



The Police, Fire and Crime Commissioner for North Yorkshire Police

Statement of Accounts - 2022/23

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NYPFCC AND NYPFCC POLICE GROUP

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NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS for NYPFCC and NYPFCC Police Group

1. Introduction

The purpose of this Narrative Report is to provide a concise and easily understandable effective guide to the most significant matters reported in the accounts. The Narrative Report provides a brief explanation of the Police, Fire and Crime Commissioner for North Yorkshire's (NYPFCC) financial position and assists in the interpretation of the financial statements, including the Group Accounts. It provides a commentary on the major influences affecting the income and expenditure and cash flow, and information on the financial needs and resources of NYPFCC and the Group. It gives an indication, in broad terms, of where NYPFCC's money comes from, what it is spent on and the services it delivers.

These accounts are prepared based on the Police Reform and Social Responsibility Act 2011 (the Act) which created two "corporation sole" bodies - the Police, Fire and Crime Commissioner for North Yorkshire (NYPFCC) and the Chief Constable of North Yorkshire Police (CCNY). The primary statutory duty of the Police, Fire and Crime Commissioner is to ensure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1986.

The financial statements presented here represent accounts for NYPFCC and also for the NYPFCC Group (the Group). NYPFCC has been identified as the parent organisation of CCNY and the requirement to produce group accounts stems from the powers and responsibilities of NYPFCC under the Act.

The Group accounts for the year ended 31 March 2023 are presented in the format laid down in "The Code of Practice on Local Authority Accounting in the United Kingdom" (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Future Change in Governance Arrangements

The York and North Yorkshire Combined Authority came into effect on 1 February 2024 under Parliamentary Order (York and North Yorkshire Combined Authority Order 2023). The order enables the Combined Authority to take on additional functions including Fire and Rescue. As a result, the NYPFCC will be abolished, and its functions transferred under the responsibility of the elected Mayor from 7th May 2024. Arrangements are being put in place to oversee the operational discharge of the function.

From 7th May 2024, the property, rights and liabilities of NYPFCC will transfer, and the Combined Authority will become the employer of all NYPFCC staff. Therefore, the 2023/24 Statement of Accounts will be the final year for NYPFCC and will reflect the relevant accounting required as part of the transfer arrangements. These will include an extended accounting period to 6th May 2024.

The statements included in the accounts are as follows:

Statement of Responsibilities for the Statement of Accounts

This explains both NYPFCC's and the Chief Finance Officer's responsibilities in respect of the Statement of Accounts.

Movement in Reserves Statement

This Statement shows the movement from the start of the year to the end on the different reserves held by the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other unusable reserves. This statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to taxpayers for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year, following those adjustments.

Comprehensive Income and Expenditure Statement

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 2 to the Accounts) and the Movement in Reserves Statement.

Balance Sheet

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves (for example the General Reserve and the Insurance Reserve) and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis" (for example the Capital Adjustment Account).

Cash Flow Statement

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

Accounting Policies

This explains the basis of the preparation of figures in the accounts. The accounts can only be properly appreciated if the policies that have been followed in dealing with material items are explained. Changes in policies from previous years have been clearly shown.

Police Pension Fund Account

This account summarises the income and expenditure related to the Police Pension Schemes. These statements are supported by various notes.

2. Summary of Financial Year 2022/23: Revenue

The Group incurred revenue expenditure during the year. Revenue expenditure is generally spent on items which are consumed within the financial year and is financed from Precepts, Government Grants and other income.

There is a direct relationship between the spend of revenue in the year and the Comprehensive Income and Expenditure Statement, however in the accounts a technical treatment is applied which makes a direct comparison to the in-year management position difficult. The summary that follows provides the detail on the outturn spend position compared to the budget. This gives a clearer assessment of performance in the year compared to the budget. The total revised budget for the year was based on the receipt of £197.7m, the table below shows the expenditure against that budget across those areas considered within the management accounts of the Group.

	Original Budget	Final Budget	Final Spend	(Under)/Over Spend
	2022/23	2022/23	2022/23	2022/23
Funding	£000s	£000s	£000s	£000s
Funding for Net Budget Requirement	(178,248)	(178,927)	(178,965)	(38)
Other Funding				
Specific Grants	(6,114)	(10,197)	(10,723)	(525)
Interest Receivable	(20)	(20)	(537)	(517)
Partnership Income/Fees and Charges	(7,110)	(8,532)	(9,381)	(848)
Total Funding	(191,491)	(197,677)	(199,606)	(1,930)
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,335	1,335	1,293	(42)
Commissioned Services	£000s	£000s	£000s	£000s
Total Commissioned Services	5,244	6,386	6,078	(308)
Asset Management	£000s	£000s	£000s	£000s
Total Asset Management	585	609	591	(18)
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	89,734	91,997	91,911	(87)
Police Overtime	2,529	2,965	4,607	1,643
PCSO Pay (incl Overtime)	8,220	8,227	7,014	(1,213)
Staff Pay (incl Overtime)	40,613	42,003	40,910	(1,093)
Pay Total	141,096	145,192	144,442	(750)
Non-Pay Budgets				
Other Non Salary	2,052	3,465	3,532	67
Injury and Medical Police Pensions	3,693	3,693	3,894	201
Premises	4,640	4,640	5,511	871
Supplies and Services	22,411	21,596	22,449	853
Transport	2,966	2,989	3,536	547
Transfer to Provisions	0	0	809	809
Non-Pay Total	35,762	36,383	39,731	3,348
Projects		10	4	(6)
Total Planned Force Expenditure	176,858	181,584	184,176	2,592
	£000s	£000s	£000s	£000s
(Surplus)/Deficit before Reserves and Capital	(7,469)	(7,762)	(7,467)	295
Planned Transfers to/(from) General Fund	0	0	0	0
Contribution to Capital Programme	8,483	8,922	9,577	655
Planned Transfers to/(from) Earmarked Reserves	(1,014)	(1,160)	(686)	474
Final/Forecast Over/(Under) Spend	0	0	1,424	1,424

During 2022/23 there was an overall overspend of £1,424k for the Group after planned and required contributions to reserves. In addition to this, as part of the budget setting process for 2023/24 the Force had planned to make an under spend of £1m during 2022/23 to contribute towards balancing the 2023/24 budget. In overall terms therefore the Group is £2.4m short of where it planned to be moving into 2023/24.

The result of this is a significant call on reserves in the short term while further work will be undertaken to address the impact of this overspend.

Non-Financial Performance

The current PFCC, Zoë Metcalfe, was elected as the Police, Fire and Crime Commissioner in November 2021 and after extensive consultation put in place the Police and Crime Plan 2022-25.

The new Police and Crime Plan highlighted the need and support for continuity of focus, with the mission and vision remaining the same - to help everyone in North Yorkshire and York to be safe and feel safe, and for our Police to be an exemplary Service.

The PFCC also continued the overarching ambition for the Service through the four C.A.R.E. Principles:

- Caring for the vulnerable,
- Ambitious collaboration,
- Realising our potential, and
- Enhancing our service for the public.

These Principles set a longer-term ambition for what the PFCC believe constitutes an exemplary service based on public feedback. Key to this is the focus on early action together, not just in preventing harm, but for its focus on understanding local need beyond police statistics to identify and tackle vulnerability and hidden harms that might not otherwise be reported.

To make sure that the Plan is realistic, the PFCC set five Public Priorities for Change. These were based on the priorities the public identified during the election campaign and in public consultation and set out the ways in which the Police Service needs to develop over the next two years to progress towards achieving the vision.

These 5 Public Priorities for Change were:

1. Actively engage with all communities to identify need and risk and to reassure
2. Work jointly as a trusted partner to prevent harm and damage, intervene early and solve problems
3. Deliver the "Right People, Right Support" every time
4. Maximise efficiency to make the most effective use of all available resources
5. Enhance positive culture, openness, integrity and public trust

The below provides an overview of some of the key work that has been delivered across the 5 Priority Areas within the Plan.

Actively engage with all communities to identify need and risk and to reassure

Outcome 1a - Public trust, confidence, and satisfaction in North Yorkshire Police services, and in reporting crime and incidents, has increased.

This year we have introduced more ways to gather the opinion of residents across York and North Yorkshire so that this feedback can inform how we shape our services. In October 2022 we launched the Public Trust and Confidence survey which invites the public to complete a set of questions to gauge trust and confidence in the policing response across York and North Yorkshire. The survey will remain on our website, and we encourage the public to participate in this, the responses are reviewed regularly and will inform future planning.

At the same time, we also launched a Victims Voices survey which invited victims and survivors of any type of crime to voice their experiences. This was to understand the impact that crime had on them, what support they needed, their engagement with any local support services and to identify any gaps in services for victims. A second survey, aimed at professionals who deliver victim support services in York and North Yorkshire, was conducted to capture what works well and what needs to be improved in the service provision. Focus groups were also held, and this was all part of the new Victim Needs Assessment to help shape future services and improve outcomes for victims.

Outcome 1b - North Yorkshire Police have a holistic understanding of need in all our communities.

When consulting on our Violence against Women and Girls Strategy, we captured the experiences of many within the local community such as the Student Health Network, organisations who support local Gypsy, Roma, and Traveller communities to gain a greater understanding of these communities.

Work jointly as a trusted partner to prevent harm and damage, intervene early and solve problems

Outcome 2a - North Yorkshire Police is a trusted and trusting partner, helping to drive a whole-system approach to improving outcomes.

Our Violence Against Women and Girls Strategy 2022-2025 is targeted to achieve meaningful and sustainable change at a local level to make a real difference to the lives of women and girls in York and North Yorkshire. This strategy is the overarching approach for many of our aims and outcomes.

This strategy identifies the challenges and crucially, how police, fire, and our community partners, alongside my office, work together to address them. Keeping women and girls safe, and ensuring they feel safe, is not something that one organisation, group or emergency service can deliver on their own. It is only by coming together, being honest about the problems and creatively finding solutions that will bring about the real change needed.

To improve partnership working and drive efficiency within police and fire, some decisions have been made on co-locating and shared services. From June 2023 we will be relocating our office from Granby Road in Harrogate collocating with North Yorkshire Police at the Harrogate Police Station in Beckwith Head saving £80,000 per year. We have identified areas and estates owned by the Police, Fire and Crime Commissioner which have either had investment to improve or merged to create a shared workspace. In Masham it has been agreed that the police facilities will be moved to the fire station.

The Commissioner has further invested £1.2m to refurbish Ripon's fire, police station, and create a police base in the city centre. North Yorkshire Police will continue to patrol and engage with the local community as they currently do and there will be no change to the service level residents should expect.

Solving problems as a partnership are often more effective than doing so as a single organisation and that is why the North Yorkshire Police, North Yorkshire Fire and Rescue Service, Yorkshire Ambulance Service, City of York Council, North Yorkshire County Council, National Highways, and the Office of the North Yorkshire Police, Fire and Crime Commissioner founded the York and North Yorkshire Road Safety Partnership. As a member of the partnership, we committed to working together, to continue to sharing resources and expertise to provide a co-ordinated, evidenced-led approach to prevent deaths and injuries on our roads and we have seen a steady reduction in serious injuries although more work is needed to reduce the number of those killed on our roads.

Outcome 2b - Primary prevention and early intervention is embedded in the culture of North Yorkshire Police as the way of working across everything they do.

After consultation with the public, the Commissioner and the Chief Constable published the Community Remedy Document for York and North Yorkshire. The aim of Community Remedy is to enable victims of low-level crime and Anti-Social Behaviour to have a greater say in how offenders should be held account for their actions. The Community Remedy document lists the available sanctions that can be carried out by a person who has engaged in anti-social behaviour or committed an offence, when they admit to their involvement. This enables the individual to be effectively reprimanded for that behaviour or offence without lengthy and expensive court proceedings.

In June 2022 North Yorkshire Police launched the Initial Enquiry Team (IET). This is designed to work alongside call handlers and the team pick up incidents, where it is appropriate, to deal with them remotely. The aim is to enable Police officers within the IET to resolve customer needs over the phone, commence a primary investigation or make an appointment for attendance by an officer. This provides a responsive service to customers, reduces the need for call backs or unnecessary appointments and frees up operational frontline resources to deal with other demands and allows a greater focus on prevention and early intervention initiatives. In December 2022, a survey was sent to customers who had been managed by IET and from 97 respondents:

- 91 percent were happy or very happy with the service they received.
- 92 percent were happy or very happy with the care shown by the officer.
- 93 percent were happy or very happy with the knowledge of the officer.
- Following their experience with the IET, 93 percent felt that NYP are committed to keeping them safe.

This is a great start to improving public confidence within York and North Yorkshire and will enable officers to focus on one of the public's priorities, of prevention and early intervention.

Outcome 2c - North Yorkshire Police Officers, PCSOs, PSOs and staff have confidence in their capability to solve problems effectively.

North Yorkshire Police have made improvements this year by introducing a centralised library where all problem-solving plans are stored. Problem Solving Policing is an approach to tackling crime and disorder North Yorkshire Police use the 'SARA' model which consists of four stages:

- Scanning, the identifying and prioritising of potential crime and disorder problems.
- Analysis, the analysis of potential problems, by gathering information and intelligence to identify underlying causes of the problem.
- Response, the development, and implementation of tailored activities to address the causes of the problem, as identified in the analysis phase.
- Assessment, the measurement of the impact of the response to test if it had the desired effect and to make changes to the response if required.

The centralised library for problem solving plans is used to populate a new dashboard which provides commanders and supervisors with an overview of current plans that are in place. This allows them to identify best practice and avoid duplicating plans for the same location. The use of this kind of approach enables officers to take ownership of a problem, target it, and see it through.

Deliver the “Right People, Right Support” every time

Outcome 3a - North Yorkshire Police have the appropriate resources in the appropriate places to serve the needs of the public.

In close collaboration with health and social care partners across York and North Yorkshire, North Yorkshire Police rolled out a significant new policy in January 2023. The 'Right Care, Right Person' is a model designed to ensure that when there are concerns for a person's welfare linked to mental health, medical or social care issues, the right person with the right skills, training and experience will respond. Police officers have often been required to offer support to those who really require specialist medical or psychological care. Under 'Right Care, Right Person,' officers will no longer be taking on this responsibility when it is not appropriate to do so. Meaning they can focus on other policing issues which matter to communities.

In terms of tackling rural and wildlife crime, North Yorkshire Police are the only force to successfully roll out an 'eyes on the ground' Rural WhatsApp Group model. This model utilises the rural community to support policing for intelligence gathering, disruption and detection of crime. Police are supported by 25 WhatsApp groups across the county which is made up of over 2000 members of the public. This process was developed under 'Op Heartbeat', and the groups really are the heartbeat of rural North Yorkshire. This has been a huge achievement, not only at a local level but at a national level. The model has been approved by the Independent Office for Police Conduct and recognised as best practice, meaning other forces have been advised to adopt our model. It is strengthening and protecting rural communities and means North Yorkshire Police are alerted to live incidents that need attending.

Outcome 3b - Vulnerable people and victims receive the most appropriate care according to their need

The Pathways Service Directory for officers was launched in June 2022. The directory provides a one-stop shop of contact details for all partner agencies, commissioned services and charities who can provide the right support, at the right time. There are many commissioned services across the police, public and voluntary sector which have not been used to their optimum capacity, and some are not known about within each other's organisations. Services are commissioned to provide the tools to keep people safe by intervening as early as possible for victims or perpetrators. September 2022 saw the launch of the Service Directory on North Yorkshire Police mobile phones.

The Service Directory is having a positive impact on officers providing support for victims and customers. Police Community Support Officers state the directory helps to generate a signpost email containing all the required details of the agencies needed at the push of a button.

In the coming year there will be a greater analysis of its use, and increased access for partners. Training will ensure supervisors are ensuring their teams are aware and using it and a data tool for supervisors to identify active users, and what services are being accessed. This will enable North Yorkshire Police to locate gaps in services or identify services which are under used.

Maximise efficiency to make the most effective use of all available resources

Outcome 4a - North Yorkshire is outstandingly effective and efficient.

We have worked very closely with our commissioned service provider, Independent Domestic Abuse Services (IDAS) over many years, to make improvements in how we manage domestic abuse in York and North Yorkshire. In 2022, IDAS supported North Yorkshire Police to inform their Domestic Abuse Pledge to support officers or staff who are victims of Domestic Abuse. Five Domestic Abuse Practitioners (IDVAs) within our commissioned support services have received additional training jointly delivered by North Yorkshire Police's Safeguarding and Professional Standards departments and IDAS.

North Yorkshire Police deliver services in relation to Domestic Abuse in a multi-faceted way and are using HMICFRS recommendations to improve outcomes in safeguarding. North Yorkshire Police have established a Multi-Agency Risk Assessment Conference (MARAC) and a Multi-Agency Tasking and Coordination (MATAC) Steering Group. These groups meet regularly and report to the Domestic Abuse Partnership Boards and subsequently the Community Safety Partnership; A Coordinator has been employed by North Yorkshire Police to meet the increasing caseloads. This has stimulated more effective and appropriate referrals and now have numbers that are beyond the capacity and capability of the current process requiring additional support from a MARAC Coordinator.

Outcome 4b - North Yorkshire Police provides increasingly integrated services, improving the efficiency of the systems of which it is part.

In May 2022, North Yorkshire Police introduced NY EYE, a new tasking and briefing system. NY EYE is a bespoke system and has been built in-house by the information, communication, and technology department. It has been refined using feedback from operational officers and staff and aims to make the tasking and briefing process more streamlined, easier to use, and quicker. For the first time ever, it provides the ability for all police staff to create and share briefings through the system, and any targeted activity can be tasked directly from a briefing item.

The system was developed following a survey in 2021 that sought the views of officers and staff across the force about what they needed from a briefing system. This feedback and requirements have shaped the design of NY EYE and includes:

- Web-based taskings allowing for comments and awareness of task ownership.
- Meaningful and timely intelligence with the ability to add images where they add value.
- Identified the top priority for that day. For example, the most wanted, safeguarding concern, high-risk addresses, top three priorities. All of which are fed from the Daily Intelligence Summary (DIS)
- All relevant documents are held in one place: Intelligence area based, force wide, Organised Crime Group pictures and specialist role-based intelligence.
- User friendly: less clicks and confusion.
- Appropriate tasking: allocated to the right skills-based resource with a clear tasking unit point of contact.
- Tasking for all teams not just Neighbourhood Policing Teams or Response.
- Daily Intelligence Summary (which will become known as the Daily Summary) incorporated into the briefing.

Since its launch, the Intelligence project has seen quite a few milestones reached, which have now been successfully embedded. These included new area-based Tasking Intelligence Officers (TIOs) starting to support the new system and ways of working and the introduction changes including command priorities and a safeguarding register. The project team continue to encourage a collaborative approach to development.

Enhance positive culture, openness, integrity, and public trust

Outcome 5a - The public trust and have confidence in the integrity of North Yorkshire Police as an organisation and in its officers and staff.

In May 2022, North Yorkshire Police introduced a new Performance Management Framework to help recognise where they are performing well and which areas they can further improve. With this framework, leaders are expected to set the tone and direction for the performance management culture. All North Yorkshire Police Officers and staff should expect to be held accountable for their individual performance and, where they are in a leadership role, the performance of the team they are responsible for.

Within North Yorkshire Project Servator has continued to be recognised as an outstanding scheme. In June 2022, North Yorkshire Police was visited by the National Project Servator Team (NPST), which is funded by Counter Terrorism (CT) policing, to provide oversight over the use of the Disruptive Effects (DE) approach across the UK and overseas, which includes Project Servator. North Yorkshire were one of the only teams to continue to maintain deployments throughout last year despite the challenges of the COVID-19 pandemic and subsequent lock down. The deployments witnessed by the NPST were both tactically astute and effective at detecting hostile activity. This has been illustrated in their statistics throughout the year with a fantastic positive stop search rate of 62.5 % and two notable arrests for counter terrorism offences. The NCALT package (North Yorkshire Police's training package) for all staff within the force is identified as a fantastic innovation which demonstrates the force's commitment to Project Servator. Other Project Servator forces are now using it as a method of raising awareness amongst their officers and staff.

Outcome 5b - Inclusivity, diversity, and equality are at the heart of North Yorkshire Police's organisational culture and service delivery.

In August 2022 North Yorkshire Police appointed Pearlcatchers, a leadership development company provided training to emergency services, to deliver their interactive Diversity, Equality, and Inclusion (DEI) Training to all employees across North Yorkshire Police, North Yorkshire Fire and Rescue Service and the Office of the Police, Fire and Crime Commissioner. Pearlcatchers have worked with several forces already and take a refreshing 'humanise not demonise' approach to DEI and the training involved two innovative half day sessions. The training uses real life scenarios and interactive sessions to get you talking freely and openly about these topics. The roll out of the training took place in a staged way to minimise the impact to your normal working day, with line managers and supervisors receiving the first wave. For those who have completed the first module, the second module is scheduled to begin very soon.

The feedback we have received from those who have attended the training has been positive with 94% of those who have attended agreed or strongly agreed that their knowledge and understanding has improved as a result of the training.

Outcome 5c - North Yorkshire Police is an employer of choice with a clear people focus that develops leadership, integrity, and inclusivity.

First line leaders play a pivotal role in serving our communities and protecting the vulnerable and in December 2022, North Yorkshire Police announced the roll out of a First Line Leadership Programme which has been designed to provide leaders with the skills needed to successfully lead their teams.

The programme will be a blend of facilitated face-to-face sessions, spread over several months and self-managed learning with attendance being mandatory. The first element of the programme will be an interactive two-day session with sergeants, police staff leaders, staff leaders in enable and selected leaders in OPFCC.

3. Comprehensive Income and Expenditure Statement (CIES):

The figures for the year shown here can be reconciled to the CIES via the Movement on Reserves Statement. The technical treatment required means that the outturn presented in this Narrative Report and the movement on the General Fund Balances in the accounts are different. The Expenditure and Funding Analysis in Note 2 to the Accounts presents a reconciliation.

4. Summary of the Financial Year 2022/23: Capital Expenditure and Fixed Assets

Capital Expenditure is spent on items which provide value to the Group for more than one year and is financed from income realised from the sale of capital assets, revenue contributions, loans and reserves. The assets owned by the Group are a vital platform for the delivery of the Commissioners Police, Fire and Crime Plan, with the overall purpose of the capital plan being to provide sufficient funding to renew the asset base of the organisation, informed by condition deficiency surveys, 'fit for purpose' reviews, equipment replacement programmes, business continuity requirements and invest to save expenditure. Capital plans are maintained over a rolling five year period, and the revenue consequences, in terms of the savings that are expected to be delivered from the implementation of the plans and also the costs of borrowing to fund the Capital programme in future years have been incorporated into the Medium Term Financial Plan (MTFP).

The CIPFA Prudential Code of Practice is a key element in the system of capital finance. Under this system individual Police and Crime Commissioners are responsible for deciding the level of their affordable borrowing having regard to the Prudential Code. The Capital Plan and its financing are within prudential limits.

In setting the Capital programme for 2022/23 the PFCC approved a programme of £5,444k. The finalisation of the 2021/22 position resulted in the carry forward of £2,828k of schemes from that year that were still required and due to be delivered in 2022/23.

This provided a starting budget for 2022/23 of £8,272k.

During 2022/23 £176k of new Capital schemes/changes were approved, while slippage of £2,276k ultimately occurred, which left an overall Capital Programme of £6,172k to be delivered in 2022/23.

In total spend against this budget was however £7,454k which resulted in an over spend of £1,282k.

The details of how the actual capital expenditure was financed in the year are set out in Note 20 (a) to the Accounts.

Expenditure on Capital Schemes during the year is detailed in Note 20 (b) to the Accounts.

All properties have been revalued as at 31st March 2023 and details are provided in Note 20 (c) to the Accounts.

The depreciation and amortisation charges for the year, amounting to £3.9m (2021/22 £5.0m) have been charged to the Comprehensive Income and Expenditure Statement within Net Cost of Services.

The sale of surplus property continued in line with the Estates Strategy and contributed £2,042k capital receipts which will be used to fund the capital programme in future years. Receipts from the sale of vehicles contributed a further £295k.

5. Borrowing

The Group is proactive in managing its debt and overall funding and has recognised the need to borrow to invest in infrastructure and assets. The ongoing need to make investments to respond to national requirements continues as does the need to provide kit and equipment to officers and staff to enable them to be as effective and productive as possible. The Group has therefore adopted an approach of continuing with major investments and replacement projects as a long-term strategic view of policing delivery has been taken.

In line with the Treasury Management Strategy, care will be taken to ensure a balance of economic outlook, cash flow, reserve balances and affordability are taken into account for borrowing decisions.

The Group utilises revenue budget contributions, reserves and borrowing to fund capital expenditure. The Medium Term Financial Plan, along with the funding strategy, considers all funding options and implications alongside the revenue impact for future years. These are then all taken into account as part of budget setting, which itself balances financing with performance outputs and investment in resources.

No external borrowing was taken out during the year with the overall level of borrowing for the Group remaining at £6m as set out in Note 25.

6. Pensions

As part of the terms and conditions of officers and employees, the Group offers retirement benefits in accordance with national agreements and schemes and participates in a number of pension schemes and is detailed in Note 28.

- Two Local Government Pension Schemes (LGPS) for police staff, administered by North Yorkshire County Council. These are funded defined benefit schemes, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets;
- Three Police Pension Schemes for police officers. These are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet the pension liabilities, but finance is only required to be raised to cover police pensions when the pensions are actually paid. Funding arrangements for the Police Pension Fund are detailed in the Police Pension Fund Accounts.

Although pension benefits will not actually be payable until employees retire, the Group has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement and details are provided in Statement of Accounts Note 28. The liabilities show the underlying commitments that the Group has in the long run to pay retirement benefits. The total liability has a substantial impact on the net worth of the Group as recorded in the Balance Sheet and results in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

7. Provisions and Contingencies

Details are provided in the Statement of Accounts Notes 27 and 29

8. Accounting Policies and presentation of the Accounts

The accounting policies adopted in the preparation of the accounts are set out formally in the Accounting Policies which follow. There have not been any significant changes in Accounting Policies during 2022/23.

9. Impact of high inflation and increased interest rates

These accounts cover a period that have seen interest rates increase from 0.75% at the start of the financial year to 4.25% by the end of the financial year. Since the end of the financial year interest rates have increased further to 4.5%.

These increases are aimed at reducing inflation which during the 12 months to March 2023 was reported as increasing by:

- Consumer Price Index - 10.1%
- Consumer Prices Index including owner occupiers' housing costs - 8.9%
- Retail Price Index - 13.5%

Interest Rates

The PFCC currently has only £6m of loans in place - all of which are at fixed rates of interest and as such there is no exposure to the PFCC from these increases in interest rates.

The first of the loans due for repayment is not until 2028.

The current medium capital programme to 2026/27 includes borrowing of £14.2m to fund the capital plans currently in place, however the expectation is that no loans will actually be taken out until 2025/26. The plan assumes borrowing of £6.1m will be needed across 2025/26 to 2027/28 with interest rates assumed of between 4.1% and 4.9%

These rates are still realistic levels for the PCC to borrow at however the borrowing will only be taken out as/if needed.

Given that borrowing has been undertaken at fixed interest rates then there is an element of upside to higher interest rates to the PCC in terms of Treasury Management activities, with interest receivable on cash balances and investments being £517k higher than expected in 2022/23 (£537k versus a budget of £20k).

The budget for interest receivable for 2023/24 was increased to £700k however this might be overachieved.

Inflation

The vast majority (75-80%) of the funding available to the PFCC is spent on employment costs (i.e. Pay, National Insurance, Pensions etc.). Given pay awards that were agreed in 2022/23 and expected to be agreed in 2023/24, it is extremely unlikely that this area of expenditure will increase by anywhere close to the level of general inflation that is being recorded.

The overall budget for 2023/24 includes sufficient funding for a 4% pay award from September 2023.

Beyond pay budgets there were just over £43m of 'non-pay' budgets in 2022/23, and the inflationary pressures referred to earlier lead to overspends across these areas of £3m during 2022/23.

The budgets across these areas have been increased to just over £46m in 2023/24, reflecting the continued increases and pressures that are expected. These will clearly need to be closely monitored throughout 2023/24 to ensure these are sufficient.

Under Sections 25 and 26 of the Local Audit and Accountability Act 2014 (the Act) interested parties and local government electors have the right to inspect the Group's accounts and supporting documents, and to question the auditor, or make objections to the matters contained in them. The times at which the accounts are deposited for inspection are advertised on both the Commissioner's and the Chief Constable's websites.

Every effort has been made to ensure the accuracy of these accounts and compliance with accounting requirements.

The Group's external auditors are:
Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

Michael Porter
Chief Finance Officer for the Police, Fire and Crime Commissioner for North Yorkshire
Date:

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS of NYPFCC and the NYPFCC Police Group

The Responsibilities of the Police, Fire and Crime Commissioner for North Yorkshire

The Police, Fire and Crime Commissioner is required to:

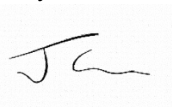
- Make arrangements for the proper administration of their financial affairs and to ensure that one of their officers has the responsibility for the administration of those affairs. In this Police, Fire and Crime Commissioner's Office, that Officer is the Police, Fire and Crime Commissioner's Chief Finance Officer;

- Manage their affairs to secure economic, efficient and effective use of resources and safeguard its assets;

- Approve the Statement of Accounts

The Statement of Accounts was approved by the Deputy Mayor for Police, Fire and Crime on behalf of the former Police, Fire and Crime Commissioner for North Yorkshire.

By virtue of the York and North Yorkshire Combined Authority Order 2023 the former Commissioner's term of office came to an end on 6 May 2024, and the Deputy Mayor being appointed by the incoming Mayor of the Combined Authority.



J Coles
Deputy Mayor for Police, Fire and Crime, for and on behalf of the former Police, Fire & Crime Commissioner for North Yorkshire
Date: 05/12/2024

The Responsibilities of the Police, Fire and Crime Commissioner's Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Police, Fire and Crime Commissioner's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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

- selected suitable accounting policies and then applied them consistently;

- made judgements and estimates that were reasonable and prudent;

- complied with the Code of Practice.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;

- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate by the Police, Fire and Crime Commissioner's Chief Finance Officer

I certify that the Statement of Accounts has been prepared in accordance with proper accounting practice and presents a true and fair view of the financial position of the Police, Fire and Crime Commissioner for North Yorkshire and of the Group at 31 March 2023, and its income and expenditure for the year then ended.



Michael Porter

Chief Finance Officer for the Police, Fire and Crime Commissioner for North Yorkshire
Date: 05/12/2024

MOVEMENT IN RESERVES STATEMENT for the YEAR ENDED 31 March 2023 (Group)

	General Fund	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
Note						
Balance at 1 April 2021 Restated	16,151	-	3,384	19,535	(1,918,719)	(1,899,184)
Total Comprehensive income and expenditure	(68,558)	-	-	(68,558)	68,553	(5)
Adjustments between accounting basis & funding basis under regulations	71,810	-	2,615	74,426	(74,426)	-
Net increase/(decrease) in year	3,252	-	2,615	5,868	(5,873)	(5)
Balance at 31 March 2022	19,405	-	5,999	25,404	(1,924,593)	(1,899,191)
Balance at 31 March 2022 Restated	19,405	-	5,999	25,404	(1,924,593)	(1,899,191)
Total Comprehensive income and expenditure	(67,411)	-	-	(67,411)	668,413	601,001
Adjustments between accounting basis & funding basis under regulations	69,306	-	2,054	71,360	(71,360)	-
Net increase/(decrease) in year	1,895	-	2,054	3,949	597,053	601,001
Balance at 31 March 2023	21,309	-	8,053	29,352	(1,327,540)	(1,298,187)
Reserves held for:						
Capital purposes	4,964	-	5,999	10,963		
Revenue purposes	14,441	-	-	14,441		
Total at 31 March 2022	19,405	-	5,999	25,404		
Capital purposes	9,051	-	8,053	17,104		
Revenue purposes	12,258	-	-	12,258		
Total at 31 March 2023	21,309	-	8,053	29,352		

An analysis of General Fund Reserves is provided in Note 4 and an analysis of Unusable Reserves is provided in Note 5 to the accounts.

MOVEMENT IN RESERVES STATEMENT for the YEAR ENDED 31 March 2023 (PFCC)

	General Fund	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	16,151	-	3,384	19,535	27,922	47,457
Total Comprehensive income and expenditure	3,787	-	-	3,787	1,278	5,065
Adjustments between accounting basis & funding basis under regulations	(535)	-	2,615	2,080	(2,080)	-
Net increase/(decrease) before transfers to Earmarked Reserves	3,252	-	2,615	5,867	(802)	5,065
Balance at 31 March 2022	19,405	-	5,999	25,402	27,120	52,522
Balance at 31 March 2022 Restated	19,405	-	5,999	25,404	27,174	52,576
Total Comprehensive income and expenditure	7,994	-	-	7,994	3,416	11,410
Adjustments between accounting basis & funding basis under regulations	(6,100)	-	2,054	(4,046)	4,046	-
Net increase/(decrease) in year	1,894	-	2,054	3,948	7,462	11,410
Balance at 31 March 2023	21,309	-	8,053	29,352	34,635	63,997
Reserves held for:						
Capital purposes	4,964	-	5,999	10,963		
Revenue purposes	14,441	-	-	14,441		
Total at 31 March 2022	19,405	-	5,999	25,404		
Capital purposes	9,051	-	8,053	17,104		
Revenue purposes	12,258	-	-	12,258		
Total at 31 March 2023	21,309	-	8,053	29,352		

An analysis of General Fund Reserves is provided in Note 4 and an analysis of Unusable Reserves is provided in Note 5 to the accounts.

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT for the Year
Ended 31 March 2023 (Group)**

	Note	2022/23 Income/ Expenditure £'000	2021/22 Income/ Expenditure £'000
Targeted Grants		(10,723)	(8,255)
Other Income		(10,032)	(8,866)
Salary Costs		168,349	167,499
Other non Salary employee costs		3,833	2,857
Police Injury Pension Costs		3,894	4,326
Premises Costs		5,499	4,489
Supplies and Services		22,422	20,406
Transport Costs		3,536	3,076
Financial Costs		1,328	4,770
Commissioned Services		6,738	6,639
Project Costs		4	2,593
Cost of Police Services		194,848	199,535
Corporate and Democratic Core		1,437	1,348
Non-Distributed Costs - Past Service Costs	28	-	85
Net Cost of Services		196,285	200,968
Other Operating Income and Expenditure	8	25,601	23,827
Financing and Investment Income and Expenditure	10a	50,919	38,962
Taxation and Non-Specific Grant Income	11	(205,393)	(195,201)
(Surplus) or deficit on the Provision of Services		67,412	68,555
Other Comprehensive Income & Expenditure			
(Surplus) Deficit on revaluation of non-current assets charged to revaluation reserve	5a	(2,490)	(786)
(Surplus) Deficit on remeasurements of defined benefit liability charged to pensions reserve	5c	(665,923)	(67,767)
Other Comprehensive (Income) and Expenditure		(668,413)	(68,553)
Total Comprehensive (Income) and Expenditure		(601,001)	5

A comparison between expenditure funded by government grants and precept and resources consumed in accordance with accepted accounting principles is provided in the Expenditure and Funding Analysis (Note 2)

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT for the Year
Ended 31 March 2023 (PFCC)**

	Note	2022/23 Income/ Expenditure £'000	2021/22 Income/ Expenditure £'000
Targeted Grants		(10,723)	(8,255)
Other Income		(660)	(556)
Salary Costs		338	369
Other Non Salary Employee Costs		-	1
Financial Costs		519	4,537
Premises Cost		-	(17)
Supplies & Services		(24)	(6)
Commissioned Services		6,738	6,639
Recharges to CCNY		(520)	(4,537)
Cost of Police Services		(4,332)	(1,825)
Corporate and Democratic Core		1,437	1,346
Non-Distributed Costs - Past Service Costs	28	-	-
Intragroup Funding	7	175,219	167,949
Net Cost of Services		172,324	167,470
Other Operating Income and Expenditure	8	25,601	23,829
Financing and Investment Income and Expenditure	10a	(526)	114
Taxation and Non-Specific Grant Income	11	(205,393)	(195,201)
(Surplus) or deficit on the Provision of Services		(7,994)	(3,790)
Other Comprehensive Income and Expenditure			
(Surplus) or deficit on revaluation of non-current assets charged to revaluation reserve	5a	(2,490)	(786)
(Surplus) or deficit on remeasurements of defined benefit liability charged to pension reserve	5c	(926)	(492)
Other Comprehensive (Income) and Expenditure		(3,416)	(1,275)
Total Comprehensive (Income) and Expenditure		(11,410)	(5,065)

A comparison between expenditure funded by government grants and precept and resources consumed in accordance with accepted accounting principles is provided in the Expenditure and Funding Analysis (Note 2)

BALANCE SHEET as at 31 March 2023 (Group)

	Note	31 March 2023 £'000	31 March 2022 £'000 Restated
Long-Term Assets			
Property, Plant and Equipment	16	43,587	35,607
Investment Property	17	590	440
Intangible Assets	18	748	1,199
Assets under Construction	16	1,669	223
Pensions Asset	28	46,038	-
Total Long-Term Assets		92,632	37,469
Current Assets			
Assets Held for Sale	19	200	1,371
Inventories	22	768	561
Short-term Investments		1,407	-
Short-term Debtors	23	25,660	17,249
Cash and Cash Equivalents	24	14,077	20,990
Total Current Assets		42,112	40,171
Total Assets		134,744	77,640
Current Liabilities			
Cash and Cash Equivalents	24	(4)	(2,422)
Short-term Creditors	26	(17,778)	(15,454)
Short-term Provisions	27	(2,469)	(2,217)
Total Current Liabilities		(20,251)	(20,093)
Long-Term Liabilities			
Long-term Provisions	27	(1,091)	(1,116)
Pensions Liability	28	(1,405,580)	(1,949,615)
Other Long-term Liabilities	25	(6,000)	(6,000)
Total Long-Term Liabilities		(1,412,671)	(1,956,731)
Net Assets (Liabilities)		(1,298,178)	(1,899,189)
Reserves			
Usable Reserves			
General Fund Reserves	4	21,309	19,405
Capital Receipts Reserve		8,053	5,999
Total Usable Reserves		29,362	25,404
Unusable Reserves			
Revaluation Reserve	5a	5,107	2,709
Capital Adjustment Account	5b	28,710	24,620
Pensions Reserve	5c	(1,359,542)	(1,949,615)
Collection Fund Adjustment Account	5d	836	438
Accumulated Absences Account	5e	(2,651)	(2,744)
Total Unusable Reserves		(1,327,540)	(1,924,592)
Total Reserves		(1,298,178)	(1,899,189)

BALANCE SHEET as at 31 March 2023 (PFCC)

	Note	31 March 2023 £'000	31 March 2022 £'000
Long-Term Assets			
Property, Plant and Equipment	16	43,587	35,607
Investment Property	17	590	440
Intangible Assets	18	748	1,199
Assets under Construction	16	1,669	223
Total Long-Term Assets		46,594	37,469
Current Assets			
Assets Held for Sale	19	200	1,371
Inventories	22	-	-
Short-Term Investments		1,407	-
Short-term Debtors	23	26,640	18,072
Cash and Cash Equivalents	24	14,055	20,974
Total Current Assets		42,302	40,417
Total Assets		88,896	77,883
Current Liabilities			
Cash and Cash Equivalents	24	(4)	(2,422)
Short-term Creditors	26	(17,778)	(15,454)
Short-term Provisions	27	(1,077)	(794)
Total Current Liabilities		(18,859)	(18,670)
Long-Term Liabilities			
Long-term Provisions	27	(40)	(52)
Pensions Liability	28	-	(583)
Other Long-term Liabilities	25	(6,000)	(6,000)
Total Long-Term Liabilities		(6,040)	(6,635)
Net Assets (Liabilities)		63,997	52,578
Reserves			
Usable Reserves			
General Fund Reserves	4	21,309	19,405
Capital Receipts Reserve		8,053	5,999
Total Usable Reserves		29,362	25,404
Unusable Reserves			
Revaluation Reserve	5	5,107	2,709
Capital Adjustment Account	5	28,710	24,620
Pensions Reserve	5	-	(583)
Collection Fund Adjustment Account	5	836	438
Accumulated Absences Account	5	(18)	(8)
Total Unusable Reserves		34,635	27,175
Total Reserves		63,997	52,578

NET CASH FLOWS FROM FINANCING
for the YEAR ENDED 31 March 2023
for NYPFCC and the NYPFCC Group

		2022/23	2022/23	2021/22	2021/22
	Note	Group	PFCC	Group	PFCC
		£'000	£'000	£'000	£'000
Net deficit / (surplus) on the provision of services		67,411	(7,994)	68,555	(3,787)
<i>Adjustments to net deficit / (surplus) on the provision of services for non-cash movements:</i>					
(Increase) / decrease in provisions	27	(226)	(269)	46	(4)
Movement in pension liability	28	(75,850)	(343)	(73,088)	(386)
Depreciation, impairments and revaluations		(370)	(370)	(4,350)	(4,350)
Increase / (decrease) in debtors		15125	8418	(1,738)	(595)
(Increase) / decrease in provision for bad debts		(3)	(3)	(396)	(396)
(Increase) / decrease in creditors		(9,033)	(2,176)	2,998	1,601
Increase / (decrease) in inventories		207	-	54	-
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9	(1,625)	(1,625)	(2,352)	(2,352)
		<u>(71,775)</u>	<u>3,632</u>	<u>(78,825)</u>	<u>(6,482)</u>
<i>Adjustments for items included in the net deficit / (surplus) on the provisions of services that are investing and financing activities:</i>					
Proceeds of disposal of non-current assets	9	2,054	2,054	2,615	2,615
Net Cash Flows from Operating Activities		(2,310)	(2,307)	(7,654)	(7,655)
Net cash flows from Investing Activities	32	6,806	6,806	1,019	1,019
Net cash flows from Financing Activities	33	-	-	-	-
Net (increase) / decrease in cash and cash equivalents		4,496	4,499	(6,635)	(6,636)
Cash and cash equivalents at the beginning of the reporting period	24	18,568	18,552	11,933	11,917
Cash and cash equivalents at the end of the reporting period	24	14,074	14,051	18,568	18,552

ACCOUNTING POLICIES for the YEAR ENDED 31 March 2023 for NYPFCC and the NYPFCC Group

1. General Changes in Accounting Policy

These financial statements are prepared in accordance with the Accounts and Audit (England) Regulations 2015 and proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance.

The functions of the NYPFCC will be transferred by Parliamentary Order (York and North Yorkshire Combined Authority Order 2023) to the Elected Mayor with effect from 7th May 2024 when all staff, properties, rights and liabilities transfer to the York and North Yorkshire Combined Authority. As the functions of the NYPFCC will continue to be provided by another public sector entity, these accounts have been prepared on a going concern basis.

Assets are included using a historical cost convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

The principle accounting policies adopted are set out below.

2. Accounting Principles

Balance Sheet

All payments on behalf of the Group are made by NYPFCC from the Police Fund and all income and funding is received by NYPFCC on behalf of the Group. NYPFCC has the responsibility for managing the financial relationships with third parties and has legal responsibilities for discharging the contractual terms and conditions of suppliers.

Based on the statutory powers and responsibilities as designated by the Act, and the local agreements and practice in place, and taking account of the guidance included in the Code, it has been determined that substantially all the assets and reserves of the Group are recognised on the NYPFCC Balance Sheet. Each individual entity balance sheet includes the assets and liabilities arising from transactions included in the relevant CIES.

Comprehensive Income and Expenditure Statement (CIES)

Under the Act, CCNY is responsible to NYPFCC for the day to day provision of the policing functions, including the direction and control of police officers. With effect from 1st April 2019 staff providing Corporate Support Services (comprising Information Communications and Technology, Estates, Transport and Logistics, Corporate Communications, Legal Services and Finance) are also under the direction of CCNY.

Expenditure related to the provision of policing services by officers and staff under the direction and control of CCNY appears in the CCNY CIES. Remaining expenditure related to the provision of Projects and technical financial adjustments appears in the NYPFCC single entity CIES with effect from 1 April 2014, and is then recharged to CCNY, so that all of the Cost of Police services appears in the CCNY CIES. The Cost of Police Services is funded by a recharge to NYPFCC.

Income and funding directly controlled by NYPFCC is included in the NYPFCC single entity CIES.

The Group CIES shows the consolidated income, funding and expenditure of the whole Group.

Intra-Group Charges

NYPFCC makes charges to CCNY:

- for the use of Long-Term Assets, equivalent to the debits made to the NYPFCC CIES for the impairment, depreciation, amortisation and revaluation of the assets
- for the provision of Projects

CCNY makes charges to NYPFCC:

These charges are eliminated in the Group accounts.

3. Accruals of Income and Expenditure

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

- Fees, charges and rents due from customers are accounted for as income at the date of provision of the relevant goods or services;
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

4. Grants and Contributions

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

- the conditions attached to the payments will be complied with; and
- that the grants or contributions will be received.

Amounts recognised as due are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the CIES.

Police Pension Top-Up Grant

The top-up grant receivable from the Home Office in respect of the Police Pension Fund is credited to the CIES after Net Cost of Services, as part of Taxation and Non-Specific Grant Income. The equal and opposite amounts payable to the Police Pension Fund are shown within the Other Operating Income and Expenditure line of the CIES, so that the impact on council tax payers is eliminated. This treatment is in line with the requirements of the Police Pension Fund Regulations 2007 (SI 1932/2007) (updated by SI 1887/2008).

Donated Assets

Donated assets received are recognised immediately on receipt as Property, Plant and Equipment and the value of the donation is recognised in the relevant service line in the CIES, provided that conditions have been satisfied. The fair value of donated assets received for which conditions have not been satisfied are carried in the Balance Sheet in the Donated Assets Account. When conditions are satisfied, the donation is credited to the CIES. When donation income is credited to the CIES, it is reversed out of the General Fund Balance in the Movement in Reserves Statement.

Capital Grants

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

5. Employee Benefits

Short-Term Employee Benefits

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include wages and salaries, annual leave, flexitime, time-off in-lieu and re-rostered rest days and are recognised as an expense for services in the year in which employees render service. An accrual is made for the costs earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the relevant service line in the CIES and then reversed out through the Movement in Reserves Statement so that benefits are charged to the council tax payer in the financial year in which the absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy, and are charged on an accruals basis to the relevant service or, where applicable, to the Non-Distributed Costs line in the CIES when there is a demonstrable commitment to the termination of the employment of an employee or group of employees or to the making of an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable 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 notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Retirement Benefits

Officers and staff participate in pension schemes, with separate schemes for police officers and for police staff. All schemes provide members with defined benefits (retirement lump sums and pensions) related to pay and service.

The main aspects of these pension schemes are:

- (a) The attributable assets of each scheme are included in the Balance Sheet at fair value;
- (b) The attributable liabilities of each scheme are measured on an actuarial basis using the projected unit credit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees;
- (c) Scheme liabilities are discounted at a rate that is determined by reference to market yields at the end of the reporting period on high quality corporate bonds;
- (d) The surplus/deficit in each scheme is the excess/shortfall of the fair value of assets in the scheme over/below the present value of the scheme liabilities;
- (e) The change in the net pensions liability for each scheme is analysed into seven components:
 - Current service cost - the increase in liabilities as a result of years of service earned this year. The current service cost is stated net of employees' contributions, so as to reflect the part of the total pensions liabilities that are to be funded by the Group - allocated in the CIES to the services for which the employees worked;
 - Past service costs - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs;
 - Net interest on the defined benefit liability - the change during the year in the net defined benefit liability or asset that arises from the passage of time - debited to the Financing and Investment Income and Expenditure line in the CIES;
 - Return on assets - the annual investment return on the fund assets attributable to the Group, based on an average of the expected long-term return (excluding any amounts included in the net interest on the defined benefit liability) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - Gains or losses on settlements or curtailments - the result of actions to relieve the Group of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs;

- Actuarial gains/losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve;
- Contributions paid to the fund - cash paid as employer's contributions to the pension fund in settlement of liabilities - not accounted for as an expense.

Statutory provisions require the General Fund Balance to be charged with the amount payable to the pension funds or directly to pensioners in the year, not the amount calculated in accordance with relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension funds and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

A separate statement of Police Pension Fund Accounts is prepared to reflect the transactions in respect of funding for the Police Pension Schemes.

6. Funding of the Police Pension Fund

The top-up grant receivable from the Home Office in respect of the Police Pension Fund is included in the CIES. The amounts payable to the Police Pension Fund are shown within Other Operating Income and Expenditure so that the impact on council tax payers is eliminated. This treatment is in line with the requirements of the Police Pension Fund Regulations 2007 (SI 1932/2007) (updated by SI 1887/2008).

7. Value Added Tax

Income and expenditure excludes any amounts related to recoverable VAT. All VAT collected is payable to HM Revenue and Customs and the majority of VAT paid is recoverable.

8. Overheads and Support Services

The costs of overheads and support services are charged to those services that benefit from the supply or service in accordance with the Authority's arrangements for accountability and financial performance. As a single service provider, the Authority charges all such overheads to a single segment i.e. Police, in the Comprehensive Income and Expenditure Statement.

9. Jointly Controlled Operations - Regional Working

The Group engages in collaborative working in partnership with the other Yorkshire and the Humber Forces (YATH) to deliver a number of specific services on a regional basis. The governance for this regional programme of activity is via a Regional Collaboration Board, constituted in accordance with the Heads of Agreement.

The YATH regional programme is a lead force model and each lead force is responsible for the financial administration of the programme they lead.

The participating Commissioners use their own resources to undertake this venture and the accounting arrangements for regional working are to account for this in line with CIPFA guidance.

- Each Commissioner accounts for the assets it controls, the liabilities it incurs, the expenses that it incurs and the income receivable in relation to amounts recharged to the venture.

The Group also engages in collaborative working in partnership with Cleveland and Durham forces for Legal Services (Evolve). The governance for this programme is via a Joint Governance Board, constituted of the Police and Crime Commissioners plus other officers of the participating forces in accordance with the section 22a agreement.

10. Property, Plant & Equipment

Property, Plant and Equipment are assets that have physical substance and are held for use in the provision of services, for rental purposes, or for administrative purposes and that are expected to be used during more than one financial year.

Recognition

All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Change in Accounting Policy in 2022/23

Prior to 2022/23, where an item of Property, Plant & Equipment had components whose cost was significant in relation to the cost of the asset, components were separately recognised on acquisition, enhancement or revaluation. The Code's priority as regards componentisation is to ensure that the depreciation charge in the Comprehensive Income and Expenditure Account is materially correct.

The policy of applying componentisation has been reviewed during 2022/23 as part of the implementation of new capital accounting software. This review has concluded that application does not materially alter the depreciation charge reported. Therefore the Authority no longer recognises major components separately. The Code requires retrospective application of the new policy to prior years as if that policy had always been in place to ensure the net worth of the Authority of the earliest period presented is comparable.

A change in the depreciation charge of a prior period does not impact on the net worth previously reported and therefore no restatement of the prior year's figures in these financial statements is required.

Measurement

Property, Plant and Equipment are initially measured at cost, comprising:

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

Borrowing costs incurred whilst assets are under construction are not capitalised - these are debited to the CIES as incurred.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the relevant service line in the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the fair value of donated assets received for which conditions have not been satisfied are carried in the Balance Sheet in the Donated Assets Account. When conditions are satisfied, the donation is credited to the CIES.

Assets acquired under finance leases are measured at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets are then carried in the Balance Sheet using the following measurement basis:

- Land and Buildings, Police Houses, Plant and Equipment and Vehicles - fair value, determined as the lower of net current replacement cost (existing use value) and net realisable value in existing use. For non-property assets that have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value;
- Assets in the course of construction - cost less any accumulated impairment losses until brought into use, when they are valued and reclassified.

Assets included in the Balance Sheet at fair value are re-valued sufficiently regularly to ensure that their carrying value is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only (the date of its formal inception). Gains arising before that date have been consolidated into the Capital Adjustment Account.

Revaluation gains and losses are not permitted to have an impact on the General Fund Balance. Any gains and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

11. Investment Properties

Investment Properties are properties that are held to earn rentals, and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or for administrative purposes. Investment Properties are measured initially at cost and subsequently at fair value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset, or
- b) in the absence of a principal market, in the most advantageous market for the asset.

NYPFCC measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value NYPFCC takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NYPFCC uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability

Gains or losses on revaluation are debited or credited to the Financing and Investment Income line in the CIES. The same treatment is applied to gains and losses on disposal, but disposals are otherwise accounted for in accordance with Accounting Policy 15.

Revaluation and disposal gains and losses are not permitted to have an impact on the General Fund Balance. Gains are credited and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

All lease agreements entered into in respect of investment properties let to third parties are operating leases. Rental income from investment property is recognised on a straight-line basis over the term of the lease and is credited to Financing and Investment income and expenditure in the CIES. Any lease incentives granted are recognised as an integral part of the total rental income.

12. Assets Held for Sale

Non-current assets are reclassified as an Asset Held for Sale when it becomes probable that the carrying amount will be recovered principally through a sale transaction rather than its continuing use. This condition is regarded as met when:

- a sale is highly probable;
- the asset is available for immediate sale in its present condition;
- management are committed to the sale;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets Held for Sale are carried at fair value. They are revalued immediately before reclassification and then annually, using the same basis as for investment properties as set out in AP14. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Assets Held for Sale are not depreciated.

If an asset no longer meets the criteria to be classified as an Asset Held for Sale, it is classified back to non-current assets and valued at the lower of:

- the carrying amount before it was classified as held for sale; adjusted for depreciation, amortisation and/or revaluations that would have been recognised had it not been classified as held for sale; and
- the recoverable amount at the date of the decision not to sell.

Assets to be abandoned or scrapped are not reclassified as Assets Held for Sale.

The eventual disposal of an Asset Held for Sale is accounted for in accordance with Accounting Policy 15.

Disposal gains and losses are not permitted to have an impact on the General Fund Balance. Gains and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

13. Intangible Assets

Purchased Software

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Group as a result of past events, is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset.

Expenditure on software is recognised initially at cost. Amounts are only revalued where the fair value can be determined by reference to an active market. In practice, no software licences held meet this criterion and they are therefore carried at amortised cost.

Revaluation gains and losses are not permitted to have an impact on the General Fund Balance. Any gains and losses charged to the CIES would therefore be reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Expenditure incurred on an intangible asset after it has been recognised does not meet the recognition requirements of the Code and is charged to the Surplus or Deficit on the Provision of Services in the CIES.

All expenditure on website development is charged to the CIES, since the website is primarily intended to promote services.

Internally Generated Assets

All expenditure on the development of intangible assets is charged to the CIES, since the expenditure does not meet the recognition requirements of the Code.

Other Intangibles

At 31 March 2023 no other intangible assets were held.

13. Impairment of Tangible and Intangible Assets

This policy applies to the impairment of Property, Plant and Equipment, Investment Properties, Assets Held for Sale and Intangible Assets, modified as set out in the specific accounting policies for these categories of assets.

Tangible and intangible assets are reviewed annually to determine whether there is any indication that those assets have suffered an impairment. Where such indication exists, and if the differences are estimated to be material, the recoverable amount of the asset is estimated and an impairment loss is recognised for the shortfall (if any).

The recoverable amount is the higher of fair value (less costs to sell) and value in use. Value in use of a non-cash generating asset is the present value of the asset's remaining service potential. Value in use of a cash generating asset is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment in respect of a non-revalued asset is recognised as an expense against the relevant service line in the CIES. An impairment loss on a revalued asset is recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the Revaluation Reserve for the same asset and thereafter in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Impairment gains and losses are not permitted to have an impact on the General Fund Balance by statutory arrangements. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

15. Disposals of Tangible and Intangible Assets

This policy applies to the disposal of Property, Plant and Equipment, Investment Properties, Assets Held for Sale and Intangible Assets, modified as set out in the specific accounting policies for these categories of assets.

When an asset is disposed of or decommissioned, the carrying value of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the CIES as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as Capital Receipts and are credited to the Capital Receipts Reserve (the usable element) or the Capital Adjustment Account (the set-aside element, if applicable) and can then only be used for new capital investment or set aside to reduce the underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

Where there is deferred credit held in respect of the asset disposed off (e.g. a balance on the Donated Assets Account) this is written off to the CIES as part of the gain or loss on disposal.

Disposal gains and losses are not permitted to have an impact on the General Fund Balance by statutory arrangements. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

16. Depreciation of Tangible Assets and Amortisation of Intangible Assets

This policy applies to Property, Plant and Equipment and Intangible Assets, modified as set out in the specific accounting policies for these categories of assets.

Depreciation is provided for on all Property, Plant and Equipment assets with a determinable finite life (i.e. excluding Land) that are available for use by the systematic allocation of their depreciable amounts over their useful lives. Amortisation is similarly charged on Intangible Assets.

Depreciation is calculated in the following bases:

- Land is not depreciated;
- Buildings (excluding Assets under Construction) - straight line allocation over the life of the asset, as assessed by the valuer at the time of valuation. Lives used range between 20 and 50 years;
- Vehicles, Plant, Furniture and Equipment - a percentage of the value of each class of asset in the Balance Sheet. Percentages used are based on estimated lives between 5 and 10 years, as advised by a suitably qualified officer.

Amortisation of intangible fixed assets is calculated on the following basis:

- A percentage of the value in the Balance Sheet. Percentages used are based on finite useful lives of between 2 and 7 years, as advised by a suitably qualified officer.

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

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation and amortisation are not permitted to have an impact on the General Fund Balance by statutory arrangements. The amounts charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

17. Charges to the Comprehensive Income and Expenditure Statement (CIES) for the Use of Tangible and Intangible Assets

The CIES is debited with the following amounts to record the real cost of holding tangible and intangible assets during the year:

- Depreciation attributable to tangible fixed assets;
- Amortisation attributable to intangible fixed assets;
- Revaluation and impairment losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.

The Group is not required to raise council tax to cover depreciation, amortisation or revaluation and impairment losses. However, an annual provision from revenue is required to contribute towards the reduction of the overall borrowing requirement equal to an amount calculated on a prudent basis determined in accordance with statutory guidance. Depreciation, amortisation and revaluation and impairment losses are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

18. Short term Investments

Short-Term Investments comprise interest-bearing deposits, held with banks and other financial institutions, maturing more than three months from the date of acquisition. They are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the deposits are derecognised or impaired, as well as through the amortisation process.

19. Inventories

Inventories are included in the Balance Sheet at average prices. Obsolete and slow moving items are written off during the year and reduce the value of inventories shown in the Balance Sheet.

This treatment differs from the requirements of the Code, which requires stocks to be shown at the lower of cost and net realisable value. It is considered that this difference in treatment does not have a material effect on the accounts.

All inventories comprise supplies that are intended for use in the provision of services.

20. Debtors

Debtors are recognised and measured at the fair value of the consideration receivable when the revenue has been recognised.

Where consideration is paid in advance of the receipt of goods or services or other benefit, a debtor is recognised in respect of the payment in advance.

In most cases, the consideration receivable is in the form of cash or cash equivalents and the amount of revenue is the amount receivable. However if payment is on deferred terms, the consideration receivable is recognised initially at the cash price equivalent. The difference between this amount and the total payments is recognised as interest revenue in Surplus or Deficit on the Provision of Services in the CIES. Short duration receivables with no interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions (e.g. revenue from precepts) and therefore these transactions are always measured at the full amount receivable.

A provision for impairment of debtors is established when there is evidence that all the amounts due will not be able to be collected.

The amount of the provision is based on the best estimate of the likelihood of the recoverable amount. The carrying amount of the asset is reduced through the use of a doubtful debt provision account and the amount of the loss is recognised in the CIES within Cost of Services. When a debtor amount is uncollectable, it is written off against the Doubtful Debt Provision Account. Any subsequent recovery of amounts previously written off are credited to the CIES.

21. Cash and Cash Equivalents

Cash and Cash Equivalents include cash-in-hand and deposits that are repayable on demand. Cash equivalents are defined as deposits which:

- are repayable on demand or maturing within three months of the date of acquisition;
- are readily convertible to known amounts of cash; and
- are not subject to a significant risk of change in value.

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

22. Creditors

Creditors are recognised and measured at the fair value of the consideration payable when the ordered goods or services have been received.

In most cases, the consideration payable is in the form of cash or cash equivalents and the amount of the expense is the amount payable. However if payment is on deferred terms, the consideration payable is recognised initially at the cash price equivalent. The difference between this amount and the total payment is recognised as interest expense in Surplus or Deficit on the Provision of Services in the CIES. Short duration payables with no interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions (e.g. expense relating to council tax and general rates) and therefore these transactions are always measured at the full amount payable.

Where consideration is received in respect of revenue, but the revenue does not meet the criteria for recognition of revenue, a creditor is recognised in respect of the receipt in advance.

23. 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.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the life of the instrument to the amount at which it was initially recognised. This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

The Group has not given any financial guarantees.

The Group has not had any gains or losses on the repurchase or early settlement of borrowing, nor any premiums or discounts on financial liabilities.

Financial Assets

Financial assets are measured either at amortised cost or at fair value. The Group does not hold any assets measured at fair value.

Financial Assets Measured at Amortised Cost are recognised when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line of the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Immaterial Transaction Costs

Immaterial transaction costs that the Code would usually require to be applied to adjust a financial instrument's initial carrying amount are written off immediately to Surplus or Deficit on the Provision of Services line in the CIES.

The Group has not made any soft loans and no assets have been identified as impaired. There have not been any gains or losses arising on the de-recognition of a Financial Asset.

The Group has not transferred any financial assets.

Compliance

In compliance with CIPFA guidance, the Group has:

- Adopted CIPFA's Treasury Management in the Public Services: Code of Practice;
- Set treasury management indicators to control key financial instrument risks in accordance with CIPFA's Prudential Code.

24. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives rise to an 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 but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service line in the CIES in the year the Group becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service in the CIES.

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

Contingent Liabilities

A contingent liability arises where an event has taken place that gives rise to 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 Group. 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 are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

25. Leasing

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. Leases that do not meet the definition of finance leases are accounted for as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. This would include Private Finance Initiative (PFI) contracts, but the Group does not have any contracts of this type.

Lessee

Finance Leases

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

Lease payments are apportioned between:

- a finance charge debited to the Financing and Investment Income and Expenditure line in the CIES;
- a charge for the acquisition of the interest in the asset - applied to write down the lease liability.

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

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

Operating Leases

Rentals payable under operating leases are charged to the CIES on a straight-line basis over the term of the relevant lease, even where this does not match the pattern of payments.

Benefits receivable as an incentive to enter into an operating lease are included within deferred income and recognised in the CIES on a straight-line basis over the lease term.

Lessor

No component of the Group has any assets acquired under finance leases or operating leases that have been subsequently sub-let to third parties.

The Group has not granted a finance lease over any assets.

Certain freehold properties are let to third parties. These arrangements are all operating leases and the properties are classified as Investment Property. Rental income from investment property is recognised on a straight-line basis over the term of the lease and is classified as income within the appropriate segment in the CIES, even where this does not match the pattern of payments receivable.

26. Post Balance Sheet Events

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. There are two types of events:

- Adjusting events are those that provide evidence of conditions that existed at the end of the reporting period. Where any adjusting events are found amounts recognised in the Statement of Accounts are updated to reflect those adjusting events;
- Non-adjusting events are those that are indicative of conditions that arose after the reporting period. The Statement of Accounts is not updated for non-adjusting events, but where material, disclosure is made in the notes of the nature and estimated financial effect.

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

27. Exceptional Items and Prior Period Adjustments

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the CIES or in the Notes to the Accounts, depending on how significant the items are to an understanding of the financial performance.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the 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.

28. Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the CIES in that year to count against the Net Cost of Services. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net impact on council tax payers.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, retirement and employee benefits. These do not represent usable resources - these reserves are explained in the relevant policies.

The Group has a policy on Provisions and Reserves. This policy was adopted by NYPFCC on 22 November 2012 and is regularly reviewed. The treatment of reserves and provisions within the accounts is in line with this policy.

29. Critical Accounting Estimates and Judgements

In applying the Accounting Policies, the Group has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The following critical judgements have been made in the Statement of Accounts:

Future government funding

There is a high degree of uncertainty about future levels of funding for police services. However it has been determined that this uncertainty is not sufficient to provide an indication that the assets might be impaired as a result of a need to close facilities and/or reduce levels of service provision.

Accounting principles

As set out in Accounting Policy 2, it has been determined that substantially all assets and reserves of the Group are recognised on the NYPFCC Balance Sheet.

30. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures based on assumptions about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of maintenance and repairs that will be incurred in relation to individual assets. The current economic climate makes it uncertain whether current spending on repairs and maintenance will be sustainable, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of assets falls. It is estimated that the annual depreciation charge for buildings would increase by £50k (PFCC £50k) for every year that useful lives had to be reduced.

Property, Plant and Equipment, Investment Properties and Assets Held for Sale.

Valuation of assets and consideration of impairment depends on a number of complex judgements and a firm of Surveyors and Valuers is engaged to provide expert advice about the assumptions to be applied. The valuation (and any impairment review) is commissioned in accordance with UKPS 1.3 of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards.

When it is not possible to measure the fair value of assets using observable inputs, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in the assumptions used could affect the fair value of assets. Significant changes in any of the unobservable inputs would result in a significantly higher or lower fair value measurement for investment properties and assets held for sale.

The effects on the asset valuation of changes in the assumptions interact in complex ways and are difficult to evaluate.

Pensions Asset

The current realisability of net defined asset for the PFCC has been restricted under IAS19 which requires an additional liability to be recognised where there is a minimum funding requirement in excess of the IAS19 valuation. When an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of the surplus, and the asset ceiling, determined using the specified discount rate. The asset ceiling is a specified estimate of the present value of the economic benefit which the employer can realise, either through refunds or by gaining economic benefit through reductions in future contributions.

The asset ceiling for the PFCC has been calculated by the Actuary applying IFRIC14 as £nil. The asset reported before restriction is £5.999m. The asset reported in the Balance Sheet has been restricted by £0.799m to £5.200m recognising the reductions in future contributions to be made by the PFCC into the LGPS

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Firms of consulting actuaries are engaged to provide expert advice about the assumptions to be applied.

The actuaries have provided the following sensitivity information:

Impact on Defined Benefit Obligations	PFCC	Group	Group Police Pension Schemes
Change in Assumptions	LGPS	LGPS	
Longevity (increase or decrease by 1 year)	£0.1m	£6.1m	£34.0m
Rate of increase in salaries (increase or decrease by 0.1%)	£0.0m	£0.5m	£2.4m
Rate of increase in pensions (increase or decrease by 0.1%)	£0.1m	£4.2m	£20.0m
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	£0.1m	£4.7m	£20.2m

Provisions

A provision has been made for the settlement of ongoing claims not covered by insurers, based on claims received, historical experience of claims not received at the balance sheet date and estimated settlement values.

An increase over the forthcoming year of 10% in either the number of claims or the estimated average settlement would have the effect of adding £333k (PFCC £85k) to the provision needed.

Due to the nature of the claims experience it is difficult to make a dependable assessment of the window during which particular litigation might determine, and consequently when any cost may be incurred.

A change of 10% between long-term and current provisions would result in a change of £222k (PFCC £79k) between current liabilities and long-term liabilities.

Employee Benefits

The Group has made an accrual for employee benefits outstanding at the year-end, comprising flexitime, annual leave and re-rostered rest days. The accrual is estimated based on returns from each department and data captured from the Resource Management system.

Approximately 53% (PFCC 26%) of the accrual (£1,454k) (PFCC £2k) relates to rest days in lieu (RDIL). An increase or decrease of 5% in the number of RDIL owed would change the accrual by £73k (PFCC £nil).

31. Accounting Standards that have been issued but have not yet been adopted

The Code requires an Authority to disclose information relating to the impact of an accounting change that will be required by a new standard which has been issued but not yet adopted. There are no such standards applicable to NYPFCC accounts for disclosure in 2022/23.

NOTES to the ACCOUNTS for NYPFCC and the NYPFCC Group

Note No.	Note Description
1	Supplementary information to the Movement in Reserves Statements
2	Expenditure and Funding Analysis
3	Supplementary Information to the Expenditure and Funding Analysis
4	General Fund Reserves
5	Unusable Reserves
6	Leases
7	Intragroup Funding
8	Other Operating Income and Expenditure
9	Gains and Losses on Disposal of Non-Current Assets
10	Financing and Investment Income and Expenditure
11	Taxation and Non-Specific Grant Income
12	Precept Income
13	Remuneration Report
14	Other Amounts Credited/Charged to the Comprehensive Income and Expenditure Statement
15	Partnership Arrangements
16	Property, Plant and Equipment
17	Investment Property
18	Intangible Assets
19	Assets Held for Sale
20	Analysis of Amounts in Relation to Non-Current Assets
21	Financial Instruments
22	Inventories
23	Debtors
24	Cash and Cash Equivalents
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26	Creditors
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28	Retirement Benefits
29	Contingent Assets and Liabilities
30	Events after the Reporting Period
31	Net Cash Flows from Operating Activities
32	Net Cash Flows from Investing Activities
33	Net Cash Flows from Financing Activities
34	Related Party Transactions
35	Nature and Extent of Risks Arising from Financial Instruments

1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Current Year - Group	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources:						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
* Pension costs (transferred to or from the Pension Reserve)	75,850	-	-	75,850	(75,850)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	(398)	-	-	(398)	398	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	(93)	-	-	(93)	93	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	1,985	-	-	1,985	(1,985)	-
Total Adjustments to Revenue Resources	77,344	-	-	77,344	(77,344)	-
Adjustments between Revenue and Capital Resources:						
* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(2,054)	2,054	-	-	-	-
* Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(5,563)	-	-	(5,563)	5,563	-
Total Adjustments between Revenue and Capital Resources	(8,038)	2,054	-	(5,984)	5,984	-
Adjustments to Capital Resources:						
* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	-	-	-	-	-	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	-	-	-	-	-	-
Total Adjustments	69,306	2,054	-	71,360	(71,360)	-

1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Current Year - PFCC	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources:						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
* Pension costs (transferred to or from the Pension Reserve)	343	-	-	343	(343)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	(398)	-	-	(398)	398	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	9	-	-	9	(9)	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	1,985	-	-	1,985	(1,985)	-
Total Adjustments to Revenue Resources	1,939	-	-	1,939	(1,939)	-
Adjustments between Revenue and Capital Resources:						
* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(2,054)	2,054	-	-	-	-
* Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(5,563)	-	-	(5,563)	5,563	-
Total Adjustments between Revenue and Capital Resources	(8,038)	2,054	-	(5,984)	5,984	-
Adjustments to Capital Resources:						
* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	-	-	-	-	-	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	-	-	-	-	-	-
Total Adjustments	(6,100)	2,054	-	(4,046)	4,046	-

1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Prior Year - Group	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources:						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
* Pension costs (transferred to or from the Pension Reserve)	73,087	-	-	73,087	(73,087)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	(947)	-	-	(947)	947	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	(360)	-	-	(360)	360	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	6,701	-	-	6,701	(6,701)	-
Total Adjustments to Revenue Resources	78,481	-	-	78,481	(78,481)	-
Adjustments between Revenue and Capital Resources:						
* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(2,616)	2,616	-	-	-	-
* Statutory provision for the repayment of debt (transfer to Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,513)	-	-	(3,513)	3,513	-
Total Adjustments between Revenue and Capital Resources	(6,550)	2,616	-	(3,934)	3,934	-
Adjustments to Capital Resources:						
* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	(121)	-	-	(121)	121	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	(121)	-	-	(121)	121	-
Total Adjustments	71,810	2,616	-	74,426	(74,426)	-

1. Supplementary information to the Movement in Reserves Statement

Analysis of adjustments between accounting basis and funding basis under regulations

Prior Year - PFCC	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources:						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
* Pension costs (transferred to or from the Pension Reserve)	386	-	-	386	(386)	-
* Precept (transferred to or from the Collection Fund Adjustment Account)	(947)	-	-	(947)	947	-
* Holiday pay etc transferred to or from the Accumulated Absence Reserve	(3)	-	-	(3)	3	-
* Reversal of entries included in the Surplus or Deficit on the Provision of Service in relation to capital expenditure (charged to the Capital Adjustment Account)	6,701			6,701	(6,701)	-
Total Adjustments to Revenue Resources	6,137	-	-	6,137	(6,137)	-
Adjustments between Revenue and Capital Resources:						
* Transfer of non-current asset sale proceeds from revenue to the Capital Receipt Reserve	(2,616)	2,616	-	-	-	-
* Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(421)	-	-	(421)	421	-
* Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,513)	-	-	(3,513)	3,513	-
Total Adjustments between Revenue and Capital Resources	(6,550)	2,616	-	(3,934)	3,934	-
Adjustments to Capital Resources:						
* Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
* Application of capital grants to finance capital expenditure	(121)	-	-	(121)	121	-
* Notional income in relation to Donated Assets	-	-	-	-	-	-
Total Adjustments to Capital Resources	(121)	-	-	(121)	121	-
Total Adjustments	(534)	2,616	-	2,081	(2,081)	-

2. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants and precept) by the Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It shows how this expenditure is allocated for decision making processes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Current year - Group	Note	Expenditure chargable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(10,723)		(10,723)
Other Income (including project income)		(10,729)	697	(10,032)
Salary Costs		144,141	24,208	168,349
Other non Salary employee costs		3,833		3,833
Police Injury Pension Costs		3,894		3,894
Premises Costs		5,511	(12)	5,499
Supplies and Services		22,472	(50)	22,422
Transport Costs		3,536		3,536
Financial Costs		809	519	1,328
Interest Payments and Leasing Charges		182	(182)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,410	(1,410)	-
Commissioned Services		6,738		6,738
Project Costs		4		4
Transfer to /from Reserves		7,467	(7,467)	-
Cost of Police Services		178,966	15,883	194,849
Corporate and Democratic Core		-	1,437	1,437
Non-Distributed Costs		-	-	-
Net Cost of Services		178,966	17,320	196,286
Other Operating Income and Expenditure		-	25,601	25,601
Financing and Investment Income and Expenditure		-	50,919	50,919
Taxation and Non-Specific Grant Income		(178,966)	(26,428)	(205,394)
Deficit or (Surplus) on the Provision of Services		-	67,411	67,411
Opening General Fund	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund in year	4	-		
Closing General Fund as at 31st March 2023	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

2. Expenditure and Funding Analysis

Current year - PFCC	Note	Expenditure chargeable to the General Fund £'000	Adjustments between the funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Targeted Grants		(10,723)	-	(10,723)
Other Income (including project income)		(1,348)	688	(660)
Salary Costs		-	338	338
Other non Salary employee costs		-	-	-
Premises Costs		-	-	-
Supplies and Services		23	(47)	(24)
Transport Costs		-	-	-
Financial Costs		637	(118)	519
Interest Payments and Leasing Charges		182	(182)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,410	(1,410)	-
Commissioned Services		6,738	-	6,738
Project Costs		4	(4)	-
Transfer to /from Reserves		7,467	(7,467)	-
Recharges to CCNY		-	(520)	(520)
Cost of Police Services		4,811	(9,141)	(4,331)
Corporate and Democratic Core		-	1,437	1,437
Non-Distributed Costs		-	-	-
Intragroup funding		174,155	1,064	175,219
Net Cost of Services		178,966	(6,640)	172,325
Other Operating Income and Expenditure		-	25,601	25,601
Financing and Investment Income and Expenditure		-	(526)	(526)
Taxation and Non-Specific Grant Income		(178,966)	(26,428)	(205,394)
Deficit or (Surplus) on the Provision of Services		-	(7,994)	(7,994)
Opening General Fund	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund in year	4	-		
Closing General Fund as at 31st March 2023	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

2. Expenditure and Funding Analysis

Previous year - Group	Note	Expenditure chargeable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(8,255)	-	(8,255)
Other Income		(9,049)	183	(8,866)
Salary Costs		133,852	33,647	167,499
Other non Salary employee costs		2,857	-	2,857
Police Injury Pension Costs		4,326	-	4,326
Premises Costs		4,506	(17)	4,489
Supplies and Services		20,417	(11)	20,406
Transport Costs		3,076	-	3,076
Financial Costs		400	4,370	4,770
Interest Payments and Leasing Charges		148	(148)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,349	(1,349)	-
Commissioned Services		6,639	-	6,639
Project Costs		2,593	-	2,593
Transfer to /from Reserves		6,767	(6,767)	-
Cost of Police Services		170,047	29,488	199,535
Corporate and Democratic Core		-	1,348	1,348
Non-Distributed Costs		-	85	85
Net Cost of Services		170,047	30,921	200,968
Other Operating Income and Expenditure		-	23,827	23,827
Financing and Investment Income and Expenditure		-	38,962	38,962
Taxation and Non-Specific Grant Income		(170,047)	(25,154)	(195,201)
(Surplus) or deficit on the Provision of Services		-	68,555	68,555
Opening General Fund and Earmarked Reserves	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund and Earmarked Reserves in year	4			
Closing General Fund and Earmarked Reserves as at 31st March 2022	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

2. Expenditure and Funding Analysis (PFCC)

Previous year - PFCC	Note	Expenditure chargeable to the General Fund	Adjustments between the funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000
Targeted Grants		(8,255)	-	(8,255)
Other Income		(739)	183	(556)
Salary Costs		-	369	369
Other non Salary employee costs		-	-	-
Premises Costs		-	(17)	(17)
Supplies and Services		10	(16)	(6)
Transport Costs		-	-	-
Financial Costs		166	4,370	4,536
Interest Payments and Leasing Charges		148	(148)	-
Repayment of loan and lease		421	(421)	-
OPFCC costs		1,349	(1,349)	-
Commissioned Services		6,639	-	6,639
Project Costs		2,593	(2,593)	-
Transfer to /from Reserves		6,767	(6,767)	-
Recharge to CCNY for the use of Long Term Assets		-	(4,537)	(4,537)
Cost of Police Services		9,099	(10,924)	(1,825)
Corporate and Democratic Core		-	1,346	1,346
Non-Distributed Costs		-	-	-
Intragroup funding		160,948	7,001	167,949
Net Cost of Services		170,047	(2,577)	167,470
Other Operating Income and Expenditure		-	23,827	23,827
Financing and Investment Income and Expenditure		-	114	114
Taxation and Non-Specific Grant Income		(170,047)	(25,154)	(195,201)
(Surplus) or deficit on the Provision of Services		-	(3,790)	(3,790)
Opening General Fund and Earmarked Reserves	4	5,603		
Plus/(Less) Surplus or (Deficit) on the General Fund and Earmarked Reserves in year	4	-		
Closing General Fund and Earmarked Reserves as at 31st March 2023	4	5,603		

Details of the main adjustments between the funding and accounting basis are set out in Note 3.

3. Supplementary information to the Expenditure and Funding Analysis

This note provides details of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments for Capital purposes:

This column adds in depreciation and impairment and revaluation gains and losses to the Net Cost of Services, and removes the statutory charges for the financing of capital. It also adjusts:

* Other Operating Income for the net book value and disposal proceeds of capital disposals

* Financing and Investment Income and Expenditure for movement in the market value of Investment Properties: and

* Taxation and Non-Specific Grant Income for capital grants and notional income in relation to donated assets

Many of the entries in this column come from the Capital adjustment Account (See note 5(b))

Net change for the Pensions Adjustments:

This column removes employer pension contributions made from the Net Cost of Services and replaces with current and past service costs. It also adds the net Interest on the defined benefit liability to Financing and Investment Income and Expenditure.

Other Differences:

This column includes the adjustments between the charges under statutory regulations to council taxpayers and the amounts recognised in the accounts under generally accepted accounting principles (see also Note 1). This column also includes the impact of the recharges to CCNY for Corporate Services and the use of Long Term Assets.

Current year - Group	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	697	697
Salary Costs	-	24,394	(186)	24,208
Other Non Salary employee costs	-	-	-	-
Police Injury Pension Costs	-	-	-	-
Premises Costs	-	-	(12)	(12)
Supplies and Services	-	-	(50)	(50)
Transport Costs	-	-	-	-
Financial Costs	519	-	-	519
Interest Payments and Leasing Charges	-	-	(182)	(182)
Repayment of loan and lease	(421)	-	-	(421)
OPFCC costs	-	-	(1,410)	(1,410)
Commissioned Services	-	-	-	-
Project Costs	-	-	-	-
Transfer to /from Reserves	-	-	(7,467)	(7,467)
Cost of Police Services	98	24,394	(8,610)	15,882
Corporate and Democratic Core	-	-	1,437	1,437
Non-Distributed Costs	-	-	-	-
Intragroup funding	-	-	-	-
Net Cost of Services	98	24,394	(7,173)	17,319
Other Operating Income and Expenditure	1,625	26,030	(2,054)	25,601
Financing and Investment Income and Expenditure	(150)	51,456	(387)	50,919
Taxation and Non-Specific Grant Income	-	(26,030)	(398)	(26,428)
Deficit or (Surplus) on the Provision of Services	1,573	75,850	(10,012)	67,411

3. Supplementary Information to the Expenditure and Funding Analysis

Current year - PFCC	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	688	688
Salary Costs	-	329	9	338
Other non Salary employee costs	-	-	-	-
Premises Costs	-	-	-	-
Supplies and Services	-	-	(47)	(47)
Transport Costs	-	-	-	-
Financial Costs	519	-	(637)	(118)
Interest Payments and Leasing Charges	-	-	(182)	(182)
Repayment of loan and lease	(421)	-	-	(421)
OPFCC costs	-	-	(1,410)	(1,410)
Commissioned Services	-	-	-	-
Project Costs	-	-	(4)	(4)
Transfer to /from Reserves	-	-	(7,467)	(7,467)
Recharges to CCNY	-	-	(520)	(520)
Cost of Police Services	98	329	(9,570)	(9,143)
Corporate and Democratic Core	-	-	1,437	1,437
Non-Distributed Costs	-	-	-	-
Intragroup funding	-	-	1,064	1,064
Net Cost of Services	98	329	(7,069)	(6,642)
Other Operating Income and Expenditure	1,625	26,030	(2,054)	25,601
Financing and Investment Income and Expenditure	(150)	14	(390)	(526)
Taxation and Non-Specific Grant Income	-	(26,030)	(398)	(26,428)
Deficit or (Surplus) on the Provision of Services	1,573	343	(9,911)	(7,994)

3. Supplementary Information to the Expenditure and Funding Analysis

Previous year - Group	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	183	183
Salary Costs	-	34,142	(495)	33,647
Other Non Salary employee costs	-	-	-	-
Premises Costs	-	-	(17)	(17)
Supplies and Services	-	-	(11)	(11)
Transport Costs	-	-	-	-
Financial Costs	4,370	-	-	4,370
Interest Payments and Leasing Charges	-	-	(148)	(148)
Repayment of loan and lease	(421)	-	-	(421)
OPCC costs	-	-	(1,349)	(1,349)
Commissioned Services	-	-	-	-
Project Costs	-	-	-	-
Transfer to /from Reserves	-	-	(6,767)	(6,767)
Cost of Police Services	3,950	34,142	(8,604)	29,488
Corporate and Democratic Core	-	-	1,348	1,348
Non-Distributed Costs	-	85	-	85
Intragroup funding	-	-	-	-
Net Cost of Services	3,950	34,227	(7,256)	30,921
Other Operating Income and Expenditure	2,359	24,083	(2,615)	23,827
Financing and Investment Income and Expenditure	(28)	38,861	129	38,962
Taxation and Non-Specific Grant Income	(121)	(24,085)	(947)	(25,154)
(Surplus) or deficit on the Provision of Services	6,159	73,086	(10,690)	68,555

3. Supplementary Information to the Expenditure Funding Analysis

Previous year - PFCC	Adjustments for Capital Purposes	Net change for the Pension Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Targeted Grants	-	-	-	-
Other Income	-	-	183	183
Salary Costs	-	373	(4)	369
Other Non Salary employee costs	-	-	1	1
Premises Costs	-	-	(17)	(17)
Supplies and Services	-	-	(16)	(16)
Transport Costs	-	-	-	-
Financial Costs	4,370	-	(166)	4,205
Interest Payments and Leasing Charges	-	-	(148)	(148)
Repayment of loan and lease	(421)	-	-	(421)
OPFCC costs	-	-	(1,349)	(1,349)
Commissioned Services	-	-	-	-
Project Costs	-	-	(2,593)	(2,593)
Transfer to /from Reserves	-	-	(6,767)	(6,767)
Recharges to CCNY for the use of Long Term Assets	-	-	(4,371)	(4,371)
Cost of Police Services	3,950	373	(15,247)	(10,924)
Corporate and Democratic Core	-	-	1,346	1,346
Non-Distributed Costs	-	-	-	-
Intragroup funding	-	-	7,001	7,001
Net Cost of Services	3,950	373	(6,900)	(2,577)
Other Operating Income and Expenditure	2,359	24,083	(2,615)	23,827
Financing and Investment Income and Expenditure	(28)	13	129	114
Taxation and Non-Specific Grant Income	(121)	(24,085)	(947)	(25,154)
(Surplus) or deficit on the Provision of Services	6,160	384	(10,334)	(3,790)

4. General Fund Reserves

Current Year - Group and PFCC	At 1 April 2022	Transfers (to)/from Revenue	Credited to Revenue	Transfers to Finance Capital	Transfers between Reserves	Total Movement on Reserves	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Reserve	4,964	9,577		(5,491)	-	4,086	9,051
Capital Reserves	4,964	9,577	-	(5,491)	-	4,086	9,051
General Reserve	5,603	-	-	-	-	-	5,603
Insurance Reserve	554	72	(554)	(72)	-	(554)	-
Incentivisation Grant	278	346	(102)	-	-	244	522
Misuse of Drugs Act 1971 Reserve	49	-	(7)	-	-	(7)	42
Cost of Change Reserve	1,120	928	(651)	-	-	277	1,397
Commissioned Services Reserve	841	154	(134)	-	-	20	861
Major Incident Reserve	1,007	-	(574)	-	-	(574)	432
Payroll and Pensions Reserve	1,850	-	(900)	-	-	(900)	950
Firearms Reserve	589	-	(50)	-	-	(50)	539
Investments Reserve	370	-	(151)	-	-	(151)	219
Training Reserve	400	-	(135)	-	-	(135)	265
ESMCP Reserve	787	-	(48)	-	-	(48)	739
Tax Income Guarantee Reserve	442	-	(225)	-	-	(225)	217
COVID Reserve	50	-	(50)	-	-	(50)	-
FCR Overtime Reserve	71	-	(71)	-	-	(71)	-
PCC Technical	429	42	-	-	-	42	471
Revenue Reserves	14,439	1,542	(3,652)	(72)	-	(2,182)	12,258
Total	19,405	11,119	(3,652)	(5,563)	-	1,904	21,309

Prior Year - Group and PFCC	At 1 April 2021	Transfers (to)/from Revenue	Credited to Revenue	Transfers to Finance Capital	Transfers between Revenue Reserves	Total Movement on Reserves	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Reserve	1,883	6,489		(3,405)	-	3,084	4,964
Major Capital Reserve	-	-		-	-	-	-
Capital Reserves	1,883	6,489	-	(3,405)	-	3,084	4,964
General Reserve	5,603	-		-	-	-	5,603
Insurance Reserve	554	108		(108)	-	-	554
Incentivisation Grant	181	207	(110)	-	-	97	278
Misuse of Drugs Act 1971 Reserve	93	-	(44)			(44)	49
PFCC Community Fund Reserve	11	-	(11)			(11)	-
Cost of Change Reserve	220	900		-	-	900	1,120
Commissioned Services Reserve	726	281	(166)			115	841
Major Incident Reserve	1,114	-	(107)			(107)	1,007
Payroll and Pensions Reserve	2,000	-	(150)			(150)	1,850
Firearms Reserve	615	-	(26)			(26)	589
Investments Reserve	593	-	(223)			(223)	370
Training Reserve	400	-				-	400
ESMCP Reserve	838	-	(51)			(51)	787
Tax Income Guarantee Reserve	460	-	(18)			(18)	442
Covid Reserve	300	-	(250)			(250)	50
Donate Inventory Reserve	51	-	(51)			(51)	-
FCR Overtime Reserve		71				71	71
PCC Technical	510	4	(85)			(81)	429
Revenue Reserves	14,269	1,571	(1,292)	(108)	-	171	14,439
Total	16,151	8,058	(1,292)	(3,513)	-	3,253	19,405

5. Unusable Reserves

Group	Note	31 March 2023	31 March 2022
		£'000	£'000 restated
Revaluation Reserve	5a	5,107	2,709
Capital Adjustment Account	5b	28,710	24,620
Pensions Reserve	5c	(1,359,542)	(1,949,615)
Collection Fund Adjustment Account	5d	836	438
Accumulated Absences Account	5e	(2,651)	(2,744)
Total Unusable Reserves		(1,327,540)	(1,924,592)

PFCC	Note	31 March 2023	31 March 2022
		£'000	£'000
Revaluation Reserve	5a	5,107	2,709
Capital Adjustment Account	5b	28,710	24,620
Pension Reserve	5c	-	(583)
Collection Fund Adjustment Account	5d	836	438
Accumulated Absences Account	5e	(18)	(8)
Total Unusable Reserves		34,635	27,175

5 (a) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Group arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

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

Group and PFCC		2022/23	2021/22
	Note	£'000	£'000 Restated
Balance at 1 April		2,709	2,076
Surplus or (deficit) on revaluation of non-current assets not posted to Surplus or Deficit on the Provision of Services	20c	2,490	786
Adjusting amounts written out of the Revaluation Reserve	5b	(92)	(153)
Balance at 31 March		5,107	2,709

5 (b) Capital Adjustment Account

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

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Group.

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

Note 1 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account

Group and PFCC	Note	2022/23 £'000	2021/22 £'000 Restated
Balance at 1 April		24,620	27,114
Adjustments to CIES for Capital Purposes:			
Adjustments to Net Cost of Services:			
* Charges for depreciation of non-current assets	16	(3,392)	(4,298)
* Charges for amortisation of intangible assets		(461)	(706)
* Revaluation/impairment adjustments on Property, Plant and Equipment and Intangibles	20c/20d	3,345	633
		(508)	(4,371)
Adjustments to CIES Other Income and Expenditure:			
Other operating expenditure			
* Movements in the market value of Assets Held for Sale	19	-	(7)
* Amounts of assets held for sale written off on disposal or sale as part of the gain/loss on disposal	9	(1,371)	(2,330)
* Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	9	(254)	(22)
		(1,625)	(2,359)
Financing and Investment Income and Expenditure			
* Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	20c	150	28
Taxation and Non Specific Grant Income			
* Capital grants and contributions that have been applied to capital financing	20a	-	121
* Donations income credited to I&E	20a	-	-
		-	121
Total adjustment for Capital Purposes		(1,983)	(6,581)
Other movements in the Capital Adjustment Account			
Statutory provision for the repayment of debt		421	421
Adjusting amounts written out of the Revaluation Reserve	5a	92	153
Use of the Capital Receipts Reserve to finance new capital expenditure	20a	-	-
Application of Grants to Capital Financing from the Capital Grants Unapplied		-	-
Capital expenditure charged against the General Fund	20a	5,562	3,514
Total other movements		6,075	4,088
Balance at 31 March		28,710	24,620

5 (c) Pensions Reserve

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

Group	2022/23	2021/22
	£'000	£'000
Balance at 1 April	(1,949,615)	(1,944,294)
Remeasurements of pension assets and liabilities	665,923	67,767
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(102,444)	(98,900)
Employer's pension contributions and direct payments to pensioners payable in the year	26,594	25,812
Balance at 31 March	(1,359,542)	(1,949,615)

PFCC	2022/23	2021/22
	£'000	£'000
Balance at 1 April	(583)	(689)
Remeasurements of pension assets and liabilities	926	492
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(462)	(493)
Employer's pension contributions and direct payments to pensioners payable in the year	119	107
Balance at 31 March	-	(583)

5 (d) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of precept income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Group and PFCC	2022/23	2021/22
	£'000	£'000
Balance at 1 April	438	(510)
Amount by which precept income credited to the Comprehensive Income and Expenditure Statement is different from precept income calculated for the year in accordance with statutory requirements	398	947
Balance at 31 March	836	438

5 (e) Accumulated Absences Account

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

Group	2022/23	2021/22
Balance at 1 April	(2,744)	(3,104)
Settlement or cancellation of accrual made at the end of the preceding year	2,744	3,104
Amounts accrued at the end of the current year	(2,651)	(2,744)
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	93	361
Balance at 31 March	(2,651)	(2,744)

PFCC	2022/23	2021/22
	£'000	£'000
Balance at 1 April	(8)	(11)
Settlement or cancellation of accrual made at the end of the preceding year	8	11
Amounts accrued at the end of the current year	(18)	(9)
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(10)	3
Balance at 31 March	(18)	(8)

6. Leases

The Group as Lessee

The Group leases a number of properties, which have been accounted for as operating leases. The total rentals payable in 2022/23 were £192k (PFCC £36k) (2021/22 £306k (PFCC £nil)).

The Group uses certain other equipment financed under an operating lease. The amount paid in 2022/23 was £74k (PFCC £1k) (2021/22 £72k, PFCC £1k).

Commitments under Operating Leases

At the balance sheet date the Group was committed to making total payments of £2.800m (PFCC £12k) (2021/22 £2.138m, PFCC £nil) under operating leases:

Group		Not later than	Later than one	Later than	Total
		one year	year and not later than five years	five years	
		£'000	£'000	£'000	£'000
31 March 2023	Land and Buildings	164	622	1,935	2,721
	Plant and Equipment	68	11	-	79
	Total	232	633	1,935	2,800
PFCC					
31 March 2023	Land and Buildings	12	-	-	-
	Plant and Equipment	-	-	-	-
	Total	12	-	-	-

		Not later than one year	Later than one year and not later than five years	Later than five years	Total commitments
Group					
31 March 2022 -	Land and Building	264	466	1,261	1,991
Restated	Plant and Equipment	68	79	-	147
	Total	332	545	1,261	2,138
PFCC					
31 March 2022	Land and Building	-	-	-	-
	Plant and Equipment	-	-	-	-
	Total	-	-	-	-

The Group as Lessor

The Group (PFCC) leases out certain investment properties to tenants under operating leases. Under the terms of the operating leases no contingent rents are payable.

7. Intragroup Funding

PFCC	2022/23 £'000	2021/22 £'000
Charges from the PFCC to CCNY		
<i>Credited to the same headings as the costs they are recharging, as part of Cost of Police Services</i>		
Amounts equivalent to:		
- amounts charged to Income & Expenditure for use of Long Term Assets	520	4,370
- interest charge on finance leases	-	-
- charges to CCNY for Corporate Support Services	664	2,767
Recharges deducted in Cost of Police Services	1,184	7,137
Charges from CCNY to the PFCC		
<i>Charged to Cost of Police Services</i>		
- amounts to be transferred to reserves	-	-
- Investment property I & E	3	-
- Democratic Core costs	121	136
<i>Charged to Net Cost of Services</i>		
- gross expenditure on policing services	175,219	167,949
	175,343	168,086

8. Other Operating Income and Expenditure

Group and PFCC	2022/23 £'000	2021/22 £'000
Police Pension Top-up Grant paid to Pension Scheme	26,030	24,083
Gains and losses on the disposal of non-current assets (Note 9)	(429)	(261)
Movement in fair value of Assets Held for Sale	-	7
Total	25,601	23,827

9. Gains and Losses on Disposal of Non-Current Assets

An analysis of the gains and losses on disposal of non-current assets is shown below.

Group and PFCC	2022/23 Net Book Value £'000	2022/23 Proceeds £'000	2022/23 Total £'000	2021/22 Net Book Value £'000	2021/22 Proceeds £'000	2021/22 Total £'000
(Gain) / loss on:						
Property, Plant and Equipment	254	(12)	242	22	(114)	(91)
Assets Held for Sale	1,371	(2,042)	(671)	2,330	(2,500)	(170)
Total	1,625	(2,054)	(429)	2,352	(2,615)	(261)

De minimis receipts from sales of vehicles and vehicle parts of £283k were received in year which were charged directly to revenue in line with accounting policy.

10 (a) Financing and Investment Income and Expenditure

Group	2022/23 Expenditure £'000	2022/23 Income £'000	2022/23 Total £'000	2021/22 Expenditure £'000	2021/22 Income £'000	2021/22 Total £'000
Interest payable:						
On bank account	148	-	148	148	-	148
On other loan	-	-	-	-	-	-
Leasing Charges	-	-	-	-	-	-
Net Pensions interest cost (Note 28)	51,456	-	51,456	38,861	-	38,861
Interest income from cash and cash equivalents and short-term investments	-	(537)	(537)	-	(27)	(27)
Amounts in relation to Investment Properties:						
Net rental expenditure (note 10b)	12	(9)	3	17	(9)	8
Movement in fair value (Note 20c)	-	(150)	(150)	-	(28)	(28)
Total	51,616	(696)	50,919	39,026	(64)	38,962
PFCC	2022/23 Expenditure £'000	2022/23 Income £'000	2022/23 Total £'000	2021/22 Expenditure £'000	2021/22 Income £'000	2021/22 Total £'000
Interest payable:						
On bank account	148	-	148	148	-	148
On other loan	-	-	-	-	-	-
Leasing Charges	-	-	-	-	-	-
Net Pensions interest cost (note 28)	14	-	14	13	-	13
Interest income from cash and cash equivalents and short-term investments	-	(537)	(537)	-	(27)	(27)
Amounts in relation to Investment Properties:						
Net rental expenditure (Note 10b)	-	-	-	-	-	-
Movement in fair value (Note 20c)	-	(150)	(150)	-	(28)	(28)
Total	162	(687)	(525)	161	(55)	106

10 (b) Investment Property Rentals

Gross and net rental income from Investment Properties

Group and PFCC	2022/23	2021/22
	£'000	£'000
Properties let to tenants under operating leases:		
Gross rent receivable	9	9
Property operating expenses	(12)	(17)
	(3)	(8)
Properties not let by tenants:		
Net Property operating expenses	-	-
Net rental expenditure	(3)	(8)

11. Taxation and Non-Specific Grant Income

Group and PFCC		2022/23	2021/22
	Note	£'000	£'000
Precept Income	12	87,308	82,892
Home Office grant payable towards the cost of retirement benefits		26,030	24,083
Non-Ringfenced Government Grants:			
- Police Grant (inc DCLG Formula Funding)		84,157	79,050
- Legacy Council Tax Grants		7,898	9,053
Capital Grants and contributions		-	121
Donation Income		-	-
Total		205,393	195,201

12. Precept Income

The Police, Fire and Crime Commissioner levies a precept on all the District and Unitary Councils within North Yorkshire equivalent to the amount needed to collect in council tax on behalf of the Police, Fire and Crime Commissioner for North Yorkshire. The Commissioner set a Band D precept of £281.06 in 2022/23 (2021/22 - £271.06), which was an increase of 3.69%.

Group and PFCC		2022/23	2021/22
	Note	£'000	£'000
Precept set by Police, Fire and Crime Commissioner		86,556	82,178
Collection Fund surplus received		354	(233)
		86,910	81,945
Adjustment of surplus to accruals basis	5d	398	947
Total		87,308	82,892

The constituent Councils' contributions were as follows:

Group and PFCC	2022/23	2021/22
	£'000	£'000
Craven	6,530	6,044
Hambleton	10,654	10,115
Harrogate	18,304	17,251
Richmondshire	5,561	5,267
Ryedale	6,247	5,866
Scarborough	10,875	10,404
Selby	9,210	8,700
York	19,174	18,300
Total	86,556	81,945

13. Remuneration Report

13 (a) Remuneration of Senior Officers

In setting the conditions of service of Senior Officers the Police, Fire and Crime Commissioner has regard to the following factors:

- the need to recruit, retain and motivate suitably qualified people to carry out their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- differences in terms and conditions of employment between the public and private sector and taking account of relative job security and value of benefits in kind;
- changes in national pay systems, including flexibility and the reward of success, and job weight in differentiating the remuneration of particular posts;
- the relevant legal obligations, including anti-discrimination legislation regarding age, gender, race, sexual orientation, religion and belief and disability.

Total remuneration of senior police officers comprises elements that are set centrally for all police forces in the UK and other elements that are set locally. Pay elements that are set centrally include base salary, accommodation allowances and pension benefits. Centrally-set elements for serving police officers are determined in accordance with the Police Regulations 2003 (as amended).

For the purposes of this report the senior officers comprised the following personnel during the year:

- Police, Fire and Crime Commissioner
- Deputy Police and Crime Commissioner
- Chief Constable *
- Deputy Chief Constable *
- Assistant Chief Constables *
- Chief Executive Officer
- Police, Fire and Crime Commissioner's Chief Finance Officer
- Head of Finance and Chief Constable's 151 Officer
- Managing Director of Enable
- * *serving police officers.*

Where applicable disclosures are also provided for employees who have fulfilled the above roles on a temporary or acting basis.

	2022/23 Group £'000	2022/23 PFCC £'000	2021/22 Group £'000	2021/22 PFCC £'000
Salaries and short-term benefits	1,133	270	1,000	212
Post-employment benefits	196	29	206	22
Total	1,329	299	1,206	234

13 (b) Remuneration of Other Employees

Levels of pay for other employees are determined in accordance with the following:

- Police officer remuneration is determined in accordance with the Police Regulations 2003 (as amended);
- Remuneration of support staff is agreed by the Police Support Staff council.

13 (c) Remuneration Entitlements of Senior Officers

Salary

Pay and allowances for the Police, Fire and Crime Commissioner are set by the Home Office acting on the advice of the Senior Salaries Review Board. Basic salary for serving police officers is determined and approved by the Secretary of State for the Home Office each year. Salaries are set for all police officers of all ranks up to and including Chief Constables. Pay reviews are carried out each year and any increases are applicable from 1 September. Pay reviews for other senior officers are agreed with the Police Support Staff Council. Any increases are usually applicable from 1 September.

Other Allowances and Benefits

Other allowances and benefits include allowances and expenses paid, in addition to basic salary, that are chargeable to UK income tax. They comprise the following:

- Accommodation allowance;
- Car available for private use or car allowance paid as additional salary;

Accommodation allowances are a historic payment and were paid to police officers who resided in their own accommodation as opposed to Police Houses. They are not paid to any police officers joining the Force after April 1995, other than those that may be transferred from other Forces and who are already in receipt of accommodation allowances.

Allowances

For the purposes of the disclosures that follow, amounts disclosed as allowances are those that are included with salary.

The Commissioner and the Chief Constable are committed to ensuring that Chief Officer remuneration terms are clear and lawful and that public policy standards are met.

Benefits in Kind

Benefits in kind include the estimated value of any benefits that are provided to senior officers in forms other than cash. During the year benefits in kind included the cash equivalents of cars provided to senior officers, and relocation allowance in accordance with Police Regulations, as disclosed to HM Revenue and Customs on form P11D. Benefits in kind do not include business use of private vehicles.

Pension Benefits

The Group makes pension contributions on behalf of Senior Officers and Staff who are members of pension schemes. Employer contributions are at the same rates for all members of the schemes, irrespective of rank or salary, and are determined by the Actuaries. During 2022/23 the rates were 31% for the Police Pension Schemes (2021/22 31%) .

The Actuaries confirmed the rates for the Chief Constable and for the PFCC Local Government Pension Scheme as 10.6% (2021/22 10.7%).

The pension figure included in the disclosures below represents the value of the employer's pension contribution to the senior officer's pension pot, in whichever scheme he/she is a member.

Police Officers

Those members of the senior officer team who are also serving police officers are eligible to join the Police Pension Schemes. During 2022/23 senior officers who elected to join were either members of the Police Pension Scheme 1987 or the Police Pension Scheme 2015.

The Police Pension Scheme 1987 is a defined benefit scheme, providing pension benefits linked to final salary. The scheme is a 40/60ths scheme, with a full pension payable under the scheme after 30 years' service. The maximum pension payable is 40/60ths of salary. The accrual rate for the scheme is 1/60th of salary for each year worked for the first 20 years service and 2/60ths for each year for the following 10 years and nil thereafter. At retirement members may opt to give up (commute) part of their pension entitlement in return for a lump sum cash payment.

Senior officers' contributions are currently at the rate of between 12.75% and 15.05% of pensionable salary. (See Police Pension Fund Account and Note 28 to the accounts for further information on the Police Pension schemes).

The Police Pension Scheme 2015 is a Career Average Revalued Earnings (CARE) scheme rather than a final salary scheme. For each year a member contributes they will earn a fraction of their Pensionable Earnings (1/55.3) for that year as earned pension and this will be revalued for each subsequent year until they retire. A member has the option to retire at the normal minimum pension age (55) however if they were to do so their pension would be actuarially reduced by reference to the normal pension age (60). At retirement members may opt to give up (commute) part of their pension entitlement in return for a lump sum cash payment.

Other Senior Officers

Those members of the Senior Officer team who are not serving police officers are eligible to participate in the Local Government Pension Scheme ("LGPS"). During 2022/23 all eligible senior officers were members of the scheme.

The scheme is a defined benefit scheme, providing pension benefits linked to final salary. The current scheme provides for an accrual rate of 1/60th of salary for each year of service up to 31 March 2014. Thereafter the accrual rate is 1/49th. There is no time limit to the amount of service that can be built up but benefits must be taken by age 75. At retirement members may opt to give up (commute) part of their pension entitlement in return for a lump sum cash payment. Senior officers' contributions are currently at the rate of between 5.5% and 12.5% pensionable salary dependent on which scheme the officer sits within. (See Note 28 to the accounts for further information on the Local Government Pension Scheme).

13 (d) A summary of Senior Officer Remuneration for the year ended 31 March 2023 is presented below:

	Salary	Benefits in kind	Allowance	Value of employers pension contribution	Termination Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000
PFCC and Group						
Police, Fire and Crime Commissioner:						
Z Metcalfe	76	-	-	9	-	85
Chief Executive Officer						
S Dennis	94	-	-	11	-	105
Head of Partnerships and Commissioning						
J Newberry	67	-	-	7	-	74
Group only						
Chief Constable:						
L Winward	151	-	3	47	-	201
Deputy Chief Constable:						
M Hussain	125	-	-	13	-	138
Assistant Chief Constable:						
M Pannone (to 30/04/2022)	14	-	-	3	-	17
M Walker (from 05/09/2022 to 31/03/2023)	62	1	-	19	-	82
L Butterfield	45	-	-	14	-	59
E Foskett	107	14	-	33	-	154
S Bissett (from 27/02/23)	11	-	-	3	-	14
Managing Director of Enable:						
R Ward (to 31/03/2023)	123	8	-	14	-	145
R Brown (from 30/06/2022 to 31/03/2023)	72	-	-	10	-	82
Chief Constable's 151 Officer and Head of Finance:						
M Clements	98	8	-	11	-	117
Total	1,045	31	3	194	-	1,273

* CFO - Chief Finance Officer.

The Commissioner's Chief Finance Officer is M Porter. This function is discharged via a collaboration agreement with Cleveland Police and Crime Commissioner (CPCC) and the CFO's remuneration is reflected in CPCC's accounts. During 2022/23 £54k (2021/22 £53k) was incurred in respect of this contract.

A summary of Senior Officer Remuneration for the year ended 31 March 2022 is presented below:

	Salary	Benefits in kind	Allowance	Value of employers pension contribution	Termination Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000
PFCC and Group						
Police, Fire and Crime Commissioner:						
J Mulligan (to 12/05/2021)	9	-	-	-	-	9
P Allott (to 15/10/2021)	32	-	-	3	-	35
Z Metcalfe (from 25/11/2021)	26	-	-	3	-	29
Chief Executive Officer						
S Dennis (from 13/05/2021)	80	-	-	9	-	89
Head of Partnerships and Commissioning						
J Newberry	66	-	-	7	-	73
Group only						
Chief Constable:						
L Winward	150	-	3	46	-	199
Deputy Chief Constable:						
P Cain (to 12/02/2022)	134	-	-	33	-	167
M Hussain (from 03/01/2022)	30	1	-	9	-	40
Assistant Chief Constable:						
M Pannone (to 31/03/2022)	110	4	3	34	-	151
A Anderson (to 19/07/2021)	36	-	1	11	-	48
L Butterfield (from 01/07/2021)	79	-	-	24	-	103
E Foskett (from 14/03/2022)	5	-	-	2	-	7
Managing Director of Enable						
R Ward	121	-	8	13	-	142
Chief Constable's 151 Officer and Head of Finance						
M Clements	96	-	8	10	-	114
Total	973	5	22	205	-	1,205

* CFO - Chief Finance Officer

The Commissioner's Chief Finance Officer is M Porter. This function is discharged via a collaboration agreement with Cleveland Police and Crime Commissioner (CPCC) and the CFO's remuneration is reflected in CPCC's accounts. During 2021/22 £53k (2020/21 £53k) was incurred in respect of this contract.

Chief Executive Officer services were provided by S Dennis. This function was discharged via Cleveland Police and Crime Commissioner (CPCC) and the Acting CEO's remuneration is reflected in CPCC's accounts from 01/04/21-12/05/21, when S Dennis joined North Yorkshire PFCC. During 2021/22 £19k (2020/21 £98k) was incurred in respect of this contract.

13 (e) Officers and Staff

A breakdown of the number of persons of each gender was as follows:

	2022/23 Group		2022/23 PFCC		2021/22 Group		2021/22 PFCC	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior Officers	8	4	1	2	5	4	1	2
Other employees	1,579	1,524	6	26	1,553	1,416	5	25
	1,587	1,528	7	28	1,558	1,420	6	27

The number of individuals, excluding senior officers, who have received total remuneration greater than or equal to £50,000 per annum (in bands of £5,000) are listed below. The figures below represent the amounts paid in each year, taking account of starting and leaving dates, where retiring staff have been replaced during the year, and include officers seconded to other Forces. Total remuneration comprises gross salaries and allowances, taxable benefits as declared to HM Revenue and Customs on form P11D, and any bonus or overtime amounts in relation to the year in question (paid or payable). Total remuneration excludes any termination benefits payable and does not include employer's pension or national insurance contributions.

The table includes 333 police officers (2021/22 267) at or below the rank of Chief Superintendent.

Total remuneration	2022/23 Group	2022/23 PFCC	2021/22 Group	2021/22 PFCC
£50,000 to £54,999	162	1	128	-
£55,000 to £59,999	114	-	100	-
£60,000 to £64,999	51	-	34	-
£65,000 to £69,999	10	-	6	1
£70,000 to £74,999	5	-	6	-
£75,000 to £79,999	5	-	2	-
£80,000 to £84,999	3	-	4	-
£85,000 to £89,999	6	-	8	-
£90,000 to £94,999	1	-	1	-
£95,000 to £99,999	-	-	-	-
Total	357	1	289	1

13 (f) Termination Benefits

The Group did not terminate the contracts of any employees in 2022/23. In 2021/22 the contract of one employee was terminated, incurring liabilities of £16k (PFCC £nil).

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

Group	Number of Compulsory Redundancies		Number of Other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
							£'000	£'000
£0 - £20,000	-	-	-	1	-	1	-	16
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	-	-	-	1	-	1	-	16

PFCC	Number of Compulsory Redundancies		Number of Other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
							£'000	£'000
£0 - £20,000	-	-	-	-	-	-	-	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

14. Other Amounts Credited/Charged to the Comprehensive Income and Expenditure Statement

14 (a) Movement in Provisions

The movement in provisions is detailed in Note 27.

14 (b) Inventories Expensed during the Period

	2022/23 Group £'000	2022/23 PFCC £'000	2021/22 Group £'000	2021/22 PFCC £'000
Uniforms/other items	516	-	497	127
Garage	397	-	406	-
Write-down of inventories recognised	-	-	36	-
Total inventory charges recognised in the Comprehensive Income & Expenditure Statement	913	-	939	127

There were no reversals of any previous write-down in inventories.

14 (c) Sponsorship

The Police and Crime Commissioner has the power to receive gifts, loans of property and sponsorship. The guideline limit for income of this type is up to 1% of the annual net revenue budget (2022/23 limit £1.8m). Sponsorship payments and other contributions are made under specific agreements that record the link between the income and the relevant expenditure. The income may be utilised within the year or carried forward to be available in the next year if appropriate. During the year £11k (2021/22 £3k) was retained in the sponsorship and donation accounts. The income was relevant to expenditure made in 2022/23, the expenditure was primarily focused on crime reduction through engagement initiatives. £6k (2021/22 £9k) has been carried forward into 2023/24.

14 (d) Police Fire and Crime Commissioner Costs

Costs of the Police Fire and Crime Commissioner were:

Group and PFCC	2022/23	2021/22
	£'000	£'000
PFCC and Deputy PCC (including Ers NI, pension and expenses)	99	82
Statutory Officers	286	331
Panel Costs / Members Costs	70	63
Support : Employees Costs	646	562
Support : Other Costs	54	52
External Audit Fees	31	14
Internal Audit Fees	40	39
Subscriptions	38	36
Community Engagement	82	117
Other	4	-
	1,350	1,297
Recharges to North Yorkshire Fire and Rescue Authority	(57)	(96)
Total Expenditure	1,293	1,201

14 (e) Audit Fees

The Group incurred the following fees relating to external audit and inspection.

	2022/23	2022/23	2021/22	2021/22
	Group	PFCC	Group	PFCC
	£'000	£'000	£'000	£'000
External Audit Fees	46	31	23	14
Total	46	31	23	14

14 (f) Grant Income

In addition to the grants included in Taxation and Non-Specific Grants Income (Note 11), the Group credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23:

Group and PFCC	2022/23	2021/22
	£'000	£'000
Credited to Services		
Counter-Terrorism	932	823
Criminal Records Bureau	799	743
Domestic Violence Coordinators	-	63
Commissioning of Victim Support Services	1,949	1,674
Independent Domestic and Sexual Violence Advisors	143	50
Incentivisation Grant	346	207
County Lines Activity Grant	57	36
National Force Specialist Cyber Crime	184	160
Domestic Abuse Perptrators Grant	229	102
Operation Uplift Grant	2,216	1,053
Pensions Reform	11	44
Pension Grant	1,449	1,449
No Wrong Door	65	65
Home office PS Grant	87	96
NLEDS - Driver Grant	144	-
DCMS New Units Grants	167	-
Apprenticeship Levy Grant	1,535	866
Apprenticeship Incentive Payment - DofE	52	-
Safer Streets Targeted Grant	241	710
Connecting Conversations Grant	60	-
Council Tax Income Guarantee Grant	-	(18)
Sundry Grants £30k or less	57	132
Total Credited to Services	10,723	8,255

The Group has received a number of grants that have yet to be recognised as income as they have conditions attached to them which have not been met during the year. At 31 March 2023 current liabilities include £268k (PFCC £268k) (2021/22 £27k, PFCC £27k) in respect of Revenue Grants received in advance and £115k (PFCC £115k) in respect of Capital Grants received in advance (2021/22 £115k, PFCC £115k).

15. Partnership Arrangements

15 (a) Local Criminal Justice Board (LCJB)

The Group provides financial management on behalf of the LCJB, which is a combined Board made up of Criminal Justice Agencies.

During 2022/23 the Group did not receive any funding (2021/22 £nil) from the Office for Criminal Justice Reform on behalf of the LCJB. Group expenditure of £40k (PFCC £nil) (2021/22 £37k, PFCC £nil) has been incurred in 2022/23 and included in these accounts.

15 (b) Regional Collaboration

Regional Collaboration brings opportunities to the participating Forces across many policing activities whilst retaining local Police Forces, local identity and local accountability.

Yorkshire and the Humber (YATH)

The Group continued to engage in collaborative working throughout 2022/23 with the other YATH forces (South Yorkshire, West Yorkshire and Humberside). Collaborative activity includes Specialist Crime Services, Forensic Services, Underwater Search and Procurement Services. The Regional Collaboration Board for the YATH Collaboration comprises the four Police and Crime Commissioners plus officers from each of the participating forces. It was formed to support Section 23 of the Police Act 1996/Police and Justice Act 2006.

The YATH Regional Collaboration is funded from contributions made by the four participating forces. Where there is deemed to be equal benefit the contribution is based on equal shares. Where benefit is not deemed to be equal, the level of contribution from each Force is dependent upon an assessment of the benefit to be derived from each specific project or initiative, primarily based upon net revenue expenditure proportions.

The YATH programme is a lead force model and each lead force is responsible for the financial administration of the programme they lead. The lead force employs police staff on a permanent, substantive basis and Police Officers are seconded to the lead force. The Police and Crime Commissioners within the Yorkshire and Humberside Region have agreed to indemnify the lead force to ensure that any costs are shared between them in the event of any employment tribunal or civil court claims related to regional employment.

The total net expenditure of this Group during 2022/23 in relation to the Yorkshire and the Humber regional collaboration work was £5.8m (PFCC £nil) (2021/22 £5.3m, PFCC £nil).

Evolve

The Group continued to engage in collaborative working throughout 2022/23 with Cleveland and Durham forces for Collaborative Legal Services, and Cleveland only for the Cold Case Unit.

The Joint Governance Board comprises the three Commissioners plus officers from each of the participating forces. The collaboration is funded from contributions made by the three participating forces. The Evolve programmes is a lead force arrangement. The lead force employs some of the staff on a permanent substantive basis. Officers and some staff are seconded to the lead force. The total net expenditure of this group during 2022/23 in relation to the Evolve collaboration was £0.2m (PFCC £nil) (2021/22 £0.2m PFCC £nil).

Regional Collaboration costs have had the following impact on the Group Cost of Police Services (PFCC £0k, 2021/22 £0k) shown on the face of the CIES:

Current Year - Group	Group Expenditure	Group Income	Net Impact
	£'000	£'000	£'000
Employee Costs Salaries	1,007	-	1,007
Other Non Salary employee costs	3	-	3
Supplies and Services	6,656	-	6,656
Transport Costs	88	-	88
Non Grant income	-	(1,099)	(1,099)
Total	7,754	(1,099)	6,655

Prior Year - Group	Group Expenditure	Group Income	Net Impact
	£'000	£'000	£'000
Employee Costs	465	-	465
Other Non salary employee costs	2	-	2
Supplies and Services	5,606	-	5,606
Transport Costs	52	-	52
Non grant income	-	(637)	(637)
Total	6,125	(637)	5,488

16. Property, Plant and Equipment

Movements in Property, Plant and Equipment during the year ending 31 March 2023 were as follows:

Current Year - Group and PFCC	Land and Buildings		Plant and Equipment	Vehicles	Assets under Construction	Total	
	Police Stations and other commercial properties	Police Houses					
Note	£'000	£'000	£'000	£'000	£'000	£'000	
Cost or Valuation (GCA)							
Opening Value at 1 April 2022		29,600	1,004	3,693	11,710	223	46,230
Accumulated Depreciation & Impairment written off to GCA		(1,036)	(46)				(1,082)
Additions		543	-	3,660	1,788	1,446	7,437
Disposals		-	-	(308)	(2,944)		(3,252)
Revaluations	20c	5,881	(46)				5,835
Impairments	20d	-	-	-	-	-	-
Other movements in cost or valuation		(200)	-	-	-	-	(200)
Closing Value at 31 March 2023		34,788	912	7,045	10,554	1,669	54,968
Depreciation							
Opening Value at 1 April 2022		-	-	(2,720)	(7,681)	-	(10,401)
Charge for the year		(1,036)	(46)	(840)	(1,480)	-	(3,402)
Accumulated Depreciation & Impairment written off to GCA	20c and d	1,036	46	-	-	-	1,082
Write back depreciation on disposals			-	308	2,693	-	3,001
Closing Value at 31 March 2023		-	-	(3,252)	(6,468)	-	(9,720)
Net Book Value as at 31 March 2023		34,788	912	3,793	4,086	1,669	45,248
Net book value at 31 March 2023 can be analysed as follows:							
Property, Plant and Equipment							43,578
Assets under Construction							1,669
							<u>45,248</u>

Movements in Property, Plant and Equipment during the year ending 31 March 2022 were as follows:

Prior Year - Group and PFCC - Restated	Note	Land and Buildings		Plant and Equipment	Vehicles	Assets Under Construction	Total
		Police Stations and other commercial properties	Police Houses				
		£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
Opening Value at 1 April 2021		28,663	899	16,657	10,755	223	57,197
Additions		1,343	191	57	1,768	-	3,359
Disposals		-	-	(13,077)	(2,382)	-	(15,459)
Reclassifications		(271)	-	-	-	-	(271)
Revaluations	20c	(60)	(160)	-	-	-	(220)
Impairments	20d	-	-	-	-	-	-
Other movements in cost or valuation		(74)	74	56			56
Closing value at 31 March 2022		29,600	1,004	3,693	10,141	223	44,660
Depreciation - Restated							
Opening Value at 1 April 2021		-	-	(14,631)	(6,981)	-	(21,613)
Charge for the year		(1,561)	(80)	(1,166)	(1,491)	-	(4,298)
Reclassifications		-	-	-	-	-	-
Write back depreciation on disposals		-	-	13,077	2,359	-	15,436
Write back depreciation on revaluations	20c	1,561	80	-	-	-	1,641
Write back depreciation on impairments	20d	-	-	-	-	-	-
Closing Value at 31 March 2022		-	-	(2,720)	(6,113)	-	(8,833)
Net Book value as at 31 March 2022		29,600	1,004	973	4,029	223	35,828

Net book value at 31 March 2022 can be analysed as follows:

Property, Plant and Equipment	35,605
Assets under Construction	223
	35,828

Land and Buildings (police stations and other commercial properties plus police houses) are measured at existing use value - all properties were valued at 31 March 2023. The valuations are undertaken by an external valuer in accordance with the RICS Valuation Standards ("The Red Book") published by the Royal Institution of Chartered Surveyors, using significant unobservable inputs (Level 3 of the Fair Value Hierarchy).

The depreciation charge for the year, amounting to £3.4m (PFCC £3.4m) (2021/22 £4.3m, PFCC £4.3m), has been charged to the Comprehensive Income and Expenditure Statement across all lines within Net Cost of Services.

17. Investment Property

Movements in Investment Property during the year are shown below:

Group and PFCC	Note	2022/23 £'000	2021/22 £'000
Balance at 1 April		440	412
Reclassification from Property, Plant & Equipment	16	-	-
Revaluations included in CIES	20c	150	28
Balance at 31 March		590	440

All investment properties are freehold. Investment properties are those held to earn rentals or for capital appreciation or both, rather than for use in the provision of services or for administrative purposes. All investment properties are either unlet or let to tenants under operating leases.

100% (2021/22 100%) of investment properties have been measured at fair value at 31 March using significant unobservable inputs (Level 3 of the Fair Value Hierarchy) by an external valuer in accordance with the RICS Valuation Standards. The valuer has used a market approach to valuing the assets.

There has been no change in valuation techniques used for investment properties during the year, and no investment properties have moved between valuation hierarchy levels during the year (2022/23 none).

At the balance sheet date the Group held a total of 3 investment properties (PFCC 3) (2021/22 4, PFCC 4). All these properties were previously operational properties which are no longer required for operational purposes.

18. Intangible Assets

Intangible Assets comprise purchased software only. Movements during the year are shown below:

Group and PFCC	2022/23 £'000	2021/22 £'000 Restated
Cost		
Balance at 1 April	4,168	10,860
Additions - purchased	15	267
Reclassifications	-	-
Disposals	(3)	(6,959)
Balance at 31 March	4,180	4,168
Amortisation		
Balance at 1 April	(2,969)	(9,222)
Charge for the year	(463)	(706)
Write back amortisation on disposals		6,959
Balance at 31 March	(3,432)	(2,969)
Net Book Value at 31 March	748	1,199

The amortisation charge for the year, amounting to £463k (PFCC £463k) (2021/22 £706k, PFCC £706k), has been charged to the Comprehensive Income and Expenditure Statement within Financial Costs.

19. Assets Held for Sale

Group and PFCC		2022/23	2021/22
	Note	£'000	£'000
Balance at 1 April		1,371	3,430
Additions in Year		-	7
Assets reclassified to Property, Plant and Equipment	16	-	-
Assets reclassified from Property, Plant and Equipment	16	200	271
Disposals		(1,371)	(2,330)
Revaluations	20c	-	(7)
Balance at 31 March		200	1,371

20. Analysis of amounts in relation to Non-Current Assets

20 (a) Financing of Non-Current Assets

The additions to non-current assets totalled £7.452m (PFCC £7.452m) (2021/22: £3.634m, PFCC £3.634m). The table below shows the resources that have been used to finance the additions. Where capital expenditure is to be financed in future years by charges to revenue, the expenditure results in an increase in the Capital Financing Requirement (CFR). The CFR is a measure of the capital expenditure incurred historically that has yet to be financed.

Group and PFCC		2022/23	2021/22
	Note	£'000	£'000
Capital Expenditure was incurred across the following categories:			
Property, Plant and Equipment	16	7,437	3,367
Intangible Fixed Assets	18	15	267
		7,452	3,634
Sources of finance:			
Capital Receipts utilised	5b	-	-
Capital Grants	5b	-	121
Major Capital Reserve	5b	-	-
Sums set aside from Revenue and Revenue Reserves	5b	5,562	3,514
Donation Income	5b	-	-
Borrowing (Internal)		1,890	-
		7,452	3,634
Group and PFCC			
		2022/23	2021/22
		£'000	£'000
Opening Capital Financing Requirement		11,109	11,530
Increase (decrease) in underlying need to borrowing (supported by government financial assistance)		-	-
Increase (decrease) in underlying need to borrowing (unsupported by government financial assistance)		1,470	(421)
Assets acquired under Finance leases		-	-
Closing Capital Financing Requirement		12,579	11,109

20 (b) Major Capital Schemes

The major items of capital expenditure are detailed in the table below:

Group and PFCC Description	2022/23 £'000	2022/23 £'000	2021/22 £'000	2021/22 £'000
Rolling Programmes		5,288		1,971
ICT Strategy - Major Schemes		81		136
Estates Strategy - Major Schemes				
- Major works (below £50k)	210		218	
- Transformation Programme	-		50	-
- Alverton Court	-		216	
- Fulford Road	-		119	
- Whitby	-		253	
- Mast Sites	58		153	
- Tadcaster	77		213	
- Vale House	-		66	
- Harrogate Roof repairs	-		108	
- Settle	50		-	
- Scarborough	83		-	
- FCR Fallback Harrogate	-		51	
- VRI Suites	57		79	
- Sexual Assault Referral Centre	1,348		-	
Total Estate Strategy - Major Schemes		1,883		1,526
Other Schemes (below £50k)	-	200		-
Total		<u>7,452</u>		<u>3,634</u>

20 (c) Revaluation

The revaluations have had the following impact on these accounts:

Current Year - Group and PFCC	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Total £'000
Revaluation charged/(credited) to Revaluation Reserve	(2,486)	(4)	(2,490)	-	-	(2,490)
Revaluation charged/(credited) to Income and Expenditure	(3,395)	50	(3,345)	(150)	-	(3,495)
Total	(5,881)	46	(5,835)	(150)	-	(5,985)
Cost	(4,889)	92	(4,797)	(150)	-	(4,947)
Depreciation	(992)	(46)	(1,038)	-	-	(1,038)
Total	(5,881)	46	(5,835)	(150)	-	(5,985)

Prior Year - Group and PFCC	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Total £'000
Revaluation charged/(credited) to Revaluation Reserve	(868)	80	(788)	-	-	(788)
Revaluation charged/(credited) to Income and Expenditure	(633)	-	(633)	(28)	7	(654)
Total	(1,501)	80	(1,421)	(28)	7	(1,442)
Cost	60	160	220	(28)	7	199
Depreciation	(1,561)	(80)	(1,641)	-	-	(1,641)
Total	(1,501)	80	(1,421)	(28)	7	(1,442)

At 31 March 2023 the cost or valuation of assets subject to revaluation can be analysed as follows (all other assets are held at cost):

Group and PFCC	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Total £'000
Properties last revalued at:						
31 March 2023	34,788	912	35,700	590	200	36,490

At 31 March 2023 the carrying amount that would have been recognised had the assets been carried under the cost model can be analysed as follows:

	Land and Buildings £'000	Police Houses £'000	Sub Total £'000	Investment Properties £'000	Assets Held for Sale £'000	Total £'000
Carrying Amount 31 March 2023	30,191	526	30,717	-	76	30,793

20 (d) Impairment

Property, Plant and Equipment, Investment Properties and Assets Held for Sale

All properties were valued at 31 March 2023, and no separate assesment has therefore been made for impairment.

Intangible Assets

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use of the PFCC and Group.

At 31st March 2023 Intangible Assets have been impaired by £nil.

20 (e) Amounts Charged to Comprehensive Income and Expenditure Statement

Group and PFCC		2022/23	2021/22
	Note	£'000	£'000
Depreciation of Property, Plant and Equipment	16	3,402	4,298
Revaluation charge to Net Cost of Services	20c	(3,344)	(633)
Surplus / Deficit on disposal	9	209	(92)
Sub-Total Property, Plant and Equipment		267	3,573
Amortisation of Intangible Fixed Assets	18	463	706
Impairment		-	-
Revaluation Investment Properties	20c	(150)	(28)
Revaluation Assets Held for Sale	20c	-	7
Surplus/ Deficit on disposal		(653)	(170)
Total		(73)	4,081
Included in net cost of services		656	4,506
Included in other operating income and expenditure		(579)	(391)
Included in finance and Investment Income and Expenditure		(150)	(28)
Total		(73)	4,081

20 (f) Capital Commitments

At 31 March the Group was committed to the following capital expenditure:

Group and PFCC	31 March 2023	31 March 2022
	£'000	£'000
Plant and Equipment	518	1,112
Fleet Vehicles	196	1,467
Estates Transformation Programme Improvements	888	160
Intangibles	29	-
Total as at 31 March	1,631	2,739

Capital commitments related to the following asset categories:

Property, Plant and Equipment	1,602	2,739
Intangible Assets	29	-
Total	1,631	2,739

21. Financial Instruments

	Long-term		Current		Current	
	31 March 2023	31 March 2022 Restated	31 March 2023	31 March 2022 restated	31 March 2023	31 March 2022 Restated
	Group and PFCC	Group and PFCC	Group	Group	PFCC	PFCC
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Assets						
Measured at Amortised Cost (incl accrued interest)	-	-	28,609	31,287	36,679	34,680
Financial Assets	-	-	28,609	31,287	36,679	34,680
Financial Liabilities						
Borrowing	6,000	6,000	31	31	31	31
Creditors						
Financial liabilities at amortised cost	-	-	10,854	10,973	14,937	14,915
Total Financial Liabilities	6,000	6,000	10,854	10,973	14,937	14,915

There have not been any reclassifications of financial assets or financial liabilities as a result of the implementation of IFRS 9 .

Income, Expense, Gains and Losses

Group and PFCC	2022/23			2021/22		
	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Total	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	(148)	-	(148)	(148)	-	(148)
Total expense in Surplus or Deficit on the Provision of Services	(148)	-	(148)	(148)	-	(148)
Interest income	-	537	537	-	27	27
Total income in Surplus or Deficit on the Provision of Services	-	537	537	-	27	27
Net gain/(loss) for the year	(148)	537	389	(148)	27	(121)

Fair Value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows, that take place over the remaining life of the instruments, using the following assumptions:

- For Public Works Loan Board (PWLB) and other loans payable, the discount rate used is the PWLB rate for new borrowing;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable, the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of each class of financial assets and liabilities which are carried in the Balance Sheet at amortised cost is disclosed below.

Financial Liabilities - carried at amortised cost

Current and Long-Term

Group	31 March 2023		31 March 2022 Restated	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Bank overdraft	4	4	2,422	2,422
Short-term borrowing	31	31	31	31
Long-term borrowing	6,000	4,703	6,000	6,726
Other Creditors	10,849	10,849	8,551	8,551
Total Financial Liabilities	16,884	15,587	17,003	17,730
Current	10,884	10,884	11,003	11,003
Long-term	6,000	4,703	6,000	6,726
Total Financial Liabilities	16,884	15,587	17,003	17,730

PFCC

	31 March 2023		31 March 2022 Restated	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Bank overdraft	4	4	2,422	2,422
Short-term borrowing	31	31	31	31
Long-term borrowing	6,000	4,703	6,000	6,726
Other Creditors	14,933	14,933	12,493	12,493
Total Financial Liabilities	20,968	19,671	20,946	21,672
Current	14,968	14,968	14,945	14,945
Long-term	6,000	4,703	6,000	6,726
Total Financial Liabilities	20,968	19,671	20,946	21,672

Financial Assets - Carried at Amortised Cost

Current and Long Term

Group	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Short term Investments	1,407	1,407	-	-
Cash and cash equivalents	14,077	14,077	20,990	20,990
Debtors	13,135	13,135	10,304	10,304
Provision for doubtful debts	(10)	(10)	(7)	(7)
Total Financial Assets	28,609	28,609	31,287	31,287

PFCC	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Short Term Investments	1,407	1,407	-	-
Cash and cash equivalents	14,055	14,055	20,974	20,974
Debtors	21,227	21,227	13,713	13,713
Provision for doubtful debts	(10)	(10)	(7)	(7)
Total Financial Assets	36,679	36,679	34,680	34,680

22. Inventories

Group	31 March 2023	31 March 2022
	£'000	£'000
Uniforms/Other Items	584	463
Garage	184	98
Total as at 31 March	768	561

PFCC	31 March 2023	31 March 2022
	£'000	£'000
Garage	-	-
Total as at 31 March	-	-

All inventories comprise supplies used in the provision of services.

23. Debtors

Group	31 March 2023	31 March 2022
Short-Term	£'000	£'000
Amounts receivable:		
Central government bodies	10,520	8,168
Other Local Authorities (including Police and Crime Commissioners)	2,747	1,652
NHS bodies	15	2
Public corporations and trading funds	-	-
Other debtors external to general government	6,278	6,058
	19,560	15,880
Provision for Doubtful Debts	(2,838)	(2,586)
	16,722	13,294
Value Added Tax	1,888	1,311
Cash at Bank Other Reconciling Items	(102)	(9)
Payments in advance	7,152	2,653
Total as at 31 March	25,660	17,249

PFCC	31 March 2023	31 March 2022
Short-Term	£'000	£'000
Amounts receivable:		
Central government bodies	10,383	8,045
Other Local Authorities (including Police and Crime Commissioners)	1,496	592
NHS bodies	15	2
Public corporations and trading funds	-	-
Other debtors external to general government	5,593	5,365
Intra group debtors	10,166	5,284
	27,653	19,288
Provision for Doubtful Debts	(2,838)	(2,586)
	24,815	16,702
Value Added Tax	1,888	1,311
Cash at Bank Other Reconciling Items	(102)	(9)
Payments in advance	39	67
Total as at 31 March	26,640	18,072

Other Local Authorities (including Police and Crime Commissioners) includes £143k (PFCC £nil) (2021/22 £160k, PFCC £nil) in respect of regional collaboration with other Police and Crime Commissioners (see note 15(b)). All debtors at the end of the current and previous year are due within one year.

Movement in the provision for doubtful debts during the year was as follows:

	2022/23	2022/23	2021/22	2021/22
	Group	PFCC	Group	PFCC
	£'000	£'000	£'000	£'000
Balance at 1 April	(2,586)	(2,586)	(2,190)	(2,190)
Written off as uncollectable	13	13	7	7
Recovered during the year	-	-	-	-
Provided against in year	(265)	(265)	(403)	(403)
Balance at 31 March	(2,838)	(2,838)	(2,586)	(2,586)

The provision includes an amount of £2,828k (2021/22 £2,579k) in respect of provision against precept due from Council Tax Payers of £5,538k (2021/22 £5,296k). These amounts will be collected on behalf of NYPFCC by the Local Authorities and the required provision is calculated by them.

The Group does not generally allow extended credit for customers. £185k (PFCC £6k) (2021/22 £260k, PFCC £7k) of the £1,171k (PFCC £181k) (2021/22 £1,425k, PFCC £21k) listed debtors balance is past its due date for payment. The past due amount can be analysed as follows:

	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	Group	PFCC	Group	PFCC
	£'000	£'000	£'000	£'000
Less than three months	82	-	174	2
Three to six months	18	5	108	1
Six months to one year	45	-	(40)	-
More than one year	40	1	20	4
Total	185	6	260	7

24. Cash and Cash Equivalents

Group	31 March 2023	31 March 2022
	£'000	£'000
Cash at bank and in hand	30	23
Short-term deposits falling due within 3 months	14,047	20,967
Cash and short-term deposits	14,077	20,990
Bank current account	(4)	(2,422)
Total Cash and Cash Equivalents	14,073	18,568

PFCC	31 March 2023	31 March 2022
	£'000	£'000
Cash at bank and in hand	8	7
Short-term deposits falling due within 3 months	14,047	20,967
Cash and short-term deposits	14,055	20,974
Bank current account	(4)	(2,422)
Total Cash and Cash Equivalents	14,051	18,552

Banking Arrangements

The Group (PFCC) has the following facilities with North Yorkshire Barclays Corporate:

- BACS
- Company Barclaycard
- Business Internet Banking

The Group (PFCC) holds two current accounts, one is a holding account from which wages and salaries are paid, the other is for general banking and at the end of each day cleared balances are automatically swept into the Business Premium account.

25. Borrowing

Group and PFCC	31 March 2023	31 March 2022
	£'000	£'000
Balance at 1 April	6,000	6,000
New loans received - Public Works Loans Board	-	-
	6,000	6,000
Repayments	-	-
Balance at 31 March	6,000	6,000
Short-term	-	-
Long-term	6,000	6,000
Balance at 31 March	6,000	6,000

Maturity at 31 March	31 March 2023	31 March 2022
	£'000	£'000
One to Two Years	-	-
Two to Five Years	-	-
Five to Ten Years	2,000	2,000
Over Ten Years	4,000	4,000
	6,000	6,000

Borrowing at 31 March 2023 was equivalent to debt outstanding of £7.31 (2022 £7.21) per head of population.

Interest rates vary between 2.13% and 2.61% pa. The weighted average rate is 2.45%. All loans are at fixed rates and repayable in full at maturity.

26. Creditors

Group	31 March 2023	31 March 2022
Amounts due:	£'000	£'000
Central government bodies	138	101
Other local authorities (including Police and Crime Commissioners)	4,233	3,879
NHS bodies	329	43
Public corporations and trading funds	-	-
HMRC employment taxes and national insurance	3,201	3,069
Other creditors external to government	9,150	7,649
Income received in advance	589	576
Grants received in advance	23	22
Capital Grants In Advance	115	115
Total as at 31 March	17,778	15,454

PFCC	31 March 2023	31 March 2022
Amounts due:	£'000	£'000
Intragroup creditors	14,222	12,247
Central government bodies	31	31
Other local authorities (including Police and Crime Commissioners)	2,797	2,624
Public corporations and trading funds	-	-
NHS Bodies	117	-
HMRC employment taxes and national insurance	36	31
Other creditors external to government	193	194
Income received in advance	245	191
Grants received in advance	23	22
Capital Grants In Advance	115	115
Total as at 31 March	17,778	15,454

Other local authorities (including Police and Crime Commissioners) includes £535k (PFCC £nil) (2021/22 £102k, PFCC £nil) in respect of regional collaboration with other Police and Crime Commissioners in Yorkshire and Humberside (see Note 15 (b)).

27. Provisions

Group	Employee Related £'000	Other Insurance £'000	Total £'000
At 1 April 2022	1,303	2,031	3,334
Additional provision required	481	327	808
Amounts utilised during year	(40)	(543)	(583)
At 31 March 2023	1,744	1,815	3,559

PFCC	Employee Related £'000	Other Insurance £'000	Total £'000
At 1 April 2022	55	792	846
Additional provision required	191	446	637
Amounts utilised during year	-	(368)	(368)
At 31 March 2023	245	870	1,115

Group and PFCC

Provisions have been analysed between short-term and long-term as follows:

	2022/23 Group £'000	2022/23 PFCC £'000	2021/22 Group £'000	2021/22 PFCC £'000
Short-term	2,469	1,077	2,217	794
Long-term	1,091	40	1,116	52
Total	3,560	1,117	3,333	846

Employee Related provisions relate to claims arising from the Group's employers liability cover, together with other employee related provisions. Other Insurance provisions relate to claims arising from the Group's non-employee related insurance cover, principally motor and public liability claims.

Sums have been set aside to provide for the settlement of ongoing claims and cases not covered by insurance (identified as Provisions) and to provide for other possible events that might give rise to claims. Based on past experience of the time taken to settle claims, an estimate has been made of the proportion of claims which are likely to be settled within 12 months of the balance sheet date, and these are provided as current liabilities.

The Group has made arrangements with its insurers to provide cover for:

- liability claims subject to a policy excess of £150,000 for any one claim;
- liability and third party motor claims aggregating over £1,727,200;
- third party motor claims subject to an excess of £150,000 for any one claim;
- material damage to property, together with consequential business interruption, subject to a policy excess of £1,000 for any one occurrence in respect of all risks cover, £250 for any one occurrence in respect of cover for money and £100,000 for any one occurrence for all other incidents;
- computer, unmanned aerial vehicles, motor uninsured loss recovery, engineering, airside liability, fidelity guarantee, personal accident, environmental liability, travel and contract works subject to policy terms and conditions.

There are no reimbursements from third parties expected in relation to any of the above provisions.

28. Retirement Benefits

Group

Participation in Pension Schemes

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

The Group participates in four pension schemes:

- A Local Government Pension Schemes (LGPS) for police staff, administered by North Yorkshire County Council (NYCC). This is funded defined benefit scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. For service up to 31 March 2014 this is a final salary scheme. A Career Average Scheme (CARE) came into effect for service from April 2014.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.
- The schemes are operated under the regulatory framework for the LGPS and the governance of the schemes are the responsibility of the Pensions Board (see below). Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the Pensions Board with the support of the Corporate Director Strategic Resources and the fund's external investment advisors.
- The principal risks to the NYPFCC of the schemes are the longevity assumptions, statutory changes to the scheme, structural changes to the schemes (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the schemes. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.
- Three Police Pension Schemes for police officers. These are unfunded defined benefit final salary schemes, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The second scheme was introduced in April 2006 with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All police officers recruited from April 2006 to April 2015 became members of the 2006 scheme and the previous scheme was closed to new members. The third scheme came into effect for officers recruited on or after April 2015. A number of Officers have been transferred from the previous schemes in year and will continue to do so moving forward based on calculated taper dates. The Group's participation in the Police Pension Schemes is administered by XPS Group Ltd.

Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension funds for the year is less than the amounts payable, the Group must annually transfer to the pension funds an amount required to meet the deficit. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by a central government pension top-up grant. If, however, the pension funds are in surplus for the year, the surplus is required to be transferred from the pension funds to the Group which must then repay the amount to central government.

Scheme Governance

The Public Service Pensions Act 2013 introduced a formal framework for the governance and administration of public service pension schemes, including the introduction of pension boards. The role of a public service pension board is to assist the Scheme Manager to secure compliance with scheme regulations and with legislation.

NYCC as scheme manager and administrator for the LGPS in North Yorkshire, has established a Pensions Board for all the schemes comprising the LGPS in North Yorkshire. Membership is drawn from scheme employers and members.

XPS Group Ltd has established a collaborative Police Pension Board for the Police Pension Schemes that they administer, including the Police Pension Schemes for which CCNY is the Scheme Manager. Membership is drawn from scheme employers and members.

Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Retirement Benefits

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund Balance.

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

* The McCloud remedy period has now closed and all McCloud related liabilities for eligible members are held within the legacy schemes that the Government Actuary's Department expects them to be paid from. This has led to past services costs of £20.8m added to the 1987 scheme and £1.6m added to the 2006 scheme. As there are no longer liabilities held within the 2015 scheme there is a past service gain of £23.4m.

Transactions Relating to Retirement Benefits					Group	PFCC	Group	PFCC
	LGPS	Police Pension Scheme 1987	Police Pension Scheme 2006	Police Pension Scheme 2015	2022/23	2022/23	2021/22	2021/22
	£'000	£'000	£'000	£'000	Total	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement								
<i>Net Cost of Services</i>								
Current Service Cost	16,035	840	-	33,880	50,755	442	59,769	475
Past Service (Cost)/Gain *	-	20,820	1,540	(22,360)	-	-	85	-
Curtailement Cost	-	-	-	-	-	-	-	-
Administration Costs	233	-	-	-	233	6	185	5
	16,268	21,660	1,540	11,520	50,988	448	60,039	480
<i>Financing and Investment Income and Expenditure:</i>								
Interest Cost	9,067	42,950	1,940	5,910	59,867	162		
Expected return on assets	(8,411)	-	-	-	(8,411)	(148)	38,861	13
Total post-employment benefits charged to surplus or deficit on provision of services	16,924	64,610	3,480	17,430	102,444	462	98,900	493
<i>Remeasurements of the net defined benefit liability comprising:</i>								
Returns on plan assets (excluding the amount included in the net interest expense)	38,321	-	-	-	38,321	(114)	1,001	6
Actuarial gains & losses arising on changes in demographic assumptions	2,479	(12,640)	(2,980)	(12,920)	(26,061)	53	(3,408)	(59)
Actuarial gains & losses arising on changes in financial assumptions	(149,101)	(541,472)	(34,877)	(87,737)	(813,187)	(2,647)	(76,038)	(467)
Other	23,214	102,470	800	8,520	135,001	1,782	10,677	28
(Surplus) deficits on remeasurements of scheme assets and liabilities	(85,087)	(451,642)	(37,057)	(92,137)	(665,923)	(926)	(67,767)	(492)
Total Post-Employment Benefits charged (credited) to Comprehensive Income and Expenditure Statement	(68,163)	(387,032)	(33,577)	(74,707)	(563,479)	(464)	31,134	1
Movement in Reserves Statement								
Reversal of net charges made to surplus or deficit on provision of services for								
Retirement benefits in accordance with IAS19	16,924	64,610	3,480	17,430	102,444	462	98,900	493
<i>Actual amount charged against the General Fund Balance for the year</i>								
Employers contribution payable to the scheme	(4,310)	(438)	(93)	(18,733)	(23,574)	(119)	(22,051)	(107)
Retirement benefits payable to pensioners	-	(3,020)	-	-	(3,020)	-	(3,760)	-
Total	12,614	61,152	3,387	(1,303)	75,850	343	73,088	386

The figures for the Police Pension Scheme 1987 include the Injury Awards which are funded directly by the Group.

Assets and Liabilities in Relation to Retirement benefits

Reconciliation of present value of scheme liabilities

Group					2022/23	2021/22
	Funded Liabilities	Unfunded Liabilities			Total	Total
	LGPS	Police Pension Scheme 1987	Police Pension Scheme 2006	Police Pension Scheme 2015		
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	(337,475)	(1,637,040)	(72,440)	(213,700)	(2,260,655)	(2,248,730)
Current service cost	(16,035)	(840)	-	(33,880)	(50,755)	(59,769)
Interest cost	(9,067)	(42,950)	(1,940)	(5,910)	(59,867)	(45,256)
Contributions by scheme participants	(2,543)	-	-	(8,200)	(10,743)	(10,494)
Remeasurement gains and (losses):						
- Actuarial gains/losses arising from changes in demographic assumptions	(2,479)	12,640	2,980	12,920	26,061	3,408
- Actuarial gains/losses arising from changes in financial assumptions	149,101	490,210	34,690	113,820	787,821	52,226
- Other	(22,415)	(102,470)	(800)	(8,520)	(134,205)	(10,677)
Benefits paid	5,879	54,720	280	850	61,729	58,722
Curtailement cost	-	-	-	-	-	-
Past service costs	-	(20,820)	(1,540)	22,360	-	(85)
Balance at 31 March	(235,034)	(1,246,550)	(38,770)	(120,260)	(1,640,614)	(2,260,655)

Reconciliation of fair value of the scheme assets

Group					2022/23	2021/22
	LGPS	Police Pension Scheme 1987	Police Pension Scheme 2006	Police Pension Scheme 2015	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
	Balance at 1 April	311,040	-	-	-	311,040
Interest on plan assets	8,411	-	-	-	8,411	6,395
Administration expenses	(233)	-	-	-	(233)	(185)
Remeasurement gains and (losses):						
- The return on plan assets, excluding the amount included in the net interest expense	(38,321)	-	-	-	(38,321)	(394)
- Actuarial gains/losses arising from changes in demographic assumptions	-	-	-	-	-	-
- Actuarial gains/losses arising from changes in financial assumptions	-	51,262	187	(26,083)	25,366	-
Other	(799)	-	-	-	(799)	23,812
Employer contributions	4,310	3,458	93	18,733	26,594	25,811
Contributions by scheme participants	2,543	-	-	8,200	10,743	10,494
Benefits paid	(5,879)	(54,720)	(280)	(850)	(61,729)	(58,722)
Balance at 31 March	281,072	-	-	-	281,072	311,040

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 rates of return experienced in respective markets.

The actual gain on scheme assets in the year was £29.9m (PFCC (£0.3m)) (2021/22 £6m PFCC £0.1m)

Reconciliation of present value of scheme liabilities

PFCC	2022/23	2021/22
LGPS	£'000	£'000
Balance at 1 April	(5,801)	(5,748)
Intragroup transfer	-	-
Current service cost	(442)	(475)
Interest cost	(162)	(120)
Contributions by scheme participants	(77)	(69)
Remeasurement gains and (losses):		
- Actuarial gains/losses arising from changes in demographic assumptions	(53)	59
- Actuarial gains/losses arising from changes in financial assumptions	2,647	467
- Other	(983)	(28)
Benefits paid	(329)	113
Curtailment cost	-	-
Past service costs	-	-
Balance at 31 March	(5,200)	(5,801)

Reconciliation of fair value of the scheme assets

PFCC	2022/23	2021/22
LGPS	£'000	£'000
Balance at 1 April	5,218	5,059
Intragroup transfer	-	-
Interest on plan assets	148	107
Administration expenses	(6)	(5)
Remeasurement gains and (losses):		
- The return in plan assets excluding the amount included in the net interest expense	114	(6)
- Actuarial gains/losses arising from changes in demographic assumptions	-	-
- Actuarial gains/losses arising from changes in financial assumptions	(799)	-
Employer contributions	119	107
Contributions by scheme participants	77	69
Benefits paid	329	(113)
Balance at 31 March	5,200	5,218

Scheme History

Group	2022/23	2021/22	2020/21	2019/20	2018/19
		£'000	£'000	£'000	£'000
Present value of liabilities:					
LGPS	(235,034)	(337,475)	(344,490)	(263,120)	(262,773)
Police Pension Scheme 1987	(1,246,550)	(1,637,040)	(1,662,510)	(1,512,290)	(1,651,400)
Police Pension Scheme 2006	(38,770)	(72,440)	(74,420)	(46,280)	(61,720)
Police Pension Scheme 2015	(120,260)	(213,700)	(167,310)	(107,700)	(82,600)
Total liabilities	(1,640,614)	(2,260,655)	(2,248,730)	(1,929,390)	(2,058,493)
Fair value of assets (LGPS):	281,072	311,040	304,436	239,981	238,606
Surplus/(deficit) in the scheme:					
LGPS	46,038	(26,435)	(40,054)	(23,139)	(24,167)
Police Pension Scheme 1987	(1,246,550)	(1,637,040)	(1,662,510)	(1,512,290)	(1,651,400)
Police Pension Scheme 2006	(38,770)	(72,440)	(74,420)	(46,280)	(61,720)
Police Pension Scheme 2015	(120,260)	(213,700)	(167,310)	(107,700)	(82,600)
Total	(1,359,542)	(1,949,615)	(1,944,294)	(1,689,409)	(1,819,887)
PFCC					
	2022/23	2021/22	2020/21	2019/20	2018/19
LGPS		£'000	£'000	£'000	£'000
Present value of liabilities	(5,200)	(5,801)	(5,748)	(4,297)	(55,863)
Fair value of assets:	5,200	5,218	5,059	3,921	52,900
Surplus/(deficit) in the scheme:	-	(583)	(689)	(376)	(2,963)

The current realisability of net defined asset for the PFCC has been restricted under IAS19 which requires an additional liability to be recognised where there is a minimum funding requirement in excess of the IAS19 valuation. When an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of the surplus, and the asset ceiling, determined using the specified discount rate. The asset ceiling is a specified estimate of the present value of the economic benefit which the employer can realise, either through refunds or by gaining economic benefit through reductions in future contributions.

The asset ceiling for the PFCC has been calculated by the Actuary applying IFRIC14 as £nil. The asset reported before restriction is £5.999m. The asset reported in the Balance Sheet has been restricted by £0.799m to £5.200m recognising the reductions in future contributions to be made by the PFCC into the LGPS

The liabilities show the underlying commitments that the Group has in the long run to pay retirement benefits. The total liability has a substantial impact on the net worth of the Group as recorded in the Balance Sheet, resulting in a negative overall balance of £1,271m (2021/22 £1,899m). However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy.

Finance is only required to be raised to cover police pensions when the pensions are actually paid. Funding arrangements for the Police Pension Fund are detailed in the Police Pension Fund Accounts.

The projected employer contribution rates for 2022/23 and the weighted average duration of the defined benefit obligations for scheme members, as provided by the Actuary, are as follows:

Group		
Scheme	Percentage of Pensionable Pay	Weighted Average Duration
Local Government Pension Scheme (LGPS)	10.6%	19.9 years
Police Pension Scheme 1987	0%	15 years
Police Pension Scheme 2006	0%	29 years
Police Pension Scheme 2015	56.0%	29 years
PFCC		
Scheme	Percentage of Pensionable Pay	Weighted Average Duration
Local Government Pension Scheme (LGPS)	10.6%	18.8 years

These are the projected rates that would be required to fully cover the pension costs arising in the year and do not represent the actual cost or contributions to be made.

Members of the Police Pension Schemes are able to seek a refund of contributions if they leave the service with less than two years service. With effect from 1 April 2014 members of the LGPS will automatically receive a refund of contributions if they leave with less than two years service. Up to that date members could opt for a refund if they left with less than three months service.

The Group expects to make employer contributions of £4.724m (PFCC £130k) to the Local Government Pension Scheme in the year to 31 March 2023. Employer contributions to the Police Pension Schemes in the same period are expected to be £19.603m.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Police Pension Schemes liabilities have been assessed by the Government Actuary's Department ("GAD") and the LGPS liabilities have been assessed by AON Hewitt Limited, an independent firm of actuaries, estimates for the LGPS being based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuaries have been:

	Local Government Pension Scheme		Police Pension Schemes	
	Group & PFCC		Group Only	
	2022/23	2021/22	2022/23	2021/22
<i>Mortality assumptions:</i>				
Longevity at 65 for current pensioners:				
Men	22.6 yrs	21.8 yrs	21.9 yrs	22.1 yrs
Women	25 yrs	23.8 yrs	23.5 yrs	23.8 yrs
Longevity at 65 for future pensioners				
Men	23.5 yrs	23.5 yrs	23.5 yrs	23.8 yrs
Women	26 yrs	25.7 yrs	25 yrs	25.4 yrs
Rate of inflation	2.70 %	2.90 %	2.60 %	3.00 %
Rate of increase in salaries	3.95 %	4.15 %	3.85 %	4.75 %
Rate of increase in pensions	2.70 %	2.90 %	2.60 %	3.00 %
Rate for discounting scheme liabilities	4.70 %	2.70 %	4.65 %	2.65 %
Rate of CARE revaluation	N/A	N/A	3.85 %	4.25 %

The Police Pension Schemes have no assets to cover their liabilities. The fair value of the LGPS scheme assets consist of the following categories:

	Group	PFCC	Group	PFCC
	2022/23	2022/23	2021/22	2021/22
	%	%	%	%
Cash and Cash Equivalents	1	1	1	1
Government Bonds	11	11	17	17
Other Bonds	7	7	8	8
Property - UK	6	6	7	7
Equities	52	52	56	56
Other	23	23	11	11
Total Assets	100	100	100	100

93.6% of the assets in the LGPS have a quoted market price.

Impact on the Cash Flows

The objectives of the scheme are to keep employers' contributions at as a constant a rate as possible. NYCC has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the long term. Funding levels are monitored on a quarterly basis. The next triennial valuation will be completed as at 31 March 2025.

29. Contingent Assets & Liabilities

Note 27 (Provisions) explains the treatment in respect of provision for amounts as known at the date of these accounts.

Civil and Employment Claims

The Group has not made provision in these accounts for the potential outcome of legal proceedings pending conclusion in relation to Civil and Employment Claims where it is not considered probable that a payment or a transfer of economic benefits will be required to settle the obligations

Regional Collaboration

This Group has agreed to indemnify other Regional Police and Crime Commissioners for its share of any costs in the event of any employment tribunal or civil court claims related to regional employment. This indemnity is unlimited. At this time, it is not possible to predict the value or timing of any obligations falling due as a result of this indemnity.

The McCloud/ Sargeant Judgement

In December 2018, the Government lost a Court of Appeal case (the McCloud/Sargeant Judgement) which found that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed amounted to illegal age discrimination. The Government acknowledged that the difference in treatment would need to be remedied across all public service pension schemes.

The remedy period is now closed and all McCloud related liabilities for eligible members are held within the legacy schemes that the Government Actuary's Department expects them to be paid from.

Legal advice is awaited as to whether any further costs to be borne by the Authority will arise in relation to application of the remedy. Until further guidance is provided, no estimation of the potential impact can be made.

30. Events after the Reporting Period

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The most recent update in July 2024 is that the relevant certificate in respect of the Local Government Pension Scheme 2008 reforms has yet to be located. While it is known there is the potential for additional pension liabilities to be recognised, the financial impact is not known and it is reasonable to form the view that an estimate cannot be made. While the Court of Appeal upheld the High Court Judgement, there are further actions that could be taken regarding the case. In addition, the certificate in respect of the 2008 reforms could be located.

The York and North Yorkshire Combined Authority was created in December 2023 by the York and North Yorkshire Combined Authority Order 2023. As a result, the functions of the NYPFCC transfer to the Elected Mayor with effect from 7th May 2024 when all staff, properties, rights and liabilities transfer to the York and North Yorkshire Combined Authority. Arrangements are being put in place to oversee the operational discharge of the function. As the functions of the NYPFCC will continue to be provided by another public sector entity, these accounts have been prepared on a going concern basis.

31. Net Cash Flows from Operating Activities

Net Cash Flows from Operating Activities include:

Group and PFCC	2022/23	2021/22
	£'000	£'000
Interest received	537	27
Interest paid	148	148

32. Net Cash Flows from Investing Activities

Group and PFCC	2022/23	2021/22
	£'000	£'000
Purchase of Property, Plant and Equipment, Investment Property, Intangible Assets and Assets under Construction	7,452	3,634
Purchase of Short Term Investments	1,407	-
Proceeds from the sale of Property, Plant and Equipment and Assets Held for Sale	(2,054)	(2,615)
Proceeds from Short Term Investments	-	-
Net Cash Flows from Investing Activities	6,805	1,019

33. Net Cash Flows from Financing Activities

Group and PFCC	2022/23	2021/22
	£'000	£'000
Cash receipts of short-term and long-term borrowing	-	-
Cash payments for the reduction of the outstanding liabilities relating to finance leases	-	-
Repayments of short-term and long-term borrowing	-	-
Net Cash Flows from Financing Activities	-	-

34. Related Party Transactions

The Group is required to disclose material transactions and balances with related parties - bodies or individuals that have the potential to control or exercise significant influence over the Group or be controlled or influenced by the Group. Disclosure of these transactions allows readers to assess the extent to which the Group might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Group.

The PFCC purchases her Chief Finance Officer services from the Police and Crime Commissioner for Cleveland. Details of the cost of the provision of these Key Management Personnel are provided in Note 13(d)

The Group has sound arrangements for internal control and corporate governance (including a scheme of delegations and purchase, contract and procurement regulations) which minimise the potential for a single officer to constrain the actions of the Group, and which seek to ensure that the Group obtains Value for Money in all transactions.

Central Government

Central Government has effective control over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates, provides a substantial part of the Group's funding in the form of grants and prescribes the terms of many of the transactions the Group has with other parties.

Central Government has a role, together with the Police Fire and Crime Commissioner and the Chief Constable, in the tripartite system of police governance. Government Grants received by the Group are set out in Notes 11 and 14(f). Grant receipts outstanding at 31 March 2023 are included in Debtors (Note 23).

Other Local Authorities (including Other Police and Crime Commissioners)

Local Government provides a proportion of the funding for the Group. Details of precepts are set out in Note 12. Transactions with the Police and Crime Commissioners in respect of Regional Collaboration are set out in Note 15(b). The amounts owing to and from Other Local Authorities at the balance sheet date are included in Debtors (Note 23) and Creditors (Note 26).

Key Management

Key Management of the Group are also classed as related parties. Key Management are considered to be the Police Fire and Crime Commissioner and other senior officers (as defined in Note 13) and other persons having the authority and responsibility for planning, directing and controlling the activities of the Group, including the oversight of these activities.

Remuneration of Key Management is disclosed in Note 13(d).

On 15th November 2018 NYPCC became the Police Fire and Crime Commissioner for North Yorkshire (NYPFCC) when she took statutory responsibility for North Yorkshire Fire and Rescue Service, as the Fire and Rescue Authority (NYPFCC FRA). At the same time the PFCC CFO also became the CFO for NYPFCC FRA. NYPFCC FRA is a separate corporation sole, independent of NYPFCC. During 2022/23 the Group purchased services to the value of £195k, PFCC £77k (2021/22 £154k (PFCC £50k)) from the Fire and Rescue Authority, and received Income of £512k, PFCC £92k (2021/22 £407k (PFCC £96k)) in respect of recharge of expenditure and provision of services.

The Group is a member of the Association of Police and Crime Commissioners (APCC) and the Association of Police and Crime Chief Executives (APACCE) and senior officers engage with APCC and APACCE on Group business. Senior police officers are members of the National Police Chief Council (NPCC) and engage with NPCC on Force business.

During 2022/23 the Group incurred total subscription and conference costs from these organisations of £61k (PFCC £46k) (2021/22 £63k, PFCC £46k). £Nil (PFCC £nil) was outstanding at 31 March 2023 (31 March 2022 £nil, PFCC £nil).

The Group received income to a value of £886k (PFCC £390k) (2021/22 £979k, PFCC £772k) and purchased services to a value of £847k (PFCC £678k) (2021/22 £623k PFCC £597k) from organisations in which senior officers or their close relatives had positions on the governing body. In all instances transactions were made with proper consideration of declaration of interest. The relevant senior officers did not take part in any discussion or decision in relation to the transactions. At 31 March 2023 £nil (PFCC £nil) (31 March 2022 £nil, PFCC £nil) was owed by the Group to these organisations.

Pension Schemes

Transactions with Pension Schemes are set out in Note 28.

35. Nature and Extent of Risks Arising from Financial Instruments

Key Risks

The Group's activities expose it to a variety of financial risks. The key risks are:

- **Credit risk** the possibility that other parties might fail to pay amounts due to the Group
- **Liquidity risk** the possibility that the Group might not have funds available to meet its commitments to make payments
- **Refinancing risk** the possibility that the Group might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms
- **Market risk** the possibility that financial loss might arise for the Group as a result of changes in such measures as interest rates movements.

Overall procedures for managing risk

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

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
 - The Group's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures to the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be approved before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Group's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual Treasury Management Strategy which incorporates the prudential indicators was approved by the Commissioner for 2022/23 in February 2022. The key issues within the Strategy were:

- The Authorised Limit for 2022/23 was set at £10.8m. This was the maximum limit of external borrowings or other long-term liabilities;
- The Operational Boundary was expected to be £7.8m. This was the expected level of debt and other long-term liabilities during the year;
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the net debt.

These policies are implemented by the Chief Financial Officer on behalf of the Group. The Group maintains written principles for overall risk management, as well as written policies (Treasury Management Practices - TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which is based solely upon the use of "specified investments", with all investments being sterling denominated with maturities up to a maximum of 364 days and meeting a minimum "high" credit rating. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

The full Investment Strategy for 2022/23 was approved by the Commissioner in February 2022. It forms part of the Treasury Management Strategy.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings.

The Group's maximum exposure to credit risk in relation to its investments in banks and building societies of £15m (2021/22 £12m) cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Group's deposits, but there was no evidence at 31 March 2023 that this was likely to crystallise.

The following analysis summarises the maximum exposure to credit risk on financial assets, based on experience of default, adjusted to reflect current market conditions:

Group	Total		Historical experience of default		Estimated maximum exposure to default	
	31 March 2023	31 March 2022 Restated	31 March 2023	31 March 2022	31 March 2023	31 March 2022 Restated
	£'000	£'000	%	%	£'000	£'000
Short Term Investments	1,407	-	-	-	-	-
Cash and cash equivalents	14,077	20,990	-	-	-	-
Other debtors and amounts owed by related parties	10,297	5,842	0%	0%	10	7
Total	25,781	26,832			10	7

PFCC	Total		Historical experience of default		Estimated maximum exposure to default	
	31 March 2023	31 March 2022 Restated	31 March 2023	31 March 2022	31 March 2023	31 March 2022 Restated
	£'000	£'000	%	%	£'000	£'000
Short Term Investments	1,407	-	-	-	-	-
Cash and cash equivalents	14,055	20,974	-	-	-	-
Other debtors and amounts owed by related parties	8,221	5,842	0%	0%	10	7
Total	23,683	26,816			10	7

No breaches of the counterparty criteria occurred during the reporting period and the PFCC does not expect any losses from non-performance by any of her counterparties in relation to deposits and bonds.

An age analysis of the amounts due from debtors is disclosed in Note 23.

Collateral - During the reporting period the Group held no collateral as security (PFCC none).

Liquidity Risk

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

The Group has ready access to borrowings from the money markets to cover any day-to-day cash flow needs, and the PWLB and money markets for access to longer-term funds. The Group is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity risk

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

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

- monitoring the maturity profile of existing and proposed financial liabilities; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Group's day-to-day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity profile of financial liabilities is set out in Note 25.

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates - the interest expense charged to the CIES will rise (however the Group does not currently have any variable rate borrowings);
- Borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates - the interest income credited to the CIES will rise;
- Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

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

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

If all interest rates had been 1% higher (with all other variables held constant) the financial effect is estimated to be:

	2022/23 Group and PFCC £'000
Increase in interest receivable on variable rate investments	300

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in Note 21 - Fair Value of Assets and Liabilities carried at Amortised Cost

Price Risk

The Group does not generally invest in equity shares or marketable bonds.

Foreign Exchange Risk

The Group has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to gains or losses arising from movements in exchange rates.

**POLICE PENSION FUND ACCOUNT
for the YEAR ENDED 31 March 2023**

	2022/23	2021/22
	£'000	£'000
Contributions receivable		
From Employer		
Normal	(19,261)	(18,181)
Early retirement	-	-
	<hr/>	<hr/>
	(19,261)	(18,181)
From Members	(8,054)	(7,629)
	<hr/>	<hr/>
	(27,315)	(25,810)
Transfers In		
Individual transfers from other schemes	(151)	(439)
Benefits payable		
Pensions	43,921	41,607
Commutations and lump sum retirement benefits	9,348	8,208
Lump sum death benefits	-	-
Payments to and on account of leavers		
Refunds of contributions	55	83
Death Grants & dependants	124	435
Individual transfers to other schemes	48	-
	<hr/>	<hr/>
Deficit/(Surplus) for the year before top up grant receivable from/(payable to) Central Government	26,030	24,085
Additional contributions payable by the employer	-	-
Top up grant receivable from Government	(26,030)	(24,085)
	<hr/>	<hr/>
Net amount payable/(receivable) for the year	-	-

**POLICE PENSION FUND NET ASSETS STATEMENT
at 31 March 2023**

		31 March 2023	31 March 2022
	Note	£'000	£'000 Restated
Current Debtors	5	7,581	6,703
Total Assets		<hr/>	<hr/>
		7,581	6,703
Current Creditors	6	(7,581)	(6,703)
		<hr/>	<hr/>
Net Assets		-	-

NOTES TO THE POLICE PENSION FUND ACCOUNTS

1. Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the IFRS Code and on an accruals basis. This means that sums due to or from the Pension Fund are included as they fall due, whether or not the cash has been received or paid. The accounting convention adopted is historical cost.

2. Operation of Police Pension Schemes

The Group operates three Pension Schemes for police officers. These are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. The second scheme was introduced in April 2006, with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All police officers recruited from April 2006 to April 2015 become members of the 2006 scheme and the previous scheme has been closed to new members. The third scheme came into effect for officers recruited on or after April 2015. In addition a number of officers were transferred for the previous schemes on that date.

The charge in the accounts of the Group represents the net cost of pensions and other benefits paid, after deducting contributions receivable from members. Members contribution rates vary between 11% and 15.05% of pensionable pay.

3. Funding of Police Pension Schemes

The funding arrangements for Police Pension Schemes changed on 1 April 2006 and again on 1 April 2015. Before 1 April 2006 the schemes did not have a percentage of pensionable pay type of contribution, rather the Authority was responsible for paying pensions of former employees on a pay-as-you-go basis. Under the new funding arrangements the schemes remain unfunded but the Group no longer meets the pension outgoings directly, instead the Group pays an employer's contribution, based on a percentage of pay, into the Pension Fund. Each individual Police and Crime Commissioner in England and Wales is required by legislation to operate a Pension Fund for police officers and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation.

Under the new arrangements, the Pension Fund will be balanced to nil at the end of the year by either paying over to the Group the amount by which amounts receivable by the Fund for the year exceeded the amounts payable or by receiving cash from the Group equal to the amount by which the amount payable from the pension fund for the year exceeded the amount receivable.

The Group will either pay an amount equal to the amount received from the Pension Fund to the Home Office or receive a pension top-up grant from the Home Office equal to the amount paid to the Pension Fund.

4. Liabilities in Relation to Retirement Benefits

The Police Pension Fund Accounts do not take account of liabilities to pay pensions and other benefits after the period end. Details of the liabilities for retirement benefits attributable to the Group at 31 March 2023, and of the basis for assessing those liabilities, are included in Note 26 to the Statement of Accounts.

The present value of the Police Pension Scheme liabilities, based on the most recent full valuation of the Scheme (as the 31 March 2022) and updated to the balance sheet date, are disclosed below:

	31 March 2023	31 March 2022
	£'000	£'000
Police Pension Scheme 1987	1,222,420	1,637,040
Police Pension Scheme 2006	38,690	72,440
Police Pension Scheme 2015	117,040	213,700
Total present value of liabilities	1,378,150	1,923,180

Full details of the liabilities for retirement benefits attributable to the Group at 31 March 2023, and of the basis for assessing those liabilities, are included in Note 28 to the Group Accounts.

5. Debtors	31 March 2023	31 March 2022
	£'000	£'000 Restated
Short Term - Central Government	7,581	6,703
	<hr/> <hr/>	<hr/> <hr/>
6. Creditors	31 March 2023	31 March 2022
	£'000	£'000 Restated
Short Term - General	(7,581)	(6,703)
	<hr/> <hr/>	<hr/> <hr/>

Independent auditors report to the Police, Fire and Crime Commissioner for North Yorkshire and Group

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Police, Fire and Crime Commissioner for North Yorkshire (PFCC) and the Group for the year ended 31 March 2023, which comprise the PFCC and Group Comprehensive Income and Expenditure Statement, the PFCC and Group Movement in Reserves Statement, the PFCC and Group Balance Sheet, the PFCC and Group Cash Flow Statement, the Group Police Pension Fund Statement and notes to the financial statements, including a summary of significant accounting policies. 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 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets ("the Code Update"), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the PFCC and the Group as at 31st March 2023 and of the PFCC's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update.

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 section of our report. We are independent of the PFCC and Group 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 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.

Emphasis of Matter - transfer of the North Yorkshire Police, Fire and Crime Commissioner's functions to the York and North Yorkshire Combined Authority

We draw attention to accounting policies note 1 (general changes in accounting policy) and note 30 (events after the reporting period) of the financial statements, which highlight that as a result of the York and North Yorkshire Combined Authority Order 2023, the North Yorkshire Police, Fire and Crime Commissioner's functions transfer to the York and North Yorkshire Combined Authority from 7 May 2024. These notes further disclose that as services continue to be provided by another public sector entity, the financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the North Yorkshire Police, Fire and Crime Commissioner continuing in operational existence for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Chief Finance Officer for the financial statements

As explained more fully in the Statement of the Chief Finance Officer’s Responsibilities, 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 2022/23 as amended by the Code Update, and for being satisfied that they give a true and fair view. The Chief Finance Officer is also responsible 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.

The Chief Finance Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update and prepare the financial statements on a going concern basis, on the assumption that the functions of the PFCC will continue in operational existence for the foreseeable future. The Chief Finance Officer is responsible for assessing each year whether or not it is appropriate for the PFCC and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the PFCC and Group, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Police, Fire and Crime Commissioner, as to whether the PFCC and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the PFCC and the Group which were contrary to applicable laws and regulations, including fraud.

incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Police, Fire and Crime Commissioner on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing, testing of accounting estimates and testing any unusual transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Police, Fire and Crime Commissioner. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Chief Finance Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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

Report on the PFCC's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view, we are not satisfied that the PFCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

In November 2023 we identified a significant weakness in relation to improving economy, efficiency and effectiveness for the 2021/2022 year. In our view this significant weakness remains for the year ended 31 March 2023:

Significant weakness in arrangements	Recommendation
<p>2021/22 HMICFRS Inspection Report Improving economy, efficiency and effectiveness</p> <p>The 2021/22 HMICFRS inspection report on the Chief Constable and the Force was published in March 2023. HMICFRS raised a specific cause for concern that the Chief Constable had failed to provide sufficient oversight of enabling services and did not have an effective workforce plan or performance management in place.</p> <p>These concerns also represent an issue for the Police, Fire and Crime Commissioner (PFCC) who is elected by the public to hold the Chief Constable and the Force to account, as the PFCC's oversight of the Chief Constable did not identify or address these weaknesses prior to HMICFRS's inspection. In our view, this represents a significant weakness in arrangements in relation to how the PFCC evaluates the services provided to assess performance and identify areas for improvement under the Economy, Efficiency and Effectiveness criterion.</p>	<p>We recommend that the Police, Fire and Crime Commissioner monitors and reports on the progress made by the Chief Constable to address the cause of concern in relation to oversight of enabling services, the lack of effective workforce planning and the need to improve the performance framework reported by HMICFRS and ensure that the Chief Constable implements the recommendations made in the inspection report.</p>

Responsibilities of the PFCC

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the PFCC 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 PFCC's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the Police, Fire and Crime Commissioner for North Yorkshire, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police, Fire and Crime Commissioner those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police, Fire and Crime Commissioner for North Yorkshire, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of the Police, Fire and Crime Commissioner for North Yorkshire and Group in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.



Gavin Barker, Key Audit Partner
For and on behalf of Forvis Mazars LLP

The Corner
Bank Chamber
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Date: 9 December 2024

GLOSSARY OF TERMS

ACCRUAL: The recognition, in the correct accounting period, of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

ACCRUED BENEFITS: The benefits for service up to a given point in time, whether vested rights or not.

ACTUARIAL GAINS AND LOSSES: For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or the actuarial assumptions have changed.

ACTUARIAL VALUATION: A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

AGENCY SERVICES: The provision of services by a Police and Crime Commissioner or Chief Constable (the agent) on behalf of another Police and Crime Commissioner or Chief Constable, which is legally responsible for providing those services. The responsible Police and Crime Commissioner or Chief Constable reimburses the Police and Crime Commissioner or Chief Constable providing the service.

AMORTISED COST: The cost of an intangible asset after amortisation, which is the systematic allocation of the depreciable amount of an asset over its useful life.

ANNUAL GOVERNANCE STATEMENT: Describes the governance framework incorporating the systems and processes, culture and values by which the Group is directed and controlled and the activities through which it accounts to and engages with the community.

APPROPRIATIONS: Amounts transferred to or from revenue or capital reserves.

ASSET: An item which has a value; for example, land and buildings, vehicles, equipment, cash.

AUDIT COMMISSION: An independent body, established under the Local Government Finance Act 1982. It is the responsibility of the Audit Commission to appoint external auditors to Police and Crime Commissioners and Chief Constables.

BALANCES: The total general balances available are the accumulated surplus of income over expenditure which enable operation without borrowing until the first precept and grant payments are received in the early part of the financial year. Balances are also used to cover any unexpected expenditure during the financial year.

BALANCE SHEET: This sets out the financial position of an organisation on a particular date. It shows the balances and reserves at the organisation's disposal, its long-term indebtedness, the fixed and net current assets employed in its operations and summarised information on the fixed assets held.

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

CAPITAL ADJUSTMENT ACCOUNT: The account through which all financing of fixed assets is charged.

CAPITAL EXPENDITURE: Expenditure on new assets or on the enhancement of existing assets so as to prolong their life or enhance market value.

CAPITAL FINANCING CHARGES: The repayment of loans and interest used to pay for capital projects.

CAPITAL GRANT: Grant from Central Government used to finance specific schemes in the capital programme. Where capital grants are receivable these are used, as far as possible, to finance capital expenditure to which they relate in the year that the grant is received.

CAPITAL RECEIPTS: The proceeds from the sale of an asset, which may be used to finance new capital expenditure or to repay outstanding loan debt, as laid down within rules set by Central Government.

CAPITAL RESERVE: Created to provide an alternative source of financing for capital expenditure and to ensure some stability in the level of capital programmes that can be financed.

CASH FLOW STATEMENT: This summarises the cash receipts and payments of the Group arising from transactions for both revenue and capital purposes.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA): This is the main professional body for accountants working in the public services.

COLLECTION FUND: A fund administered by each District Council in which individuals' council tax payments are paid. The Police and Crime Commissioner raises a precept on the fund to finance part of their net revenue expenditure.

COLLECTION FUND ADJUSTMENT ACCOUNT: The account through which to implement the accruals basis for recording the precept in these accounts without affecting the bottom line for taxpayers.

COMPONENT ACCOUNTING: Component accounting requires that where an asset has several components, which can be physically separated from the principal asset and which have significantly different useful lives, these should be recognised separately and should be depreciated based on their respective useful lives. Component accounting aims to improve depreciation accounting and thus improves the measurement of operating results. It also facilitates accounting for replacements.

CONTINGENCY: The sum of money set aside to meet unforeseen expenditure or liability.

COUNCIL TAX: The local tax levied on householders, based on the relative market values of property, which helps to fund local services.

CREDIT APPROVAL: Authorisations given by Central Government to local authorities, which enable them to finance capital expenditure by borrowing or other credit arrangements such as leasing.

CREDITORS: Individuals or organisations to whom money is owed at the end of the financial year.

CURRENT ASSETS AND LIABILITIES: Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short term.

CURRENT SERVICE COSTS (PENSIONS): The increase in the present value of a defined benefit scheme's liabilities expected to arise from the employee service in the current period.

CURTAILMENT: For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

DEBTORS: Individuals or organisations from whom money is owed at the end of the financial year.

DEFERRED LIABILITIES: Liabilities which, by arrangement, are payable beyond the next year, at some point in the future or paid off by an annual sum over a period of time.

DEFERRED PENSIONS: Individuals who have ceased to be active members but are entitled to benefits payable at a later date.

DEFINED BENEFIT SCHEME: A pension scheme which defines the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme.

DEPRECIATION: An annual charge to reflect the extent to which an asset has been worn out or consumed during the financial year.

DIRECT REVENUE FINANCING: Resources provided from the revenue budget to finance the cost of capital projects.

DISCRETIONARY BENEFITS: Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under discretionary powers.

EARMARKED RESERVES: These reserves represent monies set aside that can only be used for a specific purpose.

EXPECTED RATE OF RETURN ON PENSION ASSETS: For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS: Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside ordinary activities and are not expected to recur.

FINANCE AND OPERATING LEASE: A Finance lease transfers all of the risks and rewards of ownership of a fixed asset to the lessee. If these leases are used, the assets acquired have to be included within the fixed assets in the balance sheet at the market value of the asset involved. With an operating lease the ownership of the asset remains with the leasing company and an annual rent is charged to the relevant service revenue account.

FINANCIAL REGULATIONS: A written code of procedures approved by the Police and Crime Commissioner, intended to provide a framework for proper financial management.

FIXED ASSETS: Tangible assets that yield benefits for a period of more than one year.

FORMULA SPENDING SHARE (FSS): An assessment by Central Government of how much a Police and Crime Commissioner needs to spend to provide a common level of service, having regard to their individual circumstances. It is used to distribute Revenue Support Grant and Police Grant.

GAD: The Government Actuaries Department. They provide estimates of the liabilities of the Police Pension Scheme.

GOING CONCERN: The concept that an organisation will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS: Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

IMPAIRMENT: A reduction in the value of an asset from the balance sheet value occurring as a result of a change in the condition and consumption of the asset or as a result of market conditions.

INCOME AND EXPENDITURE ACCOUNT: This summarises the resources generated and consumed for the year and shows how the costs have been financed.

INTEREST INCOME: The money earned from the investment of surplus cash.

INTEREST COSTS (PENSIONS): For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS): Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards; and
- (c) Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

INVESTMENTS (PENSION FUND): The investments of a Pension Fund will be accounted for in the statements of that Fund. However, sponsoring bodies are also required to disclose, as part of disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

MINIMUM REVENUE PROVISION (MRP): The statutory minimum amount which a Police and Crime Commissioner is required to set aside on an annual basis as a provision to redeem debt.

NET BOOK VALUE: The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

NET CURRENT REPLACEMENT COST: The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NATIONAL NON-DOMESTIC RATES (NNDR): The business rate in the pound is the same for all non-domestic ratepayers and is set annually by the government. Income from business rates goes into a central government pool that is then distributed according to resident population.

NON-OPERATIONAL ASSETS: Non-operational assets are fixed assets held but not directly occupied or used in the delivery of services. They include surplus properties awaiting disposal and assets that are under construction.

OPERATIONAL ASSETS: Fixed assets held and occupied, used or consumed in the direct delivery of those services for which they have either a statutory or discretionary responsibility.

OUTTURN: The actual amount spent in the financial year.

PAST SERVICE COST: For a defined benefit scheme, 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.

PAYMENTS IN ADVANCE: These represent payments prior to 31 March for supplies and services received by the Group after 1 April.

PENSION FUND: A fund which makes pension payments on retirement of its participants.

POLICE GRANT: A grant paid by the government to Police and Crime Commissioners as a proportion of the Formula Spending Share or FSS.

PRECEPT: The income which the Police and Crime Commissioner requires the District Council to raise from Council Tax on behalf of the Police and Crime Commissioner.

PROJECTED UNIT METHOD: An accrued benefits valuation method in which the scheme liabilities make allowances for projected earnings. The scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners, and their dependents, allowing where appropriate for future increases and
- the accrued benefits for members in service at the valuation date.

PROVISION: An amount set aside to provide for a liability that is likely to be incurred but the exact amount and the date on which it will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB): A government agency which provides longer-term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

RECEIPTS IN ADVANCE: These represent income received prior to 31 March for supplies and services provided by the Group after 1 April.

RESERVES: Monies set aside by the Group that do not fall within the definition of provisions.

RETIREMENT BENEFITS: All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE CONTRIBUTIONS TO CAPITAL: Contribution from the Comprehensive Income and Expenditure Statement to finance capital expenditure and thus reduce the requirement to borrow.

REVENUE SUPPORT GRANT (RSG): General government grant support towards expenditure.

REVALUATION RESERVE: This account represents the difference between the current valuation of fixed assets and the historic costs of those assets. This Account came into effect 1 April 2007.

SCHEME LIABILITIES: The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employee is committed to provide for service up to the valuation date.

SERVICE REPORTING CODE OF PRACTICE FOR LOCAL AUTHORITIES (SeRCOP): A CIPFA guide to accounting for best value which provides a consistent and comparable calculation of the cost of services.

SETTLEMENT: An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligations and the assets used to effect the settlement.

SPONSORSHIP: The voluntary provision of non-public funds, services, equipment or other resources that enable the enhancement or extension of the normal service provided.

STATEMENT OF ACCOUNTING POLICIES: This explains the basis of the figures in the accounts. The accounts can only be properly appreciated if the policies that have been followed in dealing with material items are explained. Changes in policies from previous years have been clearly shown.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS: This explains the responsibilities of both the Police and Crime Commissioner and Police and Crime Commissioner's Chief Finance Officer in respect of the Statement of Accounts.

STATEMENTS OF STANDARD ACCOUNTING PRACTICE (SSAP): These standards were adopted by the Accounting Standards Board (ASB) from its predecessor, the Accounting Standards Committee (ASC), and regulate the preparation and presentation of financial statements. Any new Standards are now referred to as Financial Reporting Standards (FRS). The CIPFA Code of Practice on Local Authority Accounting 2007 requires compliance to these Standards or disclosures in the notes if there are any material departures from those Standards.

TRANSFER VALUES: Payment made by one pension scheme to another in respect of accrued pension rights when a member of a scheme changes pensionable employment.

TREASURY MANAGEMENT POLICY (TMP): This is a policy adopted to manage investments, cash flows, and banking transactions. It governs the control of risks associated with these activities and the pursuit of optimum investment return balanced with security of investment.

WORK IN PROGRESS: The cost of work done on an uncompleted project at the balance sheet date.

ACRONYMS

ACC	Assistant Chief Constable
ACPO	Association of Chief Police Officers
AGS	Annual Governance Statement
APACE	Association of Policing and Crime Chief Executives
APCC	Association of Police and Crime Commissioners
ASC	Accounting Standards Committee
CC	Chief Constable
CCNY	Chief Constable of North Yorkshire Police
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CFR	Capital Financing Requirement
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
DCC	Deputy Chief Constable
FRS	Financial Reporting Standards
FSS	Formula Spending Share
FTE	Full Time Equivalent
GAD	Government Actuary's Department
HM	Her Majesty
HMRC	Her Majesty's Revenue and Customs
HO	Home Office
HPCC	Police and Crime Commissioner for Humberside
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IS	Information Systems
ISD	Information Services Department
IT	Information Technology
JANE	Joint Arrangement Not an Entity
JPAC	Joint Police Authorities Committee
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LCJB	Local Criminal Justice Board
LGPS	Local Government Pension Scheme
MRP	Minimum Revenue Provision
MTFP	Medium Term Financial Plan
NHS	National Health Service
NYP	North Yorkshire Police
NYPA	North Yorkshire Police Authority
NYPFCC	Police Fire and Crime Commissioner for North Yorkshire
PCC	Police and Crime Commissioner
PCSO	Police Community Support Officer
PFI	Private Finance Initiative
PPE	Property, Plant and Equipment
PWLB	Public Works Loan Board
RICS	Royal Institution of Chartered Surveyors
SeRCOP	Service Reporting Code of Practice
SORP	Statement of Recommended Practice
SSAP	Statements of Standard Accounting Practices
SYPC	Police and Crime Commissioner for South Yorkshire
TMP	Treasury Management Practices
VAT	Value Added Tax
WYPA	West Yorkshire Police Authority
WYPCC	Police and Crime Commissioner for West Yorkshire