, harassment, stalking, modern day slavery and public disorder.
- For the 12 months to March 2024, hate crime has increased by 5% compared to the previous year. The largest increases have been in race hate crimes and transphobic hate crimes. However, there has been a reduction in disability and faith hate. Race remains the largest proportion of hate crime, at 61%, followed by homophobic at 18%.
- A multi-agency joint action plan has been created with Crown Prosecution Service, Violence Reduction Unit and partners focussing on hate crime performance, prevention and problem solving, whilst seeking better outcomes and service to hate crime victims.
- The satisfaction of hate crime victims with their whole experience of service remains stable compared to the same period last year.

Police and Crime Plan Priorities

Fighting Crime

Improving Lives

Preventing Crime

Domestic Abuse (DA)

- There has been a 6% increase in the number of domestic abuse incidents in the rolling 12 months to March 2024 compared to the previous year.
- The Force has secured a contract with Safe Lives and has rolled out DA Matters training, designed to help practitioners with the early identification of the signs of domestic abuse and to transform the response to domestic abuse, ensuring the voice of the victim is placed at the centre, and controlling and coercive behaviour is better understood.
- To reduce the risk and impact of stalking on victims, a Northumbria Stalking Intervention Programme (NSIP) has been introduced. This is a joint project involving Northumbria Police, the Probation Service, Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW), the Northumbria OPCC, and the Alice Ruggles Trust.
- Domestic abuse victims continue to report high levels of satisfaction with the service with 86% of victims feeling satisfied with their overall service.
- 82% of domestic abuse victims feel satisfied with the actions taken by police in response to their report. Satisfaction with treatment remains consistently high over time.

Positive Outcome Rate

- For the 12 months to March 2024, the positive outcome rate is 11.2% compared to 9.1% for the previous 12 months. There has been a continuing improving trend since September 2023. The Force remains below the national average; however, the Force's positive outcome rate compares well for several neighbourhood crime types, such as burglary (7th) and vehicle crime (15th), whilst some of the other volume crime offences, for example criminal damage (39th) and public order offences (32nd) have a lower positive outcome rate compared to other forces in England and Wales (national ranking in brackets).
- The Force has introduced a Positive Outcome Improvement Plan to improve the number of positive outcomes and maintain a deliberate focus on those investigations more serious in nature and involve more vulnerable adults and children. The plan follows five key areas:
 - Raising Investigative standards
 - Maximising Investigative approach

- Reducing Victim attrition
- Greater use of OOCR
- Performance focus on positive outcomes
- The focus remains on improving the engagement and retention of victims and witnesses at the outset of the investigation. There is now increased visibility of the TREAD (Transformational Resolutions and Education Adult Diversion) team members within custody suites to ensure a greater focus on out of court resolutions (OOCRs).
- The plan includes objectives to reduce open crime levels, reduce case files requiring advice from the Crown Prosecution Service (CPS) and maintain an improvement in positive outcome rates

Victims' Code of Practice (VCOP)

- There are several elements of VCOP where compliance has improved compared to the previous 12 months; informing victims following a change in the status of the crime (i.e. suspect arrested, charged or bailed). The percentage of needs assessments completed within 48 hours is slightly above the same period last year.
- Follow-up performance remains an area for improvement; 61% of victims who wanted updates felt satisfied with the way they were kept informed.
- A Victim Satisfaction Working Group was established in June 2023 to address reductions in victim satisfaction. Various activities have been undertaken to improve victim satisfaction as a result of the working group such as: further consultation with victims; the development of a survey data product to support supervisors with performance management; a review of training packages and providing key messages to officers/staff on performance standards. An internal culture plan has also been developed which will have a key focus on the expected standards and behaviours of officers/staff in relation to victim satisfaction and the standard of service they provide.
- The Force has reviewed the service provision for victims and witnesses. The service includes a new referral method to improve access to cope and recovery support. A new engagement and support plan has also been introduced for all victims and witnesses whose case goes to trial, as well as a single point of contact for victims to contact Northumbria Police for further information/updates regarding the investigation.

Public Perception

- Results from the Safer Community Survey (SCS) show that most residents feel confident that Northumbria Police could effectively deal with an emergency, although there has been a reduction in the percentage of residents that feel confident that police could effectively deal with a non-emergency incident. Analysis of the survey comments showed that residents often associated non-emergency incidents as less of a priority for police.
- Data for the 12 months to December 2023 from the Crime Survey for England and Wales (CSEW) shows most Northumbria public confidence/perception results have decreased compared to the same period last year, with the exception of the 'Police can be relied on when you need them', (+4%) and 'Police treat with respect', (remains stable) measures.
- Confidence/perception measures are similar to the national average, with exception of 'Police can be relied on when needed', (+6%), 'Police treat fairly', (+3%) and most notably the 'Police/council deal with ASB/Crime issues', (-9%) measures.

Police and Crime Plan Priorities

Fighting Crime

Improving Lives

Preventing Crime

Preventing Crime

- For the 12 months to March 2024 serious violent crime has increased by 4% compared to the previous year. Knife crime has increased by 11%.
- The Force is above the national and MSG rate per 1,000 population.
- There has been an increase in total recorded crime across all 6 local authority areas for the 12 months to March 2024 compared to the previous 12-month period. Five local authority areas are below the levels of total recorded crime in the 12 months to December 2019, with the exception of Northumberland, where there has been a slight increase.
- There have been increases in serious violent crime across all local authorities with the largest percentage increase in Sunderland and South Tyneside (+6%) when compared to the previous 12-month period.
- To support a focused approach to tackling and reducing serious violence, the Force launched a new Prevention Department in October 2023. The Prevention Department has tactical and strategic ownership of the delivery of the serious youth violence portfolio, including public spaces, knife crime and corrosive substances.
- Serious Violence Disruption teams have been centralised within the Prevention Department. Through a new tasking process, they will be allocated to specific Force areas based on the current level of risk and offending patterns.
- Grip visible hotspot patrols have continued throughout the year in identified hotspots to support the Neighbourhood Policing Team activity in tackling the root causes of serious violence.
- The Force is currently developing Serious Violence dashboard and predictive analysis tool. This project is part of the Grip programme for this year and will be used as both a performance and intelligence tool. At a tactical level it will be used to inform policing activity within the serious violence hotspot areas.

Collaboration

During 2023/24 Northumbria Police and the Police and Crime Commissioner were parties to a number of collaboration agreements, details of which can be found on the Police and Crime Commissioners' website. The North East Regional Organised Crime Unit (NEROCU) is the principal collaboration arrangement between Northumbria, Durham and Cleveland and is accounted for as a Joint Operation in the financial statements. A summary of the financial performance is included below, and further detail is provided in Note 12 to the financial statements.

North East Regional Organised Crime Unit (NEROCU)

The North East Regional Organised Crime Unit (NEROCU) is one of 10 ROCUs across England and Wales.

The unit works with embedded partners from His Majesty's Revenue and Customs (HMRC), UK Border Force and the National Crime Agency (NCA) to make the region a place hostile to serious and organised crime.

NEROCU is categorised as a Joint Operation in line with the Accounting for Collaboration guidance issued by CIPFA. The NEROCU revenue outturn position for 2023/24 and the share attributable to Northumbria are set out in the following table:

NEROCU Outturn 2023/24		
	NEROCU £000	Northumbria £000
NEROCU Revenue Budget		
Expenditure	16,892	8,939
Income	(6,208)	(3,285)
Net Expenditure	10,684	5,654
Funded by:		
Force Contributions	10,736	5,681
Transfer to NEROCU Reserve	(52)	(27)
Total	10,684	5,654

Northumbria Police made a revenue contribution of £5.681 million to NEROCU for 2023/24. This contribution is included within the Chief Constable's revenue budget outturn. The net transfer to the NEROCU reserve of £0.027 million reflects the use of prior year Force contributions and funding (£0.046 million) which were held in reserves to be used in 2023/24 and a transfer to the reserve (£0.073 million) to be used in 2024/25.

Provisions and Contingent Liabilities

Provisions

Provisions are made where a liability exists based on a past event which will probably be settled through a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount required to settle the obligation. Provisions are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

A number of Forces including Northumbria are currently dealing with legal claims from serving and retired officers which relate to a specialist area of policing. These claims are for remuneration in relation to past service under police regulations. The Chief Constable has a number of such claims and whilst the majority of cases have been settled as at the balance sheet date, there remain a small number of claims and costs outstanding which are expected to be finalised in 2024/25. The balance on the employee remuneration provision at 31 March 2024 is set at a prudent level estimated to settle all such claims.

Contingent Assets & Liabilities

A contingent asset or liability is defined as a possible receipt (asset) or obligation to pay out (liability) based on a past event, but for which confirmation of the receipt / payment is uncertain as it depends on a future event. For example: pending legal claims. Unlike provisions, contingent liabilities do not result in an accounting entry as they are uncertain and cannot be reliably estimated, however a disclosure is made in the statements.

Disclosure has been made in the statements regarding a number of contingent liabilities.

During any financial year we will receive a number of legal and other claims in relation to employment, insurance and other issues. Many of these are subject to legal process and therefore the possibility of a future obligation is uncertain. The accounting rules classify such possible obligations as 'contingent liabilities'. They also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. No specific charges are made to the accounts.

A contingent liability has been disclosed to reflect the potential liability for additional claims from current and former officers in relation to past service under police regulations and employment issues relating to past years, over and above the amounts included within the provision described above.

A further contingent liability has been disclosed in relation to compensation claims for ‘injury to feelings’ in relation to the McCloud/Sargeant judgement (2015 Police Pension Scheme transitional arrangements).

Provisions and contingent liabilities are further detailed in Note 15 to the core financial statements.

Accounting for Pensions

Retirement benefits (pensions) are offered to officers and staff as part of the terms and conditions of employment. Employees can choose to opt out of the scheme at any time. Although benefits will not be payable until employees retire, the Chief Constable has a commitment to account for these at the time that employees earn their future entitlement.

Pensions are accounted for in accordance with International Accounting Standard 19 (IAS19).

This standard is based on a principle that an organisation should account for its retirement benefits when it is committed to giving them, even if the actual payment of those benefits will be many years into the future. The net overall impact of IAS19 accounting entries is neutral in the accounts. The pension liability, which is disclosed on the Balance Sheet, (balanced by the Pension Reserve) shows the underlying commitment that the Chief Constable has in the long run to pay retirement benefits. Recognition of the total liability has a substantial impact on the net worth as recorded in the Balance Sheet.

The Police Pension Scheme (1987), the Police Pension Scheme (2006) and the Police Pension Scheme (2015), are collectively known as the Police Pension Scheme. This is a wholly unfunded scheme for which the Chief Constable is Scheme Manager². The Chief Constable has a Police Pensions Board, established in 2015 under Section 5 of the Public Services Pension Act, which provides local administration and governance for the Scheme.

The Chief Constable makes contributions to the Pension Fund based on a percentage of officers’ pensionable salaries and additional contributions for officers retiring due to ill health. The regulations³ governing funding arrangements require that if the Pension Fund does not have sufficient funds to meet the cost of pensions in any year, the amount required to meet the deficit must be transferred from the Police Fund to the Pension Fund. 100% of this deficit is met through the payment of a top-up grant paid by the Home Office. The top-up grant paid by the Home Office in 2023/24 is £65.906 million (£64.596 million in 2022/23).

Police staff can be members of the Tyne and Wear Pension Fund, a Local Government Pension Scheme administered by South Tyneside Council. The Chief Constable makes employer contributions on the basis of an agreed percentage of employees’ pensionable salaries to the Tyne and Wear Pension Fund. Employer contributions are based on an independent actuarial valuation of the fund which is carried out every three years. The Chief Constable also has to meet the pension costs of employees who have left employment due to ill health or where early retirements have been agreed and makes additional contributions to make good the shortfall in the pension fund, known as deficiency payments.

The Chief Constable is required to maintain a pensions reserve on the Balance Sheet for officers and staff. The reserve is termed ‘unusable’ as it is not cash backed but contains book entries to recognise the estimated liability/asset that the Chief Constable has committed to provide in the future, for service completed up to the Balance Sheet date. The pension liability/asset is valued using an actuarial valuation and can fluctuate dependent on external factors and changes in actuarial assumptions.

The net pension liability/asset on the Balance Sheet shows the underlying commitment that the Chief Constable has in the long run to pay post-retirement benefits. The net liability of £3.252 billion (£3.238 billion in 2022/23) has a substantial impact on the net worth of the Chief Constable as recorded in the Balance

² Public Service Pension Act 2013 (section 4)

³ Police Pension Fund Regulations 2007 (SI 2007/1932)

Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Chief Constable remains healthy.

Pensions – Balance Sheet Net (Liability)/Asset	31 March 2023 Long-Term (Liability)/Asset £000	31 March 2024 Long-Term (Liability)/Asset £000
Police Staff	14,600	31,220
Police Officers	(3,252,990)	(3,282,810)
Net Position (Liability)	(3,238,390)	(3,251,590)

As at 31 March 2024 the net pension liability for the Chief Constable is £3.252 billion, however this is shown on the Balance Sheet as a Long-Term Asset of £0.031 billion relating to Staff (TWPF) and a Long-Term Liability of £3.283 billion for Police Officer Pension Schemes.

Explanation of the Key Statements

The Statements of Account consists of four main statements and various disclosure notes as follows:

The Movement in Reserves Statement (MiRS Page 25) - Shows the changes in the Chief Constable's financial resources over the year to help readers to understand how the balances have changed over the year. Information on the pension and accumulated absence reserves can also be found in the Balance Sheet and related notes.

The Comprehensive Income and Expenditure Statement (CIES Page 27) - Shows the gains and losses that contributed to these changes in resources. The CIES shows the economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation as shown in the MiRS above.

The Balance Sheet (BS Page 28) - Shows the Chief Constable's financial position and net liabilities at the financial year-end. The Balance Sheet reflects current liabilities and current assets that are in substance the Chief Constable's at the Balance Sheet date, offset by a corresponding debtor from the Commissioner to reflect the fact that all payments are made in the name of the Commissioner.

The Cash Flow Statement (Page 29) – shows how the movement in resources has been reflected in cash flows generated and used during the year.

Supplementary Financial Statements:

Police Officer Pension Fund Statements (Page 61) - Shows the Police Pension Fund Account for the year, for which the Chief Constable is the Scheme Manager⁴.

Documents Supporting the Statements of Account:

Annual Governance Statement (Page 63) – This statement is required by regulations⁵ to accompany the Statements of Account, it is an assessment of the Chief Constable's corporate governance and internal control.⁶

Significant Changes since 2022/23

There have been no significant changes to the financial statements since 2022/23.

⁴ Public Service Pension Act 2013 (section 4)

⁵ Regulation 10 of Accounts and Audit (England) Regulations 2015 (available from the governments legislation website)

⁶ In line with Regulation 6 of the Accounts and Audit (England) Regulations 2015

Outlook for 2024/25 and Beyond

The former Commissioner agreed a Medium-Term Financial Strategy (MTFS) which sets out the key financial issues over 2024/25 to 2027/28. Whilst the MTFS covers a period of four years, it is reviewed annually to reflect the dynamic nature of both policing and changes in anticipated funding. It describes the financial direction of the organisation and provides projections for the revenue budget and capital programme over the medium term.

The MTFS 2024/25 to 2027/28 will continue to deliver and build upon the investment in policing for Northumbria residents approved by the former Commissioner in 2023/24. The Strategy will assist the Force to become better prepared to meet future demand; maintain the much-needed increase in police officer numbers delivered through the national police officer Uplift programme; and allow Northumbria Police to invest in the right resources to protect the vulnerable, tackle crime and keep our communities safe.



The overall financial strategy seeks to deliver the Commissioner's Police and Crime Plan, to support the Purpose, Vision and Objectives of the Northumbria Force Strategy and meet the requirements of the National Strategic Policing Requirement.

The Commissioners MTFS was established to make the best use of the financial settlement 2023/24, whilst making prudent assumptions on future funding levels and expected budget requirements, to ensure that resources remain available to meet operational demand, continue to deliver value for money and are sustainable across the period of the MTFS.

The Police Grant Report for 2024/25 confirmed an increase of £624.000m in government grant income for PCCs nationally which includes:

- The additional £150.000m announced at Spending Review 2021 to ensure the maintenance of officers for the Police Uplift Programme.
- £515.000m of funding to support forces with the cost of the police officer pay award, of which £185.000m is additional to the funding provided in-year during 2023/24.
- £259.000m to cover the increased cost of police officer pension contributions.
- A one-off top-up funding amount of £26.800m to be provided in recognition of the software development and administrator costs associated with the delays to the implementation of the McCloud remedy.

The Governments key priorities are outlined in the [Written Ministerial Statement](#) (WMS) on the Provisional Police Grant Report 2024/25, with the expectation that these are a focus for policing in 2024/25:

- Maintaining 20,000 additional officers (148,433 officers in total nationally) through to March 2025.
- Continuing to deliver on the opportunities presented by new technology and innovation to deliver improvements in productivity and drive forward efficiencies, therefore maximizing officer time and service to the public.
- Improving the visibility of police officers and focusing on providing a targeted approach to tackling crime and antisocial behaviour to make neighbourhoods safer, which should be a priority for all forces.

The actual settlement increase for Northumbria was £21.781 million which broadly represents the funding formula share (3.08%) of the total £624.000 million nationally. The increase is explained in further detail in the following table:

Northumbria Settlement	£m
Core Grant – formula funding share (3.08%) of £185.000m to cover part of the 7% pay award (Sept '23).	5.672
Uplift Grant - Increase in ring-fenced grant, formula funding share (3.08%) of £150.000m.	4.621
Uplift Grant – additional recruitment top-up grant, to cover costs of 78fte officers.	3.744
Special Pension Grant – covers additional cost of police officer pension contributions.	7.044
Special Pension Grant - One-off top-up funding, Systems/Administration (McCloud Pension Remedy).	0.700
Total Increase in Funding	21,781

Whilst the increase in government grant funding appears significant, it remains targeted to pay for maintenance of the national police officer Uplift and to offset specific additional costs of pay inflation and pension contributions.

Capital grant funding allocated by the Government for Northumbria is nil, as for 2023/24. The lack of Government support for the vital capital investment needed by policing remains a significant challenge for Northumbria and indeed all forces. Investment in sustainable technologies, vehicles, and estates as well as the digital transformation required to ensure the Force remains fit for the future, comes at a considerable cost. Capital investment required over the medium-term is estimated at more than £102.000m for Northumbria. Without the necessary financial support from Government the essential cost of that investment will need to be met by efficiencies, budget reductions and places further pressure on the vital funding provided by local residents.

The former Commissioner approved an increase in the Council Tax Precept for 2024/25 of £13.00 per year for a Band D property. The additional income generated by the precept increase is £5.384 million and this will be used to:

- Allow Northumbria Police to introduce a force-wide Motorbike ASB Unit.
- Allow the Force to safeguard and hire 30 new investigators, including digital forensic specialists.
- Potentially reopen new stations or introduce new public contact points following a review into increased openings.
- Avoid the need for further cuts to the frontline police budget.

The MTFS financial forecast sets out one scenario for what we think the overall funding might look like for Northumbria Police over the four years. However, there are many unknowns within the current economic and political environment and together with a continued lack of certainty around future funding from the Government it remains extremely difficult to predict an accurate financial picture with a high degree of confidence. The budget estimates for future years will require further consideration as the financial landscape becomes clearer and government funding support beyond the 2024/25 financial year is confirmed.

The Commissioner’s MTFS for 2024/25 through to 2027/28 demonstrates a balanced sustainable financial position over the medium term. However, this is predicated on many key assumptions around resource requirements, future costs, and levels of total funding. Given that yet again, Northumbria are faced with a one-year settlement for 2024/25, with no information provided for future years, there remains a level of risk throughout the period of the MTFS and therefore the financial context for Northumbria Police remains extremely challenging.

The MTFS can be found on the Commissioners website.

The National Uplift Programme

As part of the National Police Uplift Programme, forces across the country were given recruitment targets to be achieved from September 2019 to March 2023, with an aim of increasing the number of police officers by 20,000 nationally. The Uplift target for Northumbria was 615 additional police officers by March 2023 and Northumbria fully delivered against this target.

In addition to the national Uplift target the Force took the decision to commit to recruiting additional numbers in 2022/23 which took them over and above the original target set by the Government, delivering a further 78 officers.

In 2023/24 the Force was able to successfully maintain this higher target, and in the Police Grant Settlement for 2024/25 the Government have confirmed the additional numbers are added to the 'Uplift baseline' for Northumbria bringing the total Uplift allocation to 693 officers.

At the start of the 2024/25 financial year the Force were also successful in securing temporary funding from government to recruit an additional 31 officers during the year.

It is important to acknowledge that the targeted central government funding to deliver the Police Uplift Programme will not return police officer numbers to the levels of 2010 or undo the overall funding reductions Northumbria Police have had to adjust to. The national Uplift target delivered over the past 4 years does not fully replace the 1,100 officers that Northumbria lost during that earlier period of austerity.

Significantly, a large proportion of government grant funding provided for Uplift has not yet been baselined into core grant and remains allocated as Special Grant, confirmed on a year-by-year basis which presents a risk to the longer-term sustainability of those additional officer numbers.

Events after the reporting period

New Police and Crime Commissioner Susan Dungworth

On Thursday 2 May 2024 Susan Dungworth was elected as Police and Crime Commissioner for Northumbria in the 2024 local election. Susan replaces Kim McGuinness who has held the post for five years, after being elected in the Northumbria Force by-election in July 2019.

As the Commissioner throughout the financial year 2023/24, any references to information verified or provided by the Commissioner, or activities undertaken, will refer to Kim McGuinness.

Further information can be found in **Note 14** to the Group financial statements.



Kevin Laing MSc (fin) CPFA
Chief Finance Officer

Date:

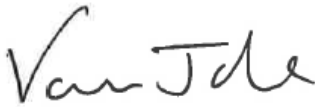
27/2/25

Statement of Responsibilities

The Chief Constable's Responsibilities

The Chief Constable is required to:

- Appoint a person (Chief Finance Officer) to be responsible for the proper administration of her financial affairs;
- Manage her affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statements of Account



Vanessa Jardine

Date: 27/02/2025

Chief Constable for Northumbria

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Chief Constable's Statements of Account. This has been done in accordance with proper practices as set out in the CIPFA / Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing these Statements of Account, the Chief Finance Officer has:

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

Chief Finance Officer's Certificate

I hereby certify that the Statements of Account for the year-ended 31 March 2024, required by the Accounts and Audit Regulations are set out in the following pages.

I further certify that the Statements of Account gives a true and fair view of the financial position of the Chief Constable at 31 March 2024 and of her income and expenditure for the year-ended 31 March 2024.



Kevin Laing MSc (fin) CPFA

Date: 27/02/2025

Chief Finance Officer

Core Financial Statements

Comprising:

- Movement in Reserves Statements
- Comprehensive Income and Expenditure Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the Single Entity Financial Statements

Movement in Reserves Statement 2023/24

	Note	General Fund £000	Total Usable Reserves £000	Pensions Reserve £000	Accumulated Absences Account £000	Total Unusable Reserves £000	Total Reserves £000
Balance as at 31 March 2023		-	-	(3,238,390)	(16,060)	(3,254,450)	(3,254,450)
<u>Movement in reserves during 2023/24</u>							
Total Comprehensive Income and Expenditure		(126,332)	(126,332)	111,150		111,150	(15,182)
Adjustments between Accounting Basis & Funding Basis under regulations	8(a)	126,332	126,332	(124,350)	(1,982)	(126,332)	-
Net Increase / (Decrease) before Transfers (To) / From Earmarked Reserves		-	-	(13,200)	(1,982)	(15,182)	(15,182)
Transfers (To) / From Earmarked Reserves		-	-	-	-	-	-
Increase / (Decrease) in Year		-	-	(13,200)	(1,982)	(15,182)	(15,182)
Balance as at 31 March 2024		-	-	(3,251,590)	(18,042)	(3,269,632)	(3,269,632)

Movement in Reserves Statement 2022/23

	Note	General Fund £000	Total Usable Reserves £000	Pensions Reserve £000	Accumulated Absences Account £000	Total Unusable Reserves £000	Total Reserves £000
Balance as at 31 March 2022		-	-	(4,574,500)	(13,474)	(4,587,974)	(4,587,974)
<u>Movement in reserves during 2022/23</u>							
Total Comprehensive Income and Expenditure		(169,166)	(169,166)	1,502,690		1,502,690	1,333,524
Adjustments between Accounting Basis & Funding Basis under regulations	8(a)	169,166	169,166	(166,580)	(2,586)	(169,166)	-
Net Increase / (Decrease) before Transfers (To) / From Earmarked Reserves		-	-	1,336,110	(2,586)	1,333,524	1,333,524
Transfers (To) / From Earmarked Reserves		-	-	-	-	-	-
Increase / (Decrease) in Year		-	-	1,336,110	(2,586)	1,333,524	1,333,524
Balance as at 31 March 2023		-	-	(3,238,390)	(16,060)	(3,254,450)	(3,254,450)

Comprehensive Income and Expenditure Statement						
2022/23				2023/24		
Gross Expenditure £000	Income £000	Net Expenditure £000	Service Expenditure Analysis	Gross Expenditure £000	Income £000	Net Expenditure £000
417,356	-	417,356	Police Services	376,980	-	376,980
5,194	-	5,194	Policing Funds (managed by the PCC)	5,924	-	5,924
-	(374,084)	(374,084)	PCC Financing of Police Services	-	(404,762)	(404,762)
422,550	(374,084)	48,466	Net Cost of Services	382,904	(404,762)	(21,858)
		120,700	Financing and Investment Income and Expenditure (Interest on the net defined benefit pension Liability / (Asset))			148,190
		169,166	(Surplus) / Deficit on Provision of Services			126,332
		(1,502,690)	Re-measurements of the net defined pension benefit Liability / Asset			(111,150)
		(1,502,690)	Other Comprehensive (Income) and Expenditure			(111,150)
		(1,333,524)	Total Comprehensive (Income) and Expenditure			15,182

Balance Sheet			
31 March 2023		31 March 2024	Note
£000		£000	s
14,600	Long-Term Assets (Pensions)	31,220	17 (a)
14,600	Long-Term Assets	31,220	
14,630	Short-Term Debtors	14,915	13
14,630	Current Assets	14,915	
(372)	Short-Term Provisions	(326)	15
(30,318)	Short-Term Creditors	(32,631)	14
(30,690)	Current Liabilities	(32,957)	
(3,252,990)	Other Long-Term Liabilities (Pensions)	(3,282,810)	17 (b)
(3,252,990)	Long-Term Liabilities	(3,282,810)	
(3,254,450)	Net Assets	(3,269,632)	
	Usable Reserves		
-	General Reserve	-	
	Unusable Reserves		
(16,060)	Accumulated Absence Account	(18,042)	
(3,238,390)	Pensions Reserve	(3,251,590)	8
(3,254,450)	Total Reserves	(3,269,632)	

I certify that the Balance Sheet position gives a true and fair view of the financial position of the Chief Constable at 31 March 2024.

These audited financial statements replace the unaudited statements which were signed by Kevin Laing, CFO on 31 May 2024.



Kevin Laing MSc (fin) CPFA

Chief Finance Officer

Date:

27/2/25

Cash Flow Statement		
2022/23		2023/24
£000		£000
169,166	(Surplus) / Deficit on the Provision of Services	126,332
	Adjustments to (Surplus) / Deficit on the Provision of Service for Non-Cash Movements:	
(166,580)	Pension Adjustments	(124,350)
-	Contributions To / (From) Provisions	46
(2,586)	Other Non-Cash Movements	(1,982)
	Accruals Adjustments:	
524	Increase / (Decrease) in Debtors	285
(524)	(Increase) / Decrease in Creditors	(331)
-	Net cash flows from Operating Activities	-
-	Net (Increase) / Decrease in Cash and Cash Equivalents	-
-	Cash and Cash Equivalents at the Beginning of the Period	-
-	Cash and Cash Equivalents at the End of the Period	-

I. Expenditure and Funding Analysis (EFA)

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax payers how the funding available to the Chief Constable (i.e. the financing provided by the Police and Crime Commissioner) for the year has been used in providing services in comparison with those resources consumed by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between reportable segments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net expenditure chargeable to the general fund shown for Police Services of **£329.769 million** comprises the outturn position against the Chief Constables revenue budget of **£329.796 million** plus the transfer to the NEROCU reserve of **£0.027 million**.

Expenditure and Funding Analysis						
2022/23			2023/24			
Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
			Service Expenditure Analysis			
321,278	96,078	417,356	Police Services	329,769	47,211	376,980
-	5,194	5,194	Policing Funds (managed by the PCC)	-	5,924	5,924
(321,278)	(52,806)	(374,084)	PCC Financing of Police Services	(329,769)	(74,993)	(404,762)
-	48,466	48,466	Net Cost of Services	-	(21,858)	(21,858)
-	120,700	120,700	Other Income and Expenditure	-	148,190	148,190
-	169,166	169,166	(Surplus) / Deficit on Provision of Services	-	126,332	126,332
-			Opening General Fund Balance at 31 March	-		
-			Surplus / (Deficit) on General Fund in Year	-		
-			Closing General Fund as 31 March	-		

a) Note to the EFA – Adjustment between funding and accounting basis

The following table sets out the total adjustments between the financial performance of the Chief Constable under the funding position and the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

2023/24				
Adjustments between Funding and Accounting Basis				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net Change for the Pensions Adjustments £000	Accumulated Absence £000	Adjustments between Service Lines £000	Total Adjustments £000
Police Services	(23,840)	1,982	69,069	47,211
Policing Funds (managed by the PCC)	-	-	5,924	5,924
PCC Financing of Police Services	-	-	(74,993)	(74,993)
Net Cost of Services	(23,840)	1,982	-	(21,858)
Other Income and Expenditure	148,190	-	-	148,190
(Surplus) / Deficit on Provision of Services	124,350	1,982	-	126,332

2022/23				
Adjustments between Funding and Accounting Basis				
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net Change for the Pensions Adjustments £000	Accumulated Absence £000	Adjustments between Service Lines £000	Total Adjustments £000
Police Services	45,880	2,586	47,612	96,078
Policing Funds (managed by the PCC)	-	-	5,194	5,194
PCC Financing of Police Services	-	-	(52,806)	(52,806)
Net Cost of Services	45,880	2,586	-	48,466
Other Income and Expenditure	120,700	-	-	120,700
(Surplus) / Deficit on Provision of Services	166,580	2,586	-	169,166

2. Expenditure and income Analysed by nature

The Code of Practice requires the Chief Constable to disclose information on the nature of expenses. The Chief Constable's expenditure and income for 2023/24 (and 2022/23 comparative) is analysed as follows

Expenditure and Income Analysed by Nature		
Expenditure / Income	2022/23 £000	2023/24 £000
Expenditure		
Employee benefits expenses	352,184	306,573
Other employee expenses	7,634	8,586
Premises	10,585	11,974
Transport	5,965	6,243
Supplies and services	25,470	25,989
Third party payments	8,333	8,566
Charge for use of assets	12,379	14,973
Interest on the net defined benefit pension liability	120,700	148,190
Total Expenditure	543,250	531,094
Income		
PCC financing of police services	(374,084)	(404,762)
Total Income	(374,084)	(404,762)
(Surplus) / Deficit on the Provision of Services	169,166	126,332

3. Statement of Accounting Policies

Introduction

The purpose of this Statement of Accounting Policies is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

Accounting policies are the principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, selecting measurement bases for and presenting assets, liabilities, gains, losses and changes in reserves.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Going Concern Basis of Accounting

The provisions in the CIPFA Code of Practice on Local Authority Accounting in the UK (the Code), on the going concern accounting requirements reflect the economic and statutory environment in which local authorities operate. The Police and Crime Commissioner prepares the financial statements as set out under the provisions of the Code.

Paragraph 3.4.2.23 of the Code confirms that: Local authorities that can only be discontinued under statutory prescription shall prepare their financial statements on a going concern basis of accounting; that is, the

financial statements shall be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

These provisions confirm that such authorities have no ability to cease being a going concern as described by IAS 1 Presentation of Financial Statements (i.e. management deciding to liquidate the entity or cease trading). As authorities cannot be created or dissolved without statutory prescription, it would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis.

The requirements to use the going concern basis of accounting means that relevant authorities therefore cannot apply paragraph 25 of IAS 1 mandating management to make an assessment of the authority's ability to continue as a going concern. The going concern assumption under the Code is therefore drawn up to assume that a local authority's services will continue to operate for the foreseeable future.

Basis of Preparation

The financial statements are prepared on the assumption that the functions of the Police and Crime Commissioner for Northumbria will continue in operational existence for the foreseeable future. This is evidenced through the Commissioner's:

- Medium Term Financial Strategy (MTFS)
- Capital Strategy
- Reserves Strategy Statement
- Treasury Management Policy and Strategy

All of these documents are published annually and can be found at the Commissioner's website under 'Key Decisions'.

The Police and Crime Commissioner's reserves position as at 31 March 2024, as reported in these statements, show the General Reserve at £11.031m which reflects approximately 2.9% of the revenue budget for 2024/25. The Commissioner's strategy for General Reserves is that these will be maintained at a minimum of 2% of the net revenue budget, to cover any major unforeseen expenditure or loss of funding. The balance held at the year-end therefore exceeds the minimum requirements of the General Reserves strategy.

In addition, the Commissioner maintains Earmarked Reserves to address specific risks for Northumbria, and which are consistent with achieving the objectives set within the term of the Medium-Term Financial Strategy (MTFS) and Reserves Strategy Statement. Earmarked Reserves total £34.209m as at 31 March 2024 and are considered to be appropriate, of sufficient value and fit for their intended purpose.

A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure all risks and uncertainties affecting the Commissioner's financial position are identified. An assessment is made of the likelihood and impact of each risk and the management controls in place to provide mitigation.

Prudential Indicators are approved annually and monitored throughout the year in respect of capital program expenditure, capital financing and Treasury Management activities.

The Commissioner has carried out an assessment of the impact of foreseeable changes on future income and expenditure, including a cash flow forecast up to March 2026, and is satisfied that there is no material uncertainty relating to the going concern basis.

The Commissioner thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Authority will be a going concern, 12 months from the date of the audit report.

Except where specified in the Code, estimation techniques that most closely reflect the economic reality of the transactions based on all known facts available have been used.

The Accounting concepts and policies which have a material impact on the accounts are as follows:

a) Police Reform and Social Responsibility Act 2011

The Police Reform and Social Responsibility Act 2011 (the Act) established both the Police and Crime Commissioner for Northumbria (the Commissioner) and the Chief Constable for Northumbria as two separate corporations sole, and the statutory accounting arrangements for both entities fully comply with this Act.

By virtue of the powers and responsibilities of the Commissioner as designated by the Act and the Home Office Financial Management Code of Practice, the Commissioner controls the Chief Constable for financial reporting purposes and as such is required to prepare consolidated financial statements for the Group (the Commissioner and the Chief Constable) as well as her own (Police and Crime Commissioner) single-entity accounts. The Chief Constable, who is treated as a subsidiary of the Commissioner, has prepared single-entity accounts.

All expenditure for the Group is paid for by the Commissioner from the Police Fund. All income and funding is paid into the Police Fund and recognised in the Commissioner's accounts. The Group financial statements consolidate all income, expenditure, assets, liabilities, reserves and cash flows of the Group.

The Chief Constable manages expenditure in relation to policing within the budget set by the Commissioner. These Statements of Account presents expenditure on policing following appropriate accounting practice.

The requirement to prepare consolidated financial statements for the Group as well as single-entity accounts for the Commissioner and Chief Constable required a judgement as to what to recognise in each set of financial statements.

The following gives further context to the accounting recognition in each entity. At 31 March 2024, all assets, liabilities and reserves were the responsibility of the Commissioner. The Commissioner owns and controls all non-current assets, loans, investments and borrowing. All contracts are in the Commissioners name. The Commissioner controls the bank account, is responsible for all liabilities, and controls all usable reserves. The Commissioner is the recipient of all income including government grants, Precepts and other sources of income which are paid into the Police Fund, and all expenditure of the Chief Constable is funded by the Commissioner from the Police Fund. There are no cash transactions between the two bodies.

However, the recognition of expenditure in the single-entity accounts of the Chief Constable and the Police and Crime Commissioner is based on economic benefit and service potential derived by each. Under the provisions of the Act, the Chief Constable is responsible to the Commissioner for the day to day provision of the policing function. In so doing, the Chief Constable consumes the Commissioner's resources in fulfilling the statutory functions. Local governance arrangements, give day to day responsibility for financial management of the Force to the Chief Constable within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner. Consequently, expenditure in relation to policing is recognised in the financial statements of the Chief Constable funded by a credit from the Commissioner for resources consumed. Similarly, following the CIPFA guidance on best practice, the liabilities associated with the employee costs disclosed in the Chief Constable's Accounts are also shown in the Chief Constable's Balance Sheet rather than that of the Commissioner.

All income, as well as expenditure directly controlled by the Commissioner, in relation to her Office and a number of Specific Grants and other funding streams, is recognised in the financial statements of the Commissioner.

In order to show the total economic cost of policing in the Chief Constable's accounts the following charges, under the control of the Commissioner, are included as a proxy in the Chief Constable's Comprehensive Income and Expenditure Statement:

- The use of non-current assets equivalent to the depreciation, impairment, amortisation and revaluation of the assets charged to the Commissioner - £13.221 million; and
- The cost of insurance and support services expended by the Commissioner but provided to support the Chief Constable in the provision of policing - £0.176 million.

There is a need to properly reflect the cost of the joint Chief Finance Officer between the two corporate bodies and therefore the following charge under the control of the Chief Constable is included in the Commissioner's Comprehensive Income and Expenditure Statement:

- The proportion of the Joint Chief Finance Officer (CFO) role attributed to the statutory functions provided under the OPCC - £0.027 million in 2023/24.

The following intra-group transactions are included in the single-entity accounts but eliminated from the Group accounts:

- A debit for the resources consumed by the Chief Constable is included in the Comprehensive Income and Expenditure Account of the Commissioner with a corresponding credit in the Comprehensive Income and Expenditure Statement of the Chief Constable; and
- The Chief Constable's Balance Sheet includes any creditors and debtors in relation to the cost of policing offset by a balancing net debtor of 'resources consumed by the Chief Constable but no cash payment made by the Commissioner, or payments made by the Commissioner in advance of services received by the Chief Constable at the Balance Sheet date' with a corresponding net creditor in the Commissioner's Balance Sheet.

b) Accruals of expenditure and income

The financial statements, other than the cash flow, are prepared on an accruals basis. This means that activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventory in the Balance Sheet of the Police and Crime Commissioner;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

c) Charges to revenue for non-current assets

The Commissioner owns and controls all non-current assets but makes them available to the Chief Constable to deliver the policing function. The Commissioner's accounts must be debited with the cost of holding non-current assets during the year. The Chief Constable's accounts include a proxy charge for the use of those assets equivalent to depreciation, revaluation, impairment, and amortisation of non-current assets.

d) Employee benefits

Benefits payable during employment

Short-term employee benefits, such as salaries, paid annual leave, paid sick leave and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render services. An accrual is made for the cost of holiday entitlements and other short-term absences earned by employees but not taken before the year-end, and which employees can carry forward into the next financial year.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Chief Constable to terminate a member of staff's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy and are charged on an accruals basis in the Comprehensive Income and Expenditure Statement. When an offer to encourage voluntary redundancy is made to a group of employees, a provision or contingent liability will be included in the accounts.

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

Post-employment benefits (pensions)

As part of the terms and conditions of employment, the Chief Constable offers retirement benefits by participating in pension schemes. These are the Police Pension Scheme 1987, the New Police Pension Scheme 2006, the Police Pension Scheme 2015 and the Tyne and Wear Pension Fund, all of which offer defined benefits related to pay and service:

The Police Pension Schemes are unfunded defined benefit schemes, for which contributions are paid into a Pension Fund and pensions paid from the Fund. The deficit each year on the Fund is balanced to nil at the end of each year by receipt of a pension top up grant via the Commissioner from the Home Office. There are no investment assets built up to meet the pension liabilities and cash has to be generated by the Home Office to meet actual pension payments as they eventually fall.

The Tyne & Wear Pension Fund is a Local Government Pension Scheme administered by South Tyneside Council. It is classified as a funded defined benefit scheme, meaning that the Chief Constable and employees pay contributions into a fund, calculated at a level estimated to balance the pensions' liabilities with investment assets.

Although retirement benefits will not actually be payable until employees retire, the Chief Constable has a commitment to recognise liabilities at the point at which employees earn their future entitlement. The aim is to ensure that the true net asset / liability of a defined benefit pension scheme is recognised in the Balance Sheet, and the true costs of retirement benefits are reflected in the Comprehensive Income and Expenditure Statement.

Movements during the year in the net asset / liability of the pension scheme are reflected in the Comprehensive Income and Expenditure Account. Actuarial gains and losses on fund assets and liabilities are recognised in the Comprehensive Income and Expenditure Account.

As with capital charges, pension entries are reconciled back to cash amounts payable to ensure that there is no effect upon Council Tax Precept or the General Fund.

Further information relating to pension costs is included in the notes to the accounts.

e) Events after the Balance Sheet date

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

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statements of Account are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statements of Account are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements of Account.

f) Prior period adjustments

The majority of prior period items arise from corrections and adjustments that are the natural result of estimates inherent in the accounting process. Such adjustments constitute normal transactions in the year in which they are identified. Changes in accounting estimates are accounted for prospectively, i.e. In the current and future years affected by the change and do not give rise to a prior period adjustment.

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

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

There are no prior period adjustments for the 2023/24 accounts.

g) Financial instruments

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

Typical financial instruments are trade payables and trade receivables, borrowings, bank deposits and investments. As the Police and Crime Commissioner is responsible for all income, borrowing and investments, the only financial instruments held by the Chief Constable are trade payables and trade receivables.

Financial Assets

Financial assets are assets that have fixed or determinable payments but are not quoted in an active market. These assets are initially measured at fair value and carried at their amortised cost.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost.

h) Provisions and contingent liabilities

Provisions

Provisions are made where an event has taken place that gives the Chief Constable a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the Chief Constable a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Chief Constable. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities for 2023/24 are set out at **Note 15** to the Accounts.

i) Reserves

The Chief Constable maintains reserves which are classified as either usable (backed by cash) relating to the General Fund, or unusable (not backed by cash) adjustment accounts kept to manage the accounting processes for the Accumulated Absences Account and the Pension Fund.

As the Police and Crime Commissioner is responsible for all usable reserves and the level held, the Chief Constable's general reserve is maintained at a nil balance. Further information on the Chief Constable's reserves including the movement in-year is set out at **Note 8** to the Accounts.

j) Value Added Tax (VAT)

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable from HM Revenue and Customs.

k) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control.

Expenditure relating to the cost of Joint Arrangements is charged to the Comprehensive Income and Expenditure Statement (CIES) of the Chief Constable with any associated income being shown against the CIES for the Commissioner Single Entity.

Any assets held jointly are accounted for on the Balance Sheet of the Police and Crime Commissioner Single Entity and Group as the percentage share of assets attributable to the Police and Crime Commissioner for Northumbria.

The Force currently has a Joint Arrangement with Durham and Cleveland, the North East Regional Organised Crime Unit (NEROCU). Further detail of the arrangements in place and the outturn for 2023/24 is shown at **Note 12**.

4. Critical Judgement in applying accounting policies

In applying its accounting policies, certain judgements have been made about the complex transactions or those involving uncertainty about future events. The most significant areas where judgements have been necessary are:

- Accounting for pension liabilities; and
- Accounting recognition of assets, liabilities, reserves, revenue and expenditure following introduction of the new governance arrangement under provisions of the Police Reform and Social Responsibility Act.

Where judgement has been applied, the key factors taken into consideration are disclosed in the accounting policies and the appropriate note in the financial statements.

5. Impact of changes in accounting policies

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Chief Constable's financial position or financial performance. When a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. There have been no material changes in accounting policies in 2023/24.

6. Accounting standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by an amendment to an existing standard or a new standard that has been issued but not yet adopted.

IFRS 16 Leases

The IASB issued IFRS 16 Leases in January 2016. The standard has an effective date of 01 January 2019 and was due to be adopted in the Code for the 2019/20 financial year. Implementation has been delayed a number of times but CIPFA have now confirmed the mandatory introduction of IFRS 16 Leases from 1 April 2024 for the 2024/25 financial year.

The standard sets out conditions for when an entity holds a lease agreement that lasts, or is reasonably expected to last more than 12 months and satisfies materiality conditions for bringing this onto the entities balance sheet by means of a lease liability and a right of use asset.

The Chief Constable and Group will be complying with this standard from 01 April 2024 and in preparation an impact assessment has been conducted to estimate the value that will be brought onto the balance sheet.

There have been 84 arrangements identified to be considered against the new IFRS 16 standard, of which, most have been considered outside the scope of the standard due to materiality or substance of the contract which has left a total of 29 which have been assessed for the impact on the balance sheet.

As the standard means bringing a right of use asset onto the balance sheet for all qualifying leases, and all assets are owned by the Commissioner, the implication on the Chief Constable balance sheet is estimated to be nil. Further details on the impact to the Commissioner and Group balance sheet can be found within the notes to those accounts.

There is however expected to be a revenue implication for the Chief Constable through the annual interest payments on the leases which will impact on the revenue budget, this will however be accounted for through the CIES and have a neutral impact on the tax payer.

7. Assumptions made about the future and other major sources of estimation uncertainty

The financial statements contain estimated figures that are based on assumptions made about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items within the Chief Constable's Balance Sheet as at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year is as follows

Pension Assets and Liabilities

Pension assets and/or liabilities included in the balance sheet are assessed on an actuarial basis. The estimation of the future liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in mortality rates, the age profile of members and retirement age, and expected return on pension fund assets for funded schemes.

The pension fund liabilities for the Police Pension Scheme (PPS) have been assessed by the Government Actuary's Department (GAD).

The pension fund assets/liabilities for the Tyne and Wear Pension Fund (TWPF) have been assessed by AON Solutions UK Limited (AON).

Both GAD and AON provide the Commissioner with expert advice about the assumptions to be applied.

To demonstrate the effects on the net pension liability of changes in individual assumptions can be measured and further information on the impact of such changes for both PPS and TWPF is presented in **Note 17** to the accounts. Some examples of the potential impact are set out below:

Police Pension Scheme (PPS)

- A reduction in the discount rate assumption of 0.5% would result in an increase in the pension liability of £253.000 million (7.5%).
- An increase in the salary inflation assumption of 0.5% would result in an increase in the pension liability of £29.000 million (1.0%).

Tyne and Wear Pension Fund (TWPF)

- A reduction in the discount rate assumption of 0.1% would result in a reduction in the net pension asset of £7.940 million (1.9%).
- An increase in the rate of general salary increases assumption of 0.1% would result in a reduction in the net pension asset of £0.840 million (0.2%).

Further details are included within the sensitivity analysis in the notes to the accounts (Employee Benefits).

8. Movement in Reserve Statement adjustments

The Movement in Reserves Statement details all movements in the financial year on the different reserves held by the Chief Constable, analysed into 'usable' reserves (i.e. those that can be used to fund expenditure or reduce local taxation) and 'unusable' reserves (notional adjustment accounts not supported by cash). At present, the only transactions shown in this statement relate to the pensions reserve and the accumulated absences reserve (reflecting movements relating to police officers and police staff under the direction and control of the Chief Constable). All other reserves are managed by the Commissioner. The following tables provide further details of the amounts disclosed in the Movement in Reserves Statement.

a) Adjustments between accounting basis and funding under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Chief Constable to meet future capital and revenue expenditure. The adjustments for 2023/24 and 2022/23 are set out in the following table:

Adjustments between Accounting Basis & Funding Basis under regulations					
2022/23			2023/24		
Usable Reserves	Unusable Reserves		Usable Reserves	Unusable Reserves	
General Fund	Pension Fund		General Fund	Pension Fund	
£000	£000		£000	£000	
(2,586)	2,586	Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,982)	1,982	
(224,820)	224,820	Reversal of IAS 19 Pension Charges	(187,820)	187,820	
58,240	(58,240)	Contributions due under the pension scheme regulations	63,470	(63,470)	
(169,166)	169,166	Total adjustments between Accounting Basis and Funding Basis under regulations	(126,332)	126,332	

The Chief Constable maintains three reserves, which are classified as either usable (backed by cash) relating to the General Fund, or unusable (notional adjustment accounts not supported by cash) relating to the Accumulated Absences Account and the Pension fund.

The Commissioner is responsible for usable reserves and the level held. The Comprehensive Income and Expenditure Statements of the Chief Constable and the Commissioner show that the Commissioner has fully funded the expenditure of the Chief Constable so that the Chief Constable's general reserve is maintained at a nil balance.

b) Analysis of transfers To / (From) reserves

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 is neutralised by transfers To / From the Account.

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 Chief Constable accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing actuarial assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require that benefits earned, are financed as the Chief Constable makes employer's contributions to pension funds or eventually pays any pensions for which the Chief Constable is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources 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.

The Pensions Reserve holds balances in relation to both the Police Pension Scheme and the Tyne and Wear Pension Fund.

Analysis of the transfers To / From reserves 2023/24					
Balance as at 31 March 2023 £000		Transfers to reserve £000	Transfers from reserve £000	Total movement on reserve £000	Balance as at 31 March 2024 £000
	Usable Reserves				
-	General Reserve	-	-	-	-
-	Total Usable Reserves	-	-	-	-
	Unusable Reserves				
(16,060)	Accumulated Absences Account	-	(1,982)	(1,982)	(18,042)
(3,238,390)	Pensions Reserve	111,150	(124,350)	(13,200)	(3,251,590)
(3,254,450)	Total Unusable Reserves	111,150	(126,332)	(15,182)	(3,269,632)
(3,254,450)	Total Reserves	111,150	(126,332)	(15,182)	(3,269,632)

Analysis of the transfers To / From reserves 2022/23					
Balance as at 31 March 2022 £000		Transfers to reserve £000	Transfers from reserve £000	Total movement on reserve £000	Balance as at 31 March 2023 £000
Usable Reserves					
-	General Reserve	-	-	-	-
-	Total Usable Reserves	-	-	-	-
Unusable Reserves					
(13,474)	Accumulated Absences Account	-	(2,586)	(2,586)	(16,060)
(4,574,500)	Pensions Reserve	1,502,690	(166,580)	1,336,110	(3,238,390)
(4,587,974)	Total Unusable Reserves	1,502,690	(169,166)	1,333,524	(3,254,450)
(4,587,974)	Total Reserves	1,502,690	(169,166)	1,333,524	(3,254,450)

c) Transfers To / From Unusable Reserves

Unusable Reserves - Pensions Reserve					
Balance as at 31 March 2023 £000		Transfers To/(From) Reserves			Balance as at 31 March 2024 £000
		Re-measurements of the net defined benefit liability £000	Reverse the net impact of IAS19 charges on the General Fund £000	Total Movement £000	
Pensions Reserve					
14,600	Chief Constable LGPS	17,450	(830)	16,620	31,220
(3,252,990)	Chief Constable Police Pension Scheme (PPS)	93,700	(123,520)	(29,820)	(3,282,810)
(3,238,390)	Total Reserves	111,150	(124,350)	(13,200)	(3,251,590)

9. External audit costs

The below table shows the amount paid by the Chief Constable to the Group's external auditors. The Chief Constable commissions PSAA to tender for the external audit contract on a 5 year cycle. 2023/24 is the first year of the new contract which was awarded to Ernst & Young LLP. The 2022/23 Figures are in relation to work undertaken by Grant Thornton UK LLP as are references to prior financial years as they are subject to fee variations once the audit has concluded and therefore are included in the financial year in which they were incurred.

External Audit Costs		
2022/23 £000		2023/24 £000
17	External Audit Services	53
15	Additional fees relating to the previous year's audit	23
-	Contribution to Pension Fund Audit	1
32	Net Cost	77

10. Officer Remuneration

The following tables set out the remuneration for police staff and police officers whose total remuneration is more than £50,000 per year in 2023/24 and the equivalent disclosure for 2022/23.

Total remuneration for the purposes of the banding note requires the disclosure of all payments paid to or receivable by an individual during the year. This includes salary, overtime, fees and allowances, holiday pay, exit payments and any other payments.

Remuneration Band	Numbers of Employees receiving over £50,000	
	2022/23	2023/24
£50,000 - £54,999	423	588
£55,000 - £59,999	248	264
£60,000 - £64,999	89	195
£65,000 - £69,999	16	59
£70,000 - £74,999	18	13
£75,000 - £79,999	11	12
£80,000 - £84,999	6	9
£85,000 - £89,999	6	7
£90,000 - £94,999	7	7
£95,000 - £99,999	-	5
£100,000 - £104,999	-	3

The banding note above excludes remuneration for members of the Chief Officer Team, executive level directors and statutory roles which are disclosed separately in the table for Remuneration of Senior Employees.

The following table shows the total number and cost of exit packages which became demonstrably committed to during the year-ending 31 March 2024. The disclosure for exit packages is set out in-line with the CIPFA Code of Practice which requires an analysis between compulsory and other departures. The number of other departures includes voluntary redundancies and early retirements.

Exit packages 2023/24				
	Number of other departures	Number of compulsory redundancies	Total number of departures	Total cost of exit packages in each band £
£0 - £20,000	2	1	3	41,859
£20,001 - £40,000	-	1	1	26,589
£80,001 - £100,000	1	-	1	95,000
Total	3	2	5	163,448

The total cost of exit packages as set out above has been charged to the Chief Constable's Comprehensive Income and Expenditure Statement in the current year. The comparative disclosure for 2022/23 is set out in the following table:

Exit packages 2022/23				
	Number of other departures	Number of compulsory redundancies	Total number of departures	Total cost of exit packages in each band £
£20,001 - £40,000	2	-	2	71,518
Total	2	-	2	71,518

Remuneration of the senior employees is disclosed in the following tables:

Remuneration of Senior Employees 2023/24							
Post holder information	Notes	Salary (Including fees & allowances) £	Benefits in kind £	Relocation Expenses £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration 2023/24 £
Chief Constable - Vanessa Jardine		189,755	-	-	189,755	57,763	247,518
Chief Constable - Winton Keenan	1	8,325	-	-	8,325	-	8,325
Deputy Chief Constable - A	2	69,901	-	-	69,901	21,669	91,571
Deputy Chief Constable - B	3	86,456	-	-	86,456	26,440	112,896
Assistant Chief Constable - C		113,144	-	-	113,144	35,075	148,218
Assistant Chief Constable - D	4	30,433	-	-	30,433	9,434	39,867
Assistant Chief Constable - E	5	29,066	-	-	29,066	8,915	37,981
Assistant Chief Constable - F	6	114,512	-	-	114,512	34,585	149,097
Assistant Chief Constable - G	7	86,960	-	-	86,960	24,292	111,252
Assistant Chief Officer Corporate Services		129,471	-	-	129,471	19,769	149,240
Chief Information Officer		107,258	-	-	107,258	17,161	124,419
Chief Finance Officer		105,257	-	-	105,257	16,841	122,098
Total		1,070,538	-	-	1,070,538	271,944	1,342,482

Note 1: Chief Constable until 14/04/2023

Note 2: Deputy Chief Constable from 23/10/2023

Note 3: Deputy Chief Constable until 24/10/2023

Note 4: Assistant Chief Constable from 02/01/2024

Note 5: Assistant Chief Constable from 01/01/2024

Note 6: Assistant Chief Constable until 20/02/2024

Note 7: Assistant Chief Constable until 08/12/2023

Chief Finance Officer

The Chief Finance Officer (CFO) is a Joint CFO role for both the Chief Constable and Police and Crime Commissioner, 20% of the CFO remuneration is charged to the Commissioner in the single entity CIES. The senior officer remuneration in respect of the CFO role is disclosed in the Statements of Account for the Chief Constable and Police and Crime Commissioner Group financial statements – Remuneration of Senior Employees

Remuneration of Senior Employees 2022/23							
Post holder information		Salary (Including fees & allowances)	Benefits in kind	Relocation Expenses	Total remuneration excluding pension contributions	Pension contributions	Total remuneration 2022/23
	Notes	£	£	£	£	£	£
Chief Constable - Winton Keenen		187,965	-	-	187,965	-	187,965
Deputy Chief Constable - A		149,301	-	-	149,301	45,644	194,945
Assistant Chief Constable - B	1	18,506	2,381	-	20,887	5,737	26,624
Assistant Chief Constable - C		137,009	-	-	137,009	37,302	174,311
Temporary Assistant Chief Constable - D	2	95,912	-	-	95,912	22,699	118,611
Temporary Assistant Chief Constable - E	3	68,970	-	-	68,970	20,936	89,906
Temporary Assistant Chief Constable - F	4	42,158	-	-	42,158	10,551	52,709
Temporary Assistant Chief Constable - G	5	68,393	-	-	68,393	20,623	89,016
Director of Finance (Chief Finance Officer)	6	9,075	-	-	9,075	1,525	10,600
Director of People and Development	7	29,504	-	-	29,504	4,957	34,461
Assistant Chief Officer Corporate Services	8	85,522	-	-	85,522	14,368	99,890
Chief Information Officer		105,534	-	-	105,534	17,730	123,264
Chief Finance Officer	9	82,365	-	-	82,365	13,835	96,200
Total		1,080,214	2,381	-	1,082,595	215,906	1,298,502

Note 1: Assistant Chief Constable from 30th January 2023

Note 2: Temporary Assistant Chief Constable in post to 15th January 2023

Note 3: Temporary Assistant Chief Constable from 15th August 2022

Note 4: Temporary Assistant Chief Constable in post to 14th August 2022

Note 5: Temporary Assistant Chief Constable from 18th July 2022 to 28th February 2023

Note 6: Director of Finance (Chief Finance Officer) in post to 1st May 2022

Note 7: Director of People and Development in post to 11th July 2022

Note 8: Assistant Chief Officer Corporate Services from 12th July 2022

Note 9: Head of Finance (Chief Finance Officer) in post from 2nd May 2022

11. Related Party Transactions

The Chief Constable is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in her ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

UK Central Government

Central Government has effective control over the general operations of the Chief Constable: it is responsible for providing the statutory framework within which the Chief Constable operates. The UK Government exerts significant influence on the Chief Constable and Group through legislation and due to being a major grant provider to the PCC which in turn influences the budget allocated to the Chief Constable.

The Police and Crime Commissioner

Whilst the Chief Constable retains responsibility for the direction and control of the Force, the Commissioner is responsible for holding the Chief Constable to account for the full range of their responsibilities.

The Commissioner has an integrated scheme of corporate governance that sets out the operational policy framework within which the Commissioner and Chief Constable will operate. The Commissioner funds the expenditure on operational policing incurred by the Chief Constable, the total of which is disclosed in the Commissioner's Comprehensive Income and Expenditure Statement.

Senior Employees

For financial reporting purposes the Chief Constable is a subsidiary of the Police and Crime Commissioner. The Commissioner receives all income and makes all payments on behalf of the Group (Chief Constable and Commissioner).

The Force Executive are required to declare whether they or any member of their immediate family, have had any related party transactions with the Police and Crime Commissioner. There are no such transactions for 2023/24.

12. Joint Arrangements

The Chief Constable is involved with other Forces and entities to aid joint working between organisations. Any expenditure is accounted for within the Comprehensive Income and Expenditure Statement. There is a requirement to disclose certain information within the accounts for the Chief Constable's material joint arrangements and on this basis the following disclosure is made for North East Regional Organised Crime Unit (NEROCU) which is classified as a Joint Operation:

North East Regional Organised Crime Unit (NEROCU)

NEROCU Governance and Area of Business

The North East Regional Organised Crime Unit (NEROCU) is a collaboration between the three Forces of Northumbria, Durham and Cleveland categorised as a Joint Operation in line with the *Accounting for Collaboration* guidance issued by CIPFA. The governance of the Joint Operation is managed through a Section 22A collaboration agreement from the Police Act 1996, between all three Chief Constables and Police and Crime Commissioners.

NEROCU comprises of a number of highly specialised teams of officers and staff from the three Forces which work with embedded partners from His Majesty's Revenue and Customs (HMRC), UK Border Force and the National Crime Agency (NCA) to effectively tackle serious and organised crime across the region.

The unit creates additional specialist capacity through effective partnership working and collaboration to deliver an increased response to tackling serious and organised crime that transcends Force borders in the region.

In-line with the Home Office Serious and Organised Crime Strategy, NEROCU places emphasis on preventing, prosecuting, and disrupting serious and organised crime ensuring a co-ordinated national approach across Government, law enforcement, security and intelligence agencies.

Financing and Reserves

NEROCU is financed through a combination of Home Office Grants and Force contributions under a fully immersed budget model. The net revenue requirement after the application of all available grant funding, is met by the three Forces with contributions being determined on the basis of Net Revenue Expenditure (NRE) after the use of reserves. NRE is equivalent to total funding from Home Office grants plus Council Tax income. The contribution proportions made for 2023/24 are set out in the table below

Force	Contribution
Northumbria	52.92%
Durham	22.91%
Cleveland	24.17%

The final outturn position for NEROCU was £10.682 million with Northumbria's share of the net cost being £5.653 million as set out in the following table;

	NE ROCU Outturn		Northumbria	
	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000
Employee Pay and Pensions	12,339	14,761	6,528	7,812
Premises Costs	478	556	253	294
Vehicles and Fuel	256	284	136	150
Travel and Accommodation	141	209	75	111
Communications and Computing	618	484	327	256
Training and Conference Fees	172	211	91	112
Supplies and Services	364	269	192	142
Other Expenses	89	117	47	62
Total Expenditure	14,457	16,891	7,649	8,939
Home Office Grant	(2,256)	(2,976)	(1,194)	(1,575)
Other Income	(2,594)	(3,233)	(1,372)	(1,710)
Total Income	(4,850)	(6,209)	(2,566)	(3,285)
Net Expenditure	9,607	10,682	5,083	5,654

The accounting treatment for NEROCU is that expenditure is shown as £8.939 million (£7.649 million 2022/23) in the Chief Constable's accounts with income of £3.285 million (£2.566 million 2022/23) being accounted for in the Commissioners Single Entity accounts. The net cost to the Commissioner and Group is therefore £5.654 million (£5.083 million 2022/23).

All three Forces have equal representation and rights to control under the Section 22A collaboration agreement. Under this Agreement assets purchased by a Force and provided for the use of NEROCU are held on the Balance Sheet of that Force. In addition, assets funded through Home Office grants and other contributions are purchased by Northumbria and held for the exclusive benefit of NEROCU. The share of NEROCU assets attributable to Northumbria are held as Property, Plant and equipment (PPE) on the Balance Sheet of the Police and Crime Commissioner Single Entity and Group accounts in line with the relevant Northumbria contribution rate.

The three Forces jointly own the NEROCU premises, the North East Regional Crime Prevention Centre (NERCPC). The property asset is held under a Trust Agreement with the following ownership split:

Northumbria	37.5%
Durham	37.5%
Cleveland	25.0%

Reserves attributable to NEROCU are also held on the Balance Sheet of the Police and Crime Commissioner with the share of overall reserves for Northumbria being determined on the basis of revenue contributions equating to £0.428 million as at 31 March 2024.

13. Debtors

These amounts represent payments in advance, such as invoices spanning financial periods and the amount due from the Commissioner for resources consumed by the Chief Constable for which cash payments were not made by the 31 March 2024.

Short-Term Debtors		31 March 2023	31 March 2024
		£000	£000
	45	Central government bodies	45
	129	Bodies external to general government	182
	14,456	Police and Crime Commissioner	14,688
	14,630		14,915

14. Creditors

These amounts represent sums owed to a number of sources, such as other local authorities and government departments, in relation to policing expenditure.

Short-Term Creditors		31 March 2023	31 March 2024
		£000	£000
	(6,633)	Central government bodies	(7,962)
	(1)	NHS bodies	(52)
	(1,146)	Other local authorities	(964)
	-	Public corporations and trading funds	(3)
	(22,538)	Bodies external to general government	(23,650)
	(30,318)		(32,631)

15. Provisions and Contingent Liabilities

Provisions

Provisions					31 March 2024
31 March 2023		Additional Provisions Made	Provisions Used	Reversals	£000
£000		£000	£000	£000	£000
	Short-term provisions				
(372)	Employee remuneration	(100)	146	-	(326)
(372)	Total	(100)	146	-	(326)

A number of Forces including Northumbria are currently dealing with legal claims from serving and retired officers which relate to a specialist area of policing. These claims are for remuneration in relation to past

service under police regulations. The Chief Constable has a number of such claims and whilst the majority of cases have been settled as at the balance sheet date, there remain a small number of claims and costs outstanding which are expected to be finalised in 2024/25.

The balance on the employee remuneration provision at 31 March 2024 is set at a prudent level estimated to settle all such claims.

Contingent Liabilities

At 31 March 2024, the Chief Constable has identified the following contingent liability:

- **Employee remuneration** - A provision has been made in relation to a number of claims that have been received from serving and retired officers in relation to past service under police regulations. The claims are in relation to a number of officers that worked in a specialist area and at this time each case is subject to legal review. A contingent liability is also disclosed here in relation to other remuneration issues and in particular the potential for further claims to be submitted over and above those included within the provision calculated at 31 March 2024.
- **McCloud/Sargeant judgement** – The Chief Constable along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

On 16 July 2020 HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy.

On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement.

On 19 July 2021 the Public Service Pensions and Judicial Offices Act 2022 was taken to the House of Lords. This got royal assent on 10 March 2022 and the Act came into force from 1 April 2022. The Act closed the legacy schemes from 31 March 2022 and brings the retrospective remedy into force from 1 October 2023. The Home Office have consulted during 2023 on the secondary regulations to bring the policy determined by the act into force from 1 October 2023.

- **Impact on Pension Liability** – Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries originally estimated the increase in scheme liabilities for the Northumbria Chief Constable through a past service cost of £182.720 million recognised in the 2018/19 accounts, followed by a reduction of £12.080 million in 2019/20 accounts resulting from the eligibility criteria for members set out in HM Treasury's consultation. The additional liability expected for affected members during 2020/21 to 2023/24 is included within the current service cost for those financial years.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The most recent Police Pension valuation was reported in 2023/24, and this has resulted in an increase in the Employer contribution rate from 31.0% to 35.3% from 1 April 2024. Government have provided additional funding to forces to compensate for the additional cost in 2024/25.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a

pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

- **Compensation Claims** – In respect of the McCloud Pension case, there are a number of claimants that have lodged compensation claims for ‘injury to feelings.’ Claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

Aarons and Penningtons - Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2024, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts, but a contingent liability is noted.

16. Financial Instruments

The financial instruments carried in the Chief Constable’s Balance Sheet are set out in the following table:

Financial Instruments		
	31 March 2023 £000	31 March 2024 £000
Financial Liabilities at Amortised Cost		
Short-term Creditors - Trade Creditors	(8,693)	(7,002)
Financial Assets at Amortised Cost		
Short-term Debtors - Trade Debtors	129	182

Due to the very limited types of financial instruments held by the Chief Constable there is limited exposure to risk. Key risks such as credit risk, liquidity risk, re-financing risk and market risk are all associated with contracts; cashflow; investment and borrowing activity; and overall financing of services. The Chief Constable has no material exposure to any of these sources of risk, which fall mainly to the Commissioner and are considered within the Financial Instruments note to the Commissioner’s single-entity accounts.

17. Employee Benefits

Benefits payable during employment

The following table shows the cost of holiday entitlements and lieu time earned by police officers and police staff under the direction and control of the Chief Constable but not taken by the year-end. The cost of employee benefits is charged to the Chief Constable’s accounts under Net Cost of Services in the CIES and the reserve associated with the short-term liability is shown under the Chief Constable’s Unusable Reserves

Benefits payable during employment		
2022/23 £000		2023/24 £000
16,060	Police Services	18,042
16,060	Total employee benefits accrued at the Balance Sheet date	18,042

Post-employment benefits (pensions)

Post-employment benefits are pensions offered as part of the terms and conditions of police officers and police staff. They are accounted for in accordance with IAS19 in which pension liabilities are recognised at the point at which employees earn their future entitlement. The pension liability/asset is recognised in the Chief Constable's Balance Sheet and the in-year movement in the liability/asset recognised in the Comprehensive Income and Expenditure Statement.

a) Defined Benefit Plan: Tyne and Wear Pension Fund

The Tyne and Wear Pension Fund (the "Fund") is a Local Government Pension Scheme (LGPS) administered by South Tyneside Council. This is a funded scheme, meaning that the Chief Constable and employees pay contributions into the Fund calculated at a level estimated to balance the pension liabilities with investment assets.

In 2023/24, the Chief Constable paid £11.230 million (£10.810 million in 2022/23) to the Pension Fund in respect of pension contributions, with standard contributions representing 16.0% of pensionable pay (16.8% in 2022/23).

The scheme is classified as a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 01 April 2014 are based on a Career Average Revalued Earnings scheme (CARE). Scheme benefits are accrued in accordance with the requirements of International Accounting Standard 19 Employee Benefits (IAS 19). IAS 19 accounts for retirement benefits when they are committed to be given, even if the actual payment is many years into the future. IAS 19 also includes the Chief Constable's share of the fund's assets and liabilities.

The unfunded defined benefit plan relates to termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS under Local Government (early termination of employment) (discretionary compensation) Regulations (England and Wales) 2000.

The last actuarial valuation was at 31 March 2022 which determined the contributions to be paid from 01 April 2023 to 31 March 2026. The results from that valuation are set out in the Fund's Rates and Adjustment Certificate. The employer's standard contribution rate for 01 April 2023 to 31 March 2026 reduced from 16.8% to 16.0% as a result of the 2022 valuation.

The next actuarial valuation of the Fund will be carried out at 31 March 2025 and as part of that valuation a new Rates and Adjustment Certificate will be produced for the three year period from 01 April 2026. The Fund Administering Authority, South Tyneside Council, is responsible for the governance of the Fund.

Assets

The assets allocated to the Chief Constable in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole can be seen in the Analysis of Scheme Assets table in the disclosures below. Further information on the Tyne and Wear Pension Fund can be found in their Annual Report. All annual reports are available from South Tyneside Council's website.

Transactions relating to retirement benefits

The Chief Constable recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefit is paid as pensions. However, the charge which is made against the Police Fund is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement as an appropriation.

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

Charges to Comprehensive Income and Expenditure Statement				
	Funded Liabilities as at		Unfunded Liabilities as at	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£m	£m	£m	£m
Within Cost of Service				
Current Service Cost	27.55	13.27	-	-
Past service cost (incl. curtailments)	-	-	-	-
Financing, Investment Income & Expenditure				
Interest on net defined benefit Liability / (Asset)	3.51	(1.07)	0.08	0.11
Pension expense recognised in CIES	31.06	12.20	0.08	0.11
Remeasurements in OCI				
Return on plan assets (in excess of) / below that recognised in net interest	18.31	(13.28)	-	-
Actuarial (Gains) / Losses due to change in financial assumptions	(232.86)	(16.21)	(0.53)	(0.02)
Actuarial (Gains) / Losses due to change in demographic assumptions	-	(6.37)	(0.03)	(0.07)
Actuarial (Gains) / Losses due to liability experience	41.91	4.47	0.26	0.10
Adjustment loss (gain) due to restriction of surplus		13.93		
Total Amount recognised in OCI	(172.64)	(17.46)	(0.30)	0.01
Total Amount charged to CIES	(141.58)	(5.26)	(0.22)	0.12

Assets and Liabilities in Relation to Post-Employment Benefits

Changes to the present value of the defined benefit obligation				
	Funded Liabilities as at		Unfunded Liabilities as at	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£m	£m	£m	£m
Opening defined benefit obligation	567.86	412.47	2.97	2.52
Current service cost	27.55	13.27	-	-
Interest expense on defined benefit obligation	15.24	19.19	0.08	0.11
Contributions by participants	4.07	4.52	-	-
Actuarial (Gains) / Losses on liabilities - financial assumptions	(232.86)	(16.21)	(0.53)	(0.02)
Actuarial (Gains) / Losses on liabilities - demographic assumptions	-	(6.37)	(0.03)	(0.07)
Actuarial (Gains) / Losses on liabilities - experience	41.91	4.47	0.26	0.10
Net benefits paid out	(11.30)	(13.19)	(0.23)	(0.25)
Past service cost (incl. curtailments)	-	-	-	-
Closing defined benefit obligation	412.47	418.15	2.52	2.39

Changes to the fair value of assets during the period

	Funded Liabilities as at		Unfunded Liabilities as at	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£m	£m	£m	£m
Opening fair value of assets	432.82	429.59	-	-
Interest income on assets	11.73	20.26	-	-
Remeasurement Gains / (Losses) on assets	(18.31)	13.28	-	-
Contributions by the employer	10.58	11.23	0.23	0.25
Contributions by participants	4.07	4.52	-	-
Net benefits paid out	(11.30)	(13.19)	(0.23)	(0.23)
Closing fair value of assets	429.59	465.69	-	0.02

Reconciliation of the present value of the defined benefit obligation and the fair value of fund assets to the assets and liabilities recognised in the balance sheet

	31 March 2023	31 March 2024
	£m	£m
Fair Value of Assets (funded)	429.59	465.69
Fair Value of Assets (unfunded)	-	-
Present value of defined benefit obligation (funded)	(412.47)	(418.15)
Unrecognised asset (Funded)		(13.93)
Present value of defined benefit obligation (unfunded)	(2.52)	(2.39)
Asset / (Liability) recognised on the balance sheet	14.60	31.22

The above table has been updated to be compliant with the requirements of International Accounting Standard 19 for the disclosure of any unrecognised assets when detailing the position held on the balance sheet in relation to the pension fund.

The Chief Constable and Group account for pensions under IAS 19, this standard stipulates that when an entity has a surplus in a defined benefit plan that it should measure the net defined benefit asset as the lower of the surplus in the defined benefit plan and the asset ceiling.

The definition given of an asset ceiling is the future economic benefits available to the entity in the form of reduced future contributions or a cash refund.

Prior to the financial year 2022/23 the fund has never been in a surplus position and actuaries have applied FRS 102 for recognition of the defined benefit obligation on an entities balance sheet, within FRS 102 the following is noted for dealing with a surplus;

If the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan

The impact of this approach for the 2022/23 accounts was that a defined benefit asset was recognised on the balance sheet in full as there was no guidance on 'reduced future contributions' or 'refunds' for which an asset ceiling could be calculated. The assumption had been that the employer could cease contributions into the scheme at the accounting date and gain economic benefit equal to the value of prospective service costs.

This assumption has been reconsidered and AON, in line with increasing industry wide practice, have moved to applying the principles of IFRIC 14 which requires an allowance be made for a minimum funding requirement. This limits the amount of economic benefit from reduced contributions to the excess of the value of the prospective current service costs above the funding requirement.

The impact for the Chief Constable is that the asset recognised on the balance of £31.220 million is the position after the asset restriction has been applied which equated to an unrecognised asset of £8.970 million.

Scheme Assets

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rate of return experienced on the respective markets. The actual return on scheme assets in the year was a gain of £28.580 million (£6.580 million loss in 2022/23).

Analysis of Scheme Assets				
Asset	Asset split at 31 March 2023 (%)	Quoted At 31 March 2024 (%)	Unquoted At 31 March 2024 (%)	Asset split at 31 March 2024 (%)
Equities	51.2	39.5	11.1	50.6
Property	10.5	0.0	10.4	10.4
Government bonds	1.3	1.3	0.0	1.3
Corporate bonds	19.5	19.5	0.0	19.5
Cash	1.8	0.7	0.0	0.7
Other*	15.7	4.6	12.9	17.5
	100.0	65.6	34.4	100.0

* Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these will get a return in line with equities

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows

Members	%
Actives	45
Deferred Pensioners	15
Pensioners	40

Actuarial Assumptions

Liabilities have been assessed on an actuarial basis to provide an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels and discount rates. AON Solutions UK Limited, an independent firm of actuaries, has valued the Tyne and Wear Pension Fund's assets and liabilities in accordance with IAS 19 by using the latest actuarial valuation of the Fund as at 31 March 2022. The liabilities for unfunded benefits are based on an actuarial valuation which took place on 31 March 2024.

A building block approach is employed in determining the rate of return on fund assets. Historic markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out in the (analysis of scheme assets) table on the previous page. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2024.

The principal financial and actuarial assumptions are set out in the following table:

Principal financial and actuarial assumptions				
	Funded Liabilities		Unfunded Liabilities	
	2022/23	2023/24	2022/23	2023/24
Financial assumptions (% per annum)				
Discount Rate	4.7	4.8	4.7	4.8
Rate of Inflation (CPI)	2.7	2.6	2.7	2.6
Rate of increase in salaries	4.2	4.1	n/a	n/a
Rate of increase to pensions in payment	2.7	2.6	2.7	2.6
Pension accounts revaluation rate	2.7	2.6	n/a	n/a
Mortality assumptions				
Future lifetime from age 65 (Member aged 65 at accounting date)				
Men	21.6	21.0	21.6	21.0
Women	24.6	24.2	24.6	24.2
Future lifetime from age 65 (Member aged 45 at accounting date)				
Men	22.9	22.3	n/a	n/a
Women	26.1	25.6	n/a	n/a

The mortality assumptions are based on the actual mortality experience of members in the fund as identified in the actuary's disclosure.

Commutations	
Year ended 31 March 2023	Each member is assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.
Year ended 31 March 2024	Each member is assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2008 service) is 75% of the permitted maximum.

Sensitivity to main assumptions

The following table shows the approximate impact of changing the key assumptions on the present value of the funded benefit obligations as at 31 March 2024 and the projected service cost for the year-ending 31 March 2024. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Sensitivity to main assumptions (Funded Liabilities)			
Discount rate assumption	Adjustment to Rate		
Adjustment to discount rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M)	404.63	418.15	426.09
Change in present value of total obligation	-1.9%		1.9%
Projected service cost (£M)	11.95	12.50	13.08
Approximate change in projected service cost	-4.4%		4.6%
Rate of general increase in salaries	Adjustment to Rate		
Adjustment to salary increase rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M)	418.99	418.15	417.31
Change in present value of total obligation	0.2%		-0.2%
Projected service cost (£M)	12.50	12.50	12.50
Approximate change in projected service cost	0.0%		0.0%
Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption	Adjustment to Rate		
Adjustment to pension increase rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M)	425.26	418.15	411.04
Change in present value of total obligation	1.7%		-1.7%
Projected service cost (£M)	13.08	12.50	11.95
Approximate change in projected service cost	4.6%		-4.4%
Post retirement mortality assumption	Adjustment to Rate		
Adjustment to mortality age rating assumption*	- 1 year	Base Figure	+ 1 year
Present value of total obligation (£M)	428.60	418.15	407.70
Change in present value of total obligation	2.5%		-2.5%
Projected service cost (£M)	12.94	12.50	12.06
Approximate change in projected service cost	3.5%		-3.5%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

Expected Future Contributions

The expected contributions to be made to the Tyne and Wear Pension Fund by the Chief Constable for the accounting period to 31 March 2025 are estimated to be £11.960 million (£11.690 million funded and £0.270 million unfunded). In addition, strain on the fund contributions may be required as a result of voluntary redundancies and early retirements.

Duration of Liabilities

The duration of the Employer's liabilities is the average period between the calculation date and the date at which benefit payments fall due. This is estimated as 19.0 years.

b) Defined Benefit Plan: Police Pension Scheme

The Police Pension Schemes are wholly unfunded defined benefit schemes. Contributions and pensions are made to and paid from the Police Pension Fund, which is balanced to nil at the end of each financial year by receipt of a top-up pension grant from the Home Office. There are no investment assets built up to meet the pensions' liabilities and cash has to be generated by the Home Office to meet the actual pension payments as they eventually fall due.

The results have been calculated by carrying out a detailed valuation of the data provided as at 31 March 2020, for the latest funding valuation. This has then been rolled forward to reflect the position as at March 2024, allowing for additional service accrued between 01 April 2020 and 31 March 2024, and known pension and salary increases that would have applied. The transactions shown below have been made during the year:

Charges to Comprehensive Income and Expenditure Statement		
	31 March 2023 £m	31 March 2024 £m
Net Cost of Service		
Current service cost	76.57	26.42
Past service cost	-	(0.06)
Financing and investment income and expenditure	-	
Pension interest cost	117.11	149.15
Total charge to Provision of Services	193.68	175.51
Re-measurement of the net defined benefit liability / (asset)	(1,329.75)	(93.70)
Total IAS 19 charge to Comprehensive Income and Expenditure	(1,136.07)	81.81

Present value of the defined benefit obligation

The present values of the scheme's liabilities are shown in the following table:

History of scheme liability					
	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Present value of the defined benefit obligation	(4,015.36)	(4,363.62)	(4,436.49)	(3,252.99)	(3,282.81)
Surplus / (Deficit) in the Scheme	(4,015.36)	(4,363.62)	(4,436.49)	(3,252.99)	(3,282.81)

Reconciliation of the fair value of scheme assets

Reconciliation of the fair value of scheme assets		
	31 March 2023 £m	31 March 2024 £m
Opening fair value of assets	-	-
Actuarial Gains and (Losses) on assets	64.63	66.19
Contributions by employer	47.43	51.99
Contributions by participants	18.09	19.98
Transfers in	0.34	1.21
Net benefits paid	(130.49)	(139.37)
Closing fair value of assets	-	-

Analysis of movements in scheme liability

Analysis of the movement in scheme liability		
	31 March 2023 £m	31 March 2024 £m
Net Surplus / (Deficit) at the beginning of year	(4,436.49)	(3,252.99)
Current service cost	(76.57)	(26.42)
Cost covered by employee contributions	(18.09)	(19.98)
Past service cost	-	0.06
Pension transfers in	(0.34)	(1.21)
Net interest on the net defined benefit Liability / (Asset)	(117.11)	(149.15)
Net benefits paid	130.49	139.37
Remeasurements of the net defined Liability / (Asset)	1,265.12	27.51
Net Surplus / (Deficit) at the end of year	(3,252.99)	(3,282.81)

The weighted average duration of the defined benefit obligation for the Police Pension Scheme 2015 is around 29 years, the New Police Pension Scheme 2006 is around 30 years, and for the Police Pension Scheme 1987 it is around 15 years.

The weighted average duration of the defined benefit obligation for all police officer Pension Schemes, on a consolidated basis are around 17 years.

The Police Pension Scheme has no investment assets to cover its liabilities; these are met as they fall due.

Expected Future Contributions

The expected contributions to be made to the Police Pension Scheme by the Chief Constable for the accounting period to 31 March 2025 are estimated to be £55.502 million compared to £45.230 million paid in 2023/24.

Actuarial Assumptions

Liabilities have been assessed on an actuarial basis using the Projected Unit Credit Method (PUCM), an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

Principal Financial and Actuarial Assumptions		
	31 March 2023	31 March 2024
Discount rate (Rate of Return)	4.65%	4.75%
Rate of inflation - pension increases (CPI)	2.60%	2.60%
Salary Inflation (long-term)	3.85%	3.85%
CARE revaluation rate	3.85%	3.85%
Rate of return in excess of:		
Salary Inflation (long-term)	0.80%	0.90%
Pension increases	2.05%	2.15%

Member with service in the following scheme:	Commutation Assumptions
Police Pension Scheme 1987	25% of 1987 Scheme pensions are assumed to be commuted.
Police Pension Scheme 2006	Commutation is not available, no assumption required.
Mixed 1987 and 2015 Scheme	25% of 1987 Scheme pensions and 12% of 2015 Scheme pensions are assumed to be commuted.
Mixed 2006 and 2015 Scheme	20% of 2015 Scheme pensions are assumed to be commuted and nil in respect of the 2006 Scheme for which commutation is not available.
Police Pension Scheme 2015	20% of 2015 Scheme pensions are assumed to be commuted, except for members who also have 1987 Scheme pension for whom 12% are assumed to be commuted.

	Mortality Assumptions	
	Normal Health	
	2022/23 (years)	2023/24 (years)
Future Lifetime at 65 for current pensioners		
Men	21.90	21.90
Women	23.50	23.60
Future Lifetime at 65 for future pensioners (currently aged 45)		
Men	23.50	23.60
Women	25.00	25.10

The results of any actuarial calculations are inherently uncertain because of the assumptions which must be made under IAS19 to reflect market conditions at the valuation date. For 2023/24 there has been minimal movement in the liability since 2022/23.

In 2022/23 there was a significant reduction in the liability against the previous year. That was primarily due to an increase in the discount rate assumption from 2.65% in 2021/22 to 4.65% for 2022/23 (+2.0%) which reduces the net liability considerably as can be evidenced by the Sensitivity table below:

Sensitivity to main assumptions			Approximate effect on scheme liability	
Change in assumption*			%	£m
Discount Rate	+ 0.5% a year	(7.50)		(253.00)
Salary Inflation	+ 0.5% a year	1.00		29.00
Pension Increases	+ 0.5% a year	7.50		251.00
Life Expectancy	All members and adult dependants assumed to be one year younger	2.50		80.00

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the DBO. Doubling the changes in the assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above.

18. Segmental Income

There is a requirement within the Code to present income and expenditure in segments as reported for internal management purposes and provide reconciliation with the Comprehensive Income and Expenditure Statement (CIES). The Expenditure and Funding Analysis (EFA) and the notes to the EFA present the financial information on a funding basis for reportable segments and reconcile this position with the CIES.

19. Events after the reporting period

New Police and Crime Commissioner Susan Dungworth

On Thursday 2 May 2024 Susan Dungworth was elected as Police and Crime Commissioner for Northumbria in the 2024 local election. Susan replaces Kim McGuinness who has held the post for five years, after being elected in the Northumbria force by-election in July 2019.

The local authorities which take part in the Northumbria election area are: Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland.

As the Commissioner throughout the financial year 2023/24, any references to information verified or provided by the Commissioner, or activities undertaken, will refer to Kim McGuinness.

20. Authorisation of accounts for issue

The Chief Constable Statements of Account for the financial year ended 31 March 2024 were approved by the Chief Constable and authorised for issue on 27 February 2025.

Supplementary Financial Statements

Comprising:

- Police Pension Fund
- Notes to the Supplementary Financial Statements

This statement shows the details of the Pension Fund Account for the Police Pension Scheme for 2023/24 and shows comparative figures for 2022/23.

Police Pension Fund		
2022/23 £000	FUND ACCOUNT	2023/24 £000
(42,181)	Normal	(46,338)
-	Additional funding payable by the local policing body to meet the deficit for the year	-
(331)	Other (Ill Health Retirements)	(359)
(42,512)	Contribution Receivable from Employer	(46,697)
(18,082)	Contribution Receivable from Members	(20,028)
(18,082)	Contribution Receivable from Members	(20,028)
(60,594)	Contributions Receivable	(66,725)
(366)	Individual Transfers in from other schemes	(1,505)
(366)	Transfers in	(1,505)
101,825	Pensions	112,421
22,544	Commutations and Lump Sum Retirement Benefits	20,675
511	Lump Sum Death Benefits	288
431	Other (Inter Authority Adjustments / LTA Payments)	433
125,311	Benefits Payable	133,817
183	Refunds of Contributions	318
64	Individual Transfers Out To Other Schemes	-
247	Payments To and On Account of Leavers	318
125,558	Total Benefits Payable	134,135
64,598	Net amount payable for the year before contribution from the Police Fund	65,905
(64,598)	Contributions from Police Fund Income and Expenditure Account in respect of Deficit on the Police Pension Fund Account	(65,905)
-	Net Amount (Receivable) / Payable In Year	-

2022/23 £000	Net Asset Statement	2023/24 £000
(829)	Lump Sums processed for April payment	(167)
829	Debtor Held on Commissioners Balance Sheet	167

1. Scheme description

The Police Pension Fund is a defined benefit scheme for police officers and comprises the Police Pension Scheme 1987, the Police Injury Benefit Scheme, the New Police Pension Scheme 2006 and the Police Pension Scheme 2015.

The scheme is wholly unfunded and balanced to nil at the end of each financial year by receipt of a top-up pension grant by the Commissioner from the Home Office or by paying the surplus over to the Home Office. There are no investment assets built up to meet the pensions' liabilities and cash has to be generated by the Home Office to meet the actual pension payments as they eventually fall.

Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department (GAD).

2. Administration of the Fund

The Chief Constable is Scheme Manager⁷ for the Police Pension Fund. The Chief Constable has a Police Pensions Board, established in 2015, under section 5 of the Public Service Pension Act, which provides local administration and governance for the Scheme.

3. Accounting Policies

The accounting policies detailed in this Statements of Account have been followed in dealing with items which are judged material in accounting for, or reporting on, the transactions and net assets of the fund. No significant estimation techniques have been adopted.

4. Future liabilities

The Funds' financial statements do not take account of liabilities to pay pensions and other benefits after the period end, which are the responsibility of the Chief Constable. Details of the long-term pension obligations can be found in the Notes to the Core Financial Statements, Employee benefits (Note 17).

7 Public Service Pension Act 2013 (section 4)

Annual Governance Statement

(Chief Constable Statements of Account 2023/24)

The Accounts and Audit Regulations 2015 require an Annual Governance Statement (AGS) to be published along with the annual Statements of Account and a narrative statement that sets out financial performance and economy, efficiency, and effectiveness in its use of resources.

This statement is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) 'Good Governance: Framework' (2016) and explains how the Chief Constable of Northumbria Police has complied with this framework and meets the statutory requirements of regulations. It also continues to take into account the introduction of the CIPFA Financial Management Code 2019 (FM Code).

Scope of Responsibility

The Police Reform and Social Responsibility (PRSR) Act 2011 sets out the accountability and governance arrangements for policing and crime matters. The Act establishes both the Police and Crime Commissioner (the 'Commissioner') and the Chief Constable as the 'Corporation Sole' for their respective organisations. This means each is a separate legal entity, though the Chief Constable is accountable to the Commissioner. Both the Commissioner and Chief Constable are subject to the Accounts and Audit Regulations 2015; as such, both must prepare their Statements of Account in accordance with the CIPFA Code of Practice on Local Authority Accounting, and both must publish their individual AGS.

The Chief Constable shares most core-systems of control with the Commissioner, including: the main finance systems; internal policies and processes; the Chief Finance Officer (CFO); internal audit and a Joint Independent Audit Committee (JIAC). The Commissioner's Statements of account include a similar statement which covers both the Office of the Police and Crime Commissioner (OPCC) as well as the group position of the Commissioner and Chief Constable.

The Chief Constable is responsible for the direction and control of the Force. In discharging this function, the Chief Constable supports the Commissioner to ensure their business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The Chief Constable is also responsible for putting in place proper arrangements for the governance of the Force and ensuring that the arrangements comply with the Police and Crime Commissioner's Governance Framework. In so doing the Chief Constable is ensuring a sound system of internal control is maintained throughout the year, and that appropriate arrangements are in place for the management of risk.

The Commissioner and Chief Constable have adopted corporate governance principles which are consistent with the principles of the CIPFA/SOLACE 'Good Governance: Framework'.

The PRSR Act 2011 requires the Commissioner and Chief Constable to each appoint a Chief Finance Officer (CFO) with defined responsibilities and powers. The CIPFA Statement on the Role of the CFO appointed by the Commissioner, and the CFO appointed by the Chief Constable gives detailed advice on how to apply CIPFA's overarching Public Services Statement. The 2014 Statement states:

"That both the Police and Crime Commissioner and Chief Constable appoint separate CFOs, where under existing arrangements a joint CFO has been appointed the reasons should be explained publicly in the authority's AGS, together with an explanation of how this arrangement delivers the same impact."

The Commissioner and Chief Constable have a Joint CFO for 2023/24 and consider that a joint CFO role provides both the Commissioner and Chief Constable with a single efficient, effective, and economic financial management lead. The controls remain that there is an expectation that the CFO should advise the Commissioner and Chief Constable of any conflict of interest that should arise in the joint role, especially with section 151 responsibilities; and, the CFO acts in accordance with the requirements, standards and controls as set out in the CIPFA Statement on the Role of the Chief Financial Officer of the Commissioner and the Chief Finance Officer of the Chief Constable (the CIPFA Statement).

As part of the AGS assurance review, an annual assessment to the latest CIPFA Statement (2014) is carried out by the joint CFO and has been reviewed by the JIAC for 2023/24. It confirms that the role is complying with the requirements of the Statement. The Commissioner and the Chief Constable are also satisfied that the role is working efficiently, that the responsibilities set out in the Scheme of Governance are being completed effectively, and that potential conflicts are subject to continuous review. There are no issues of conflict to report.

The Governance Framework

The governance framework in place throughout the 2023/24 financial year covers the period from 1 April 2023 to 31 March 2024 and any issues which arise up to the date of approval of the annual Statements of Account.

The framework comprises the systems, processes, culture, and values by which the Chief Constable operates in support of the Commissioner's Governance Framework. Through the application of the Commissioner's framework and Force governance arrangements, the Chief Constable is able to both monitor and deliver the objectives of the Police and Crime Plan. Consequently, the Chief Constable is able to provide assurance to the Commissioner that these objectives are leading to the delivery of appropriate and cost-effective policing services which provide value for money, a duty under the Local Government Act 1999.

The overall system of internal control is a significant part of the framework and is designed to manage risk to a reasonable and foreseeable level. It cannot, however, eliminate all risk of failure to achieve aims and objectives and therefore only provides reasonable and not absolute assurance of effectiveness. The system of internal control is an on-going process designed to identify and prioritise the risks to achieving the Commissioner's and Chief Constable's aims and objectives, evaluate the likelihood and impact of those risks being realised and manage them effectively, efficiently, and economically.

A copy of the Governance Framework is available on the OPCC website.

The Chief Constable is responsible for operational policing matters, the direction and control of police personnel and making proper arrangements for the governance of the Force. The role is accountable to the Commissioner for the exercise of those functions. The Chief Constable must therefore satisfy the Commissioner that the Force has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

This statement provides a summary of the extent to which the Chief Constable is supporting the aspirations set out in the Commissioner's Governance Framework. It is informed by internal assurances on the achievement of the principles set out in the CIPFA/SOLACE Framework (Delivering Good Governance in Local Government - Guidance Notes for Police Authorities 2016 Edition), for those areas where the Chief Constable has responsibility. It is also informed by on-going internal and external audit and inspection opinions.

The principles of good governance where the Chief Constable has responsibility are:

1. Focusing upon the purpose of the Force, on outcomes for the community, and creating and implementing a vision for the local area.
2. Ensuring that the Force and partners work together to achieve a common purpose within clearly defined functions and roles.
3. Promoting values for the Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions, which are subject to effective scrutiny and risk management.
5. Developing the capacity and capability of all to be effective in their roles.

Focusing on the Purpose of the Force and on Outcomes for the Community and Creating and Implementing a Vision for the Local Area

The Commissioner has a Police and Crime Plan, Fighting Poverty, Fighting Crime for the period 2022 to 2025. The plan was developed following extensive consultation with local people about their views of policing and community safety and sets out the police and crime priorities for the area.

Northumbria Police has a governance and decision-making structure which supports leadership, at all levels, in the effective and efficient conduct of business. It enables the Force to deliver its elements of the Police and Crime Plan, maintaining high levels of performance and service delivery at a time of continuing financial challenge. The Force's Strategic Performance Board, chaired by the Deputy Chief Constable, is the Force's primary meeting to drive and manage performance and delivery of the Force's purpose, vision and strategic objectives, supporting delivery of the Police and Crime Plan. This Board is underpinned by a range of portfolio governance and thematic boards. Performance is considered in a number of ways: compared to previous years; against agreed service standards or thresholds and peers (most similar family of Forces or nationally); direction of travel; and against key national crime and policing priorities.

Other areas of business are also regularly reported to the boards, including: The Strategic Policing Requirement; community consultation and engagement; progress against action plans in response to recommendations and areas for improvement resulting from inspections by His Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS); organisational learning; and risk management.

HMICFRS carries out a programme of inspections, including on thematic areas and a regular PEEL Assessment (Effectiveness, Efficiency and, Legitimacy). Forces are assessed on their effectiveness, efficiency and legitimacy based on inspection findings, analysis, and His Majesty's Inspectors' (HMIs) professional judgment across the year.

The latest HMICFRS inspection report for Northumbria Police 'PEEL 2021/22 Police effectiveness, efficiency and legitimacy' was published in September 2022. HMICFRS' evidence gathering for the police effectiveness, efficiency and legitimacy (PEEL) programme for the 2023-2025 cycle in Northumbria Police has commenced and is scheduled to be finalised December 2024; reporting is anticipated April 2025.

All HMICFRS inspection and investigation reports and other external inspection and audit reports are considered by the Force Chief Officer Team. A lead is appointed to consider inspection findings and identify actions in response to any recommendations and areas for improvement. The Force position is reported to the Police and Crime Commissioner at the joint Business Meeting, to inform any statutory response to inspection activity required under section 55 of the Police Act 1996. Delivery is overseen by the relevant Chief Officer lead, with further oversight at the bi-monthly Force Assurance Board and scrutiny at the Executive Board. Progress is reported and monitored at the Scrutiny Meeting of the OPCC and reported to

the Joint Independent Audit Committee. There were no risks to delivery identified during the year for any of the recommendations or areas for improvement reported by HMICFRS.

Ensuring the Force and Partners Work Together to Achieve a Common Purpose with Clearly Defined Functions and Roles

The Commissioner's Governance Framework sets out the roles of both the Commissioner and Chief Constable; they are clearly defined and demonstrate how they work together to ensure effective governance and internal control.

The Force works closely with all six local authorities in the Northumbria area and understands the policing needs in each area from our city centres to the rural communities. Northumbria Police work with a range of partners and are represented on partnerships that focus on policing and crime, including Community Safety Partnerships. The Force is also a member of local children's and adult safeguarding boards that work to ensure the safety and wellbeing of vulnerable children and adults in the Force area. The Commissioner has developed a Violence Reduction Unit which takes a public health approach to tackling serious violence working with a range of partners.

A Service Level Agreement between the Commissioner and the Chief Constable exists. This agreement identifies the services that will be shared in order to best fulfil the duties and responsibilities of each in an efficient and effective way.

The Commissioner and Chief Constable operate a joint Business Meeting, which meets regularly, the minutes of which are published on the Commissioner's website to ensure transparency of decision making.

Where collaboration between Forces is in place governance arrangements are set out in formal collaboration agreements and these are published on the OPCC website. Section 22a of the Police Act 1996 (which itself comes from section 5 the Policing and Crime Act 2009) places on the Commissioner and the Chief Constable a duty to publish copies of collaboration agreements to which they are party.

The partnership arrangement with the North-East Regional Organised Crime Unit (NEROCU), collaboration between the three Forces of Northumbria, Cleveland and Durham, is subject to a formal section 22a agreement and governance arrangements which ensure it is monitored regularly throughout the year.

Promoting Values of Good Governance through Upholding High Standards of Conduct and Behaviour

The OPCC is responsible for handling complaints and conduct matters in relation to the Chief Constable, as well as scrutinising the Force's approach to the investigation of all other complaints and conduct matters.

The Chief Constable handles complaints and conduct matters through the Professional Standards Department (PSD) within Northumbria Police. The Head of PSD reports directly to the Deputy Chief Constable. It is the purpose of PSD to promote public confidence through upholding high standards, deterring misconduct and influencing individual and organisational behaviour. Governance around the performance of PSD, trends in complaints or conduct matters and lessons learned is provided to the Trust and Confidence Board. The Group is chaired by the Assistant Chief Constable (Force Coordination) and ensures that the provision of services is based on insight and engagement and considers aspects of legitimacy concerned with the use of police powers and decision making.

The Independent Office for Police Conduct (IOPC) scrutinise the performance of PSD with regards the quality and timeliness of decisions and investigations. Performance meetings are held between PSD, the Regional Director of the IOPC and Oversight Liaison (IOPC North East) on a quarterly basis.

Northumbria Police also has an Ethics Advisory Board comprising internal and external members, with links to the Regional Ethics Group. The Advisory Board ensures that the way Northumbria Police applies its working practices is ethical and legitimate. It also considers any highlighted ethical dilemmas, contributing as appropriate to the revision of Force policies and procedures.

The Chief Constable is the Data Controller for the Force, responsible for determining the purposes and manner in which personal data are processed. The Force has established an Information Management Department (IMD) which helps to fulfil the legal requirements associated with the Data Protection Act 2018, ensuring information and systems comply with all Data Protection principles and legislation as set out in the Act. Information management is a critical area of business required to ensure good governance.

Northumbria Police has a robust process for dealing with data breaches and during the 12 months to 31 March 2024 there were no data breaches reported to the Information Commissioner's Office (ICO). The 2023/24 audit of Information Governance and Data Security found that control systems were satisfactory with 1 medium priority recommendation identified. This recommendation is being addressed as part of an action plan agreed by the Head of Department.

There are no significant areas of concern that need to be disclosed within the AGS.

Taking Informed and Transparent Decisions Which are Subject to Effective Scrutiny and Risk Management

All strategic decision-making is carried out in accordance with the Commissioner's Governance Framework.

The Governance arrangements ensure that key decisions are taken at the appropriate level, and are referred to Commissioner as required. Through regular meetings the Chief Constable is subject to the oversight and scrutiny of the Commissioner.

The Joint Independent Audit Committee (JIAC) of the Commissioner and Chief Constable has five independent members who are appointees from within the Force area. JIAC receives reports from both the internal and external auditors, as well as any other reports required to be referred to it under its established Terms of Reference. Through this body the Chief Constable is subject to challenge not only by the Commissioner, but also of the independent members of the JIAC.

The Commissioner and Chief Constable each have a Strategic Risk Register which is been designed to ensure the effective management of strategic risk. Each strategic risk is assigned an owner from the Force's Executive Team or OPCC as appropriate, who has responsibility for the management of controls and the implementation of new controls where necessary. The Force's strategic risks are reported at the Force's Executive Board and reported alongside those of the OPCC at joint Business Meeting on a quarterly basis. A Joint Strategic Risk Register is also presented to all meetings of the JIAC.

Developing the Capacity and Capability of Officers of the Force to be Effective

The Commissioner and Chief Constable ensure that they have appropriate personal performance development processes for all staff that underpin and support the performance of the local policing area or department in which they work and their own personal development. Objectives are aligned to the Commissioner's Police and Crime Plan, supported by the Northumbria Police Purpose, Vision and Objectives.

In February 2024 the Chief Constable launched the new **Force Strategy**, following feedback from officers and staff in the Force Survey that they wanted 'clear and simple direction'.

The **PURPOSE** of the Force is unchanged, 'Keep people safe and fight crime'.

The Force has simplified its **VISION**, 'To be an outstanding police force'.

New force **OBJECTIVES** introduce three key areas for all officers and staff to concentrate on:

- Focus on prevention.
- Be there when the public needs us.
- Deliver an outstanding service.

The Force Strategy is underpinned by the principles outlined in the newly revived College of Policing Code of Ethics, **‘Do the right things, in the right way, for the right reasons.’**

In March 2024 the Force announced the new Police Leadership Framework (PLF) in Northumbria, developed by the College of Policing.

The Framework includes different programme levels which are tailored to individual roles and stages of leadership. Each programme of learning seeks to improve core leadership skills which include:

- Problem solving
- Leading high performing teams
- Effective communication
- Decision making
- Team wellbeing
- Resilience
- Challenging unacceptable behaviour

The Police Leadership Framework has been developed to change the way forces deliver leadership across policing, with training based on leadership standards that are derived from the Code of Ethics.

The Force has kickstarted training under the new Framework with the launch of the mandatory ‘Everyone as a Leader’ training module, providing everyone in the Force with an introduction to leadership.

The training serves as an introduction to the national leadership standards and our leadership development framework. The Force aim is to improve our people’s leadership skills and confidence, regardless of their role. To be an outstanding force, we want our people to feel confident as leaders – doing the right things, in the right way for the right reasons.

On 8 March 2023 the Force announced the successful delivery of the police officer Uplift target set by the Government for Northumbria Police of 615 officers. As part of the National Police Uplift Programme, forces across the country were given recruitment targets to be achieved from September 2019 to March 2023, with an aim of increasing the number of officers by 20,000.

In addition to the national Uplift target the Force took the decision to commit to recruiting additional numbers in 2022/23 which took them over and above the original target set by the Government, delivering a further 78 officers.

In 2023/24 the Force was able to successfully maintain this higher target, and in the Police Grant Settlement for 2024/25 the Government have confirmed the additional numbers are added to the ‘Uplift baseline’ for Northumbria bringing the total Uplift allocation to 693 officers.

New officers have entered policing in Northumbria through a number of entry routes including the Police Constable Degree Apprenticeship (PCDA), the Degree Holder Entry Programme (DHEP), the Graduate Detective Programme (GDP) and the Initial Police Learning Development Programme (IPLDP). In 2024/25

the Force will also be recruiting through the Police Constable Entry Programme (PCEP) which is a new programme within the suite of existing police constable entry routes, available to all forces from April 2024.

The recruitment drive by Northumbria Police received praise in the latest report from His Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS), highlighting the Force's successful innovative approach to attracting candidates from under-represented groups.

Value for Money and Reliable Financial and Performance Statements are Reported and Internal Financial Controls Followed

Financial control involves the existence of a control structure which ensures that all resources are used as efficiently and effectively as possible to attain the Commissioner's and Chief Constable's objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of those assets and resources over which the Chief Constable has delegated control.

The Internal Audit Service, provided under an agreement with Gateshead Council, is required to objectively examine, evaluate and report upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the Commissioner and Chief Constable's resources.

This is achieved through the delivery of a risk based annual audit plan which is monitored by the JIAC on a quarterly basis. The Internal Audit Executive also prepares an annual report based on the work of the Internal Audit Service which provides an independent and objective opinion on the internal control, governance and risk environments of the Commissioner and Chief Constable, based on the work undertaken by the Internal Audit Service throughout 2023/24.

The financial management and performance reporting framework follows national and/or professional best practice, and its key-elements are set out below:

- Financial Regulations establish the principles of financial control. They are designed to ensure that the Commissioner conducts financial affairs in a way which complies with statutory provision and reflects best professional practice. Contract Standing Orders set-out the rules to be followed in respect of contracts for the supply of goods and services.
- A robust system through which the Force manages Finance, People Services, Payroll and Procurement processes is used throughout the Force. This enables systematic control to be applied, particularly in relation to budget management. This ensures that responsibility and accountability for resources rest with those managers who are responsible for service provision. This is underpinned by systematic controls which ensure financial commitments are approved by the relevant manager.
- In accordance with the Prudential Code and best accounting practice, the Commissioner produces a four-year Medium Term Financial Strategy (MTFS) and capital programme. The Chief Constable produces a Medium-Term Financial Plan (MTFP) that informs the MTFS of the Commissioner. These are reviewed on an on-going basis and form the core of resource planning, setting the precept level, the annual revenue budget and capital programme.
- The MTFS includes known commitments, anticipated resource availability and other expenditure items which the Chief Constable has identified as necessary to deliver both national and local policing priorities.
- During the 2023/24 financial year the Force introduced a Priority Based Budgeting (PBB) approach to business planning aimed at creating efficiency savings to best invest for the future, and which can

be delivered whilst maintaining performance and identifying opportunities to improve policing services. Efficiencies identified through PBB are being delivered in 2024/25 and across the new 4-year MTFs period to 2027/28.

- The annual revenue budget provides an estimate of the annual income and expenditure requirements for the Chief Constable and sets out the financial implications of the Commissioner's policies. It provides the Executive Team with the authority to incur expenditure and a basis on which to monitor and report on financial performance.
- The Commissioner approved a balanced budget for the Force in 2023/24 which included an increase in the Council Tax Precept of £15.00 per year for a Band D property.
- The additional income generated by the precept increase for 2023/24 was £6.120m and was used to:
 - Deliver a restructure of neighbourhood policing, allocating 134 new officers into specialist frontline roles to take on the fight against crime, and;
 - Help protect the force from the impact of significant budget pressures and spiraling inflation.
- Monthly financial performance reports are presented to the Executive Board that focus on year-to-date information and forecast outturn enabling officers to establish a clear understanding of financial performance. These are then presented quarterly to the Commissioner through the joint Business Meeting, and these are available on the Commissioner website for wider scrutiny of financial performance by the public. Additional monitoring reports are produced and discussed with budget managers on a regular basis throughout the year.

Review of Effectiveness

The Chief Constable has a responsibility to ensure, at least annually, that an evaluation of the effectiveness of the governance framework, including the system of internal audit and system of internal control is undertaken. This is informed by the internal audit assurance, opinions and reports of our external auditors and other inspection bodies, as well as the work of the CFO and of managers within the Force who have responsibility for the development and maintenance of the governance environment.

For 2023/24, the review process has been led by the Joint Police and Crime Commissioner/Chief Constable Governance Monitoring Group and considered by the JIAC and has taken account of:

- The system of internal Audit
- Senior manager's assurance statements
- Governance arrangements
- Financial Controls - An assessment of the role of the CFO in accordance with best practice
- Views of the external auditor
- HMICFRS and other external inspectorates
- The legal and regulatory framework
- Risk management arrangements
- Performance management and data quality
- Other 'Thematic Assurance'
 - Business Planning
 - Partnership arrangements and governance
 - Information and Communications Technology (ICT) Arrangements
 - Fraud, Corruption and Money Laundering
 - Wellbeing

CIPFA Financial Management Code self-assessment

Included within the above assurance review is the CIPFA Financial Management Code self-assessment which was first introduced in 2020/21 and became mandatory from 2021/22. The Code is based on a series of principles supported by specific standards which are considered necessary to provide a strong foundation to manage the short, medium, and long-term finances of a public body, manage financial resilience to meet unforeseen demands on services and manage unexpected changes in financial circumstances.

The assessment has been divided into 7 specific sections; each has been assigned a Red, Amber, or Green (RAG) rating in-line with the scale of the improvements required for full compliance. A Red rating indicates that significant improvements are required; an Amber rating indicates that moderate improvements are required; and a Green rating indicates that no improvements or minor improvements may be required. The RAG assessment ratings for 2023/24 against each section are noted below:

6. The Responsibilities of the Chief Finance Officer and Leadership Team	(Green)
7. Governance and Financial Management Style	(Green)
8. Long to Medium Term Financial Management	(Green)
9. The Annual Budget	(Green)
10. Stakeholder Engagement and Business Plans	(Green)
11. Monitoring Financial Performance	(Green)
12. External Financial Reporting	(Green)

The overall conclusion from the self-assessment is Green; however, the Code requires any areas for improvement to be disclosed within an action plan. The results of the self-assessment identified 1 area for improvement, which once implemented will further strengthen the OPCC and Force compliance with the Financial Management Code. The CIPFA FM Review has been carried out during the 2024/25 financial year, the outcomes and any improvement plans will be noted in the AGS 2024/25.

From the overall review of effectiveness, no issues were identified as governance issues, which required disclosure within this AGS. For the senior managers' assurance statements, each area of responsibility was assessed using a standard governance questionnaire.

All areas returned compliant to each of the questions, with no non-compliance.

Internal Audit Overall Assessment & Independent Opinion

The assessment by Internal Audit of the Commissioner and Chief Constable's internal control environment and governance arrangements makes up a fundamental element of assurance for the AGS.

There were 26 audits within the 2023/24 audit plan, all of which were completed. Of the 26 reports, 20 audits concluded that systems and procedures were operating well, and 5 audits concluded that systems and procedures were operating satisfactorily, with 1 audit assessed as having significant weaknesses.

Based on the evidence arising from internal audit activity during 2023/24, including advice on governance arrangements, the Commissioner and Chief Constable's internal control systems and risk management and governance arrangements are considered to be effective.

As part of the 2023/24 audit plan, approved by the JIAC, the audit of governance was completed. The audit found systems and controls are operating well and no findings were raised.

Actions from the 2022/23 Statement

There was one action identified in the 2022/23 Annual Governance Statement which related to an outstanding planned activity identified under the CIPFA Financial Management Code self-assessment. The CIPFA FM Review was undertaken by the Force in 2024/25 and the outcomes from the review will be noted in the AGS 2024/25.

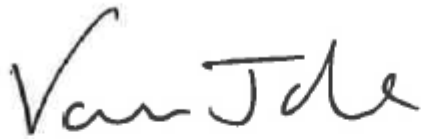
2023/24 Governance Issues

The review has identified no governance issues that need to be included within the 2023/24 Annual Governance Statement as actions.


Conclusion

No system of internal control can provide absolute assurance against material misstatement or loss; this statement is intended to provide reasonable assurance.

However, on the basis of the review of the sources of assurance set out in this statement, the undersigned are satisfied that the Chief Constable of Northumbria Police has in place satisfactory systems of internal control which facilitate the effective exercise of their functions, and which include arrangements for governance, control, and the management of risk.

SIGNED 
Chief Constable

SIGNED 
Deputy Chief Constable


SIGNED
Chief Finance Officer

Date 27/2/25

Independent Auditors Report

INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF NORTHUMBRIA

Opinion

We have audited the financial statements of the Chief Constable of Northumbria for the year ended 31 March 2024 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Chief Constable of Northumbria Movement in Reserves Statement;
- Chief Constable of Northumbria Comprehensive Income and Expenditure Statement;
- Chief Constable of Northumbria Balance Sheet;
- Chief Constable of Northumbria Cash Flow Statement and the related notes 1 to 20, including material accounting policy information; and
- Chief Constable of Northumbria Pension Fund Account and its related notes 1 to 4 (within the Supplementary Financial Statements section).

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Northumbria as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Chief Constable for Northumbria in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable's ability to continue as a going concern for a period to 31 March 2026.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Chief Constable's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statements of Account, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the Statements of Account.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended);
- we are not satisfied that the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in these respects.

Responsibilities of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities set out on page 23, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Chief Constable's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable either intends to cease operations, or has no realistic alternative but to do so.

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Chief Constable and determined that the most significant are:
 - Local Government Act 1972,
 - Local Government Act 2003,
 - The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
 - The Local Audit and Accountability Act 2014 (as amended),
 - The Accounts and Audit Regulations 2015,
 - The Police Reform and Social Responsibility Act 2011,
 - Anti-social behaviour, Police and Crime Act 2014,
 - Police Pensions scheme regulations 1987,
 - Police Pensions regulations 2006; and
 - Police Pensions regulations 2015.

In addition, the Chief Constable has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, procurement and health & safety.

- We understood how Chief Constable is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Chief Constable's committee minutes, and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Chief Constable's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified management override of controls to be our fraud risk.

- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We also tested estimates for evidence of management bias and performed procedures to identify any significant or unusual transactions in the accounts for testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2024, as to whether the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Chief Constable of Northumbria has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delayed certificate

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of and the Chief Constable of Northumbria.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Chief Constable of Northumbria, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Northumbria, for our audit work, for this report, or for the opinions we have formed.

Claire Mellons
Ernst & Young LLP

Claire Mellons (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Newcastle upon Tyne
28 February 2025

Glossary of Terms

Accounting policies are those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

Recognising;

- Selecting measurement bases for; and
- Presenting assets, liabilities, gains, losses and changes to reserves.
- Accounting policies do not include estimation techniques.
- Accounting policies define the process whereby transactions and other events are reflected in financial statements.

Accruals: the accruals basis of accounting is where transactions and other economic events are reported in the period of activity to which they relate rather than when cash is received or paid.

Actuarial gains and losses: Actuarial gain or loss refers to an increase or a decrease in the projections used to value a defined benefit pension plan obligations.

Amortisation: is the process of writing-off the cost of an intangible asset over its economic life. It is analogous to depreciation of tangible non-current assets.

Assets: an asset is “a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity” (IASB definition).

Budgets: a statement of the Chief Constable’s forecast of net revenue and capital expenditure over a period of time, i.e. A financial year.

Capital charges: are charges to the Comprehensive Income & Expenditure to reflect the cost of using assets. They are based upon depreciation, which represents the cost of using the asset.

Capital expenditure: is expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital receipts: are proceeds from the sale of the Commissioner’s buildings or from the repayment of loans and advances.

Cash: comprises cash in hand and demand deposits.

Cash equivalents: are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CIPFA: (the Chartered Institute of Public Finance and Accountancy) provides guidance in the interest of public services. It is the professional body for accountants working in the UK public sector. It provides financial and statistical information for local authorities and other public sector bodies, and advises Central Government and other bodies on public finance.

Constructive obligation: is an obligation that derives from an entity’s actions where:

By an established pattern of past practice, published policies or a sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities, and as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingencies: are funds set aside as a reserve to meet the cost of unforeseen items of expenditure, or shortfalls in income and to provide for inflation. This is not included in individual budgets because their precise value cannot be determined in advance.

Contingent assets: are possible assets arising from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Commissioner’s control.

Contingent liabilities are either:

Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Commissioner's control; or

Present obligations arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Corporate & Democratic Core: comprises democratic representation, governance and management by the office of the Commissioner. Corporate Management costs concerns those activities and costs that provide the infrastructure that allows services to be provided and the information that is required for public accountability, for example, treasury management and external audit.

Corporate governance: is the system by which an organisation directs and controls its functions and relates them to its communities.

Creditors: are amounts owed for goods and services received but where payment has not been made at the end of the financial year (i.e. 31 March).

Current assets: cash and other assets likely to be converted to cash or consumed within one year.

Current liabilities: are amounts owed to individuals or organisations that will be paid within twelve months of the Balance Sheet date.

Current service cost (pensions): is the increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Debtors: are amounts owed to the Commissioner for goods and services supplied but where payment has not been received at the end of the financial year.

Deferred liabilities: are liabilities that should have been paid to an individual or an organisation during the year but have been deferred to a later date.

Defined benefit scheme: is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Defined contribution scheme: is a pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Discretionary benefits: are retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Chief Constable's discretionary powers, such as the Local Government (Discretionary Payments) Regulations 1996.

Estimates: are amounts that the Commissioner expects to spend or receive as income during an accounting period:

Original Estimates are the estimates for a financial year approved by the Commissioner before the start of the financial year.

Revised Estimates are an updated revision of the estimates for a financial year prepared within the financial year.

Estimation techniques: are methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves.

Estimation techniques implement the measurement aspects of accounting policies. A policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. They include, for example:

Methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a non-current asset consumed in a period; and

Different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as a whole rather than individual balances.

Events after the Reporting Period: are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statements of Account are authorised for issue.

Exceptional items: are material items which derive from events or transactions that fall within the ordinary activities of the Chief Constable and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Formula grant: is the general grant given by the Home Office to spending on services.

General Fund: holds the police fund and is the main reserve into which Council Tax Precept, government grant and other income is paid into and from which meets the day-today cost of providing services.

Government grant: is assistance by government, inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the Commissioner in return for past or future compliance with certain conditions relating to the activities of the authority.

Gross expenditure: is the total cost of providing the Commissioner's services before taking into account income.

IAS (International Accounting Standards): are accounting pronouncements issued by the International Accounting Standards Board. They have been adopted by the UK public sector in a move to make it more comparable with both the private sector and the international community as a whole.

IFRSs (International Financial Reporting Standards): are accounting pronouncements issued by the IASB. They have been adopted (or, in some cases, interpreted or adapted) by the UK public sector in an attempt to make it more comparable with both the private sector and the international community as a whole.

Liabilities: Money owed or the obligation to transfer economic benefit at some point in the future.

Local Government Pension Scheme (LGPS): is a nationwide public sector pension scheme for employees working in local government. It is administered locally for participating employers through many regional pension funds. South Tyneside Council is the Fund Administering Authority for the LGPS offered to employees by the Chief Constable and is responsible for the governance of the Fund.

Materiality: an item of information is material if its omission or misstatement from the accounts might reasonably affect the assessment of the authority's stewardship, economic decisions or comparison with other entities. Materiality is dependent on the size and nature of the item in question.

Non-current assets: are those that yield benefits to an entity and the services it provides for a period of more than one year.

Past service cost: for a defined benefit pension scheme, is the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Pension fund: an employees' pension fund which is maintained by an authority, or group of authorities, in order to make pension payments on retirement of participants. It is financed from contributions from the employing authority, the employee and investment income.

Police and Crime Commissioner (Commissioner / PCC): a person elected who is accountable to the public for ensuring an effective and efficient police Force.

Police Fund: is the fund into which all receipts of a Police and Crime Commissioner must be paid and from which all expenditure must be paid out of.

Police Grant: is grant paid by the Home Office to police and crime commissioners as part of the Local Government Finance Settlement.

Police Pension Scheme: is the collective term used for the pension schemes for police officers and comprises the Police Pension Scheme 1987, the New Police Pension Scheme 2006, the Police Pension Scheme 2015, and the Police Injury Benefit Scheme. The rules of which are set out in The Police Pension Regulations 1987, The Police Pension Regulations 2006, The Police Pension Regulations 2015, and The Police (Injury Benefit) Regulations 2006, and subsequent amendments.

Police staff: includes staff under the direction and control of the Chief Constable.

Precepts: the demands made by the Police and Crime Commissioner on councils to finance police expenditure.

Prior period adjustments: are material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provisions: are amounts set aside in the accounts for liabilities that are likely to be incurred or assets that are likely to be received but where the amounts or the dates on which they will arise are uncertain.

Prudential borrowing: all borrowing must remain within the Commissioner's prudential borrowing limits (see Prudential Code), which are agreed annually by Commissioner.

Prudential Code for Capital Finance in Local Authorities: this replaced the previous regulatory frameworks in England, Wales and Scotland. The 2003 Code introduced a need for local authorities to consider capital spending plans with reference to affordability (implications for Council Tax), prudence and sustainability, value for money, stewardship of assets, strategic objectives and the practicality of the plans.

Related parties: a related party is a person or entity that is related to the entity that is preparing its financial statements.

A person or a close member of that person's family is related to a reporting entity if that person:

1. Has control or joint control over the reporting entity;
2. Has significant influence over the reporting entity; or
3. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions apply:

1. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
2. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
3. Both entities are joint ventures of the same third party
4. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
5. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
6. The entity is controlled or jointly controlled by a person identified in (a).
7. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Examples of related parties of an authority include:

- Central Government.
- Local authorities and other bodies Precepting or levying demands on the Council Tax.

- Its subsidiaries and associated companies.
- Its joint ventures and joint venture partners.
- Its members.
- Its chief officers.
- Its pension fund.

Related party transaction: is a transfer of resources or obligations between a reporting entity and a related party, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

Remuneration: is defined as sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

Reserves: are monies set aside by the Commissioner for future police purposes or to cover contingencies.

Retirement benefits: are all forms of consideration given by the Commissioner in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

An employer's decision to terminate an employee's employment before the normal retirement date; or

An employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Revenue expenditure: is incurred on the day-to-day running of the Chief Constable's activities; the costs principally include employee expenses, premises costs, supplies and transport.

Scheme liabilities: (of a defined benefit scheme) are outgoings due after the valuation date. They are measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Service Reporting Code of Practice (SeRCOP): provides guidance on financial reporting to ensure data consistency and comparability between authorities. It was introduced by CIPFA in response to the demand placed upon authorities to secure and demonstrate best value in the provision of services to the community.

Short Term Accumulating Absences Account: represents the estimated financial value of untaken short-term employee benefits, e.g. Annual leave, at the end of the financial period.

Strain on the Fund: when a member of the Local Government Pension Fund is allowed to retire early (e.g. Efficiency, redundancy or with the Chief Constable's consent) employee and employer pension contributions stop but benefits become payable earlier than assumed and will be paid for a longer period. To meet the additional cost to the fund, the employer must make additional payments called strain costs.

Support services: or overheads, are those services that support the delivery of front line services.

Unusable reserves: are those reserves that the Chief Constable is not able to use to provide services. This category of reserves includes reserves that hold unrealisable gains and losses, where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences. **Note 8** provides further information on the individual reserves in this category.

Usable reserves: are those reserves that the Chief Constable may use to provide services, they can also be described as 'cash-backed'. **Note 8c** provides further information on the individual reserves in this category.

Useful life: or useful economic life, is the period over which an entity will derive benefits from the use of a fixed asset.

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Contacts

For copies, please contact the Chief Constable at:

Email: accountancy.services@northumbria.pnn.police.uk

Alternative formats of this Statement (including large print, easy read and translations into other languages) are available upon request.

For queries / feedback,

Please contact Gail Thompson at:

gail.thompson.4397@northumbria.pnn.police.uk

Primary contacts:

Chief Finance Officer:	Kevin Laing	
Deputy Head of Finance	Gail Thompson	
Finance Lead, Corporate Finance and Governance :		Laura Burbridge

Web links:

www.northumbria.police.uk

www.northumbria-pcc.gov.uk

Image sources

Northumbria Police and Crime Commissioner