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Our reference: JAC/MO

Date: 21st May 2024

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY - JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 26th June 2024 between Fire Headquarters and Police HQ Penrith**. The expected timings and locations are as follows:

Times	Activity	Location
09:00-10:00	JAC members private meeting with Internal Audit TIAA Ltd	Community Room, Fire HQ Penrith
10:00-10:30	JAC members private meeting	Community Room, Fire HQ Penrith
10:45-12:15	JAC Meeting – Fire	Community Room, Fire HQ Penrith
12:15-13:00	Lunch Break	Conference Room 1, Police HQ Penrith
13:00-15:00	JAC Meeting – PFCC/Constabulary	Conference Room 1, Police HQ Penrith
15:00-16:30	JAC Development Session – Police	Various, Police HQ Penrith

Gill Shearer
Chief Executive

Note: Members are advised that allocated car parking for the meeting is available in the Visitors' Car Park at the Police HQ.

Note: If members of the public wish to participate in this meeting please contact megan.owens@cumbria.police.uk by 21st June 2024 for an invitation.

COMMITTEE MEMBERSHIP

Mrs Fiona Moore (Chair)

Mr Malcolm Iredale

Wing Commander (Retired) Tim Mann

Mr Jake Cornthwaite

Mr Mike Roper

AGENDA

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

Note – Items to be considered by exception, it is assumed that members will have read all papers before the meeting.

Agenda Item	Agenda Item	Officer/Lead	Time (Est)
1	APOLOGIES FOR ABSENCE	Chair	13:00
2	<p>URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC</p> <p>To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.</p> <p>Items for Exclusion of Press and Public (PART 2)</p>	Chair	13:00
3	<p>DISCLOSURE OF PERSONAL INTERESTS</p> <p>Members are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the agenda. If the personal interest is a prejudicial interest, then the individual member should not participate in a discussion of the matter and must withdraw from the meeting room unless a dispensation has previously been obtained.</p>	Chair	13:05
4	<p>MINUTES OF MEETING AND MATTERS ARISING</p> <p>To receive and approve the minutes of the committee meeting held on 20th March 2024.</p>	Chair	13:10
5	<p>ACTION SHEET</p> <p>To receive the action sheet from previous meetings.</p> <p>a) PFCC / Constabulary b) JAC Committee</p>	Chair	13:15
6	<p>CORPORATE UPDATE</p> <p>To receive a brief corporate update from each of the below.</p> <p>a) Constabulary b) The OPFCC c) Finance</p>	DCC OPFCC Chief Exec PFCC or CC Chief Finance Officer	13:20 13:25 13:30
7	INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT	Director of Audit	13:35

	To receive the Internal Auditors the Summary Internal Controls Assurance (SICA) Report. To include arrangements for Quality Assurance and Improvement.	TIAA Ltd	
8	<p>INTERNAL AUDIT REPORT(S)</p> <p>To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the committee.</p> <p>a) Grievance Reporting and Management b) Recruitment Inductions c) ANPR Cameras d) Partnerships & LGR</p>	Director of Audit TIAA Ltd	13:40
9	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS</p> <p>To receive an updated summary of actions implemented in response to audit and inspection recommendations.</p> <p>Paper to Follow</p>	Director of Audit TIAA Ltd	13:50
10	<p>INTERNAL AUDIT – ANNUAL REPORT</p> <p>To receive the Head of Internal Audit’s Annual Report including the Annual Audit Opinion</p>	Director of Audit TIAA Ltd	13:55
11	<p>EXTERNAL AUDIT PLAN 2023/24</p> <p>To receive from the external auditors the Joint Annual External Audit Plan (including external audit fees)</p>	Engagement Lead Grant Thornton	14:05
12	<p>RISK MANAGEMENT MONITORING</p> <p>To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner’s arrangements for holding the CC to account for Constabulary Risk Management.</p>	PFCC Chief Executive	14:10
13	<p>ANTI-FRAUD AND CORRUPTION ACTIVITIES</p> <p>To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption</p>	PFCC Chief Executive	14:15
14	<p>ETHICS AND INTEGRITY GOVERNANCE</p> <p>To receive an annual report from the chair of the Ethics and Integrity Panel.</p>	PFCC Chief Executive	14:20
15	<p>EFFECTIVENESS OF AUDIT</p> <p>To receive a report from the PFCC CFO in respect of the effectiveness of arrangements for audit.</p>	PFCC Chief Finance Officer	14:25

16	<p>ANNUAL GOVERNANCE STATEMENT</p> <p>a) Effectiveness of Governance Arrangements: To receive a report on the effectiveness of the PFCC and Constabulary arrangements for Governance. (PFCC CFO)</p> <p>b) Code of Corporate Governance: To consider the Codes of Corporate Governance.</p> <p style="padding-left: 20px;">i. PFCC (PFCC CFO)</p> <p style="padding-left: 20px;">ii. Constabulary (CC CFO)</p> <p>c) Annual Governance Statement: To consider the Annual Governance Statements for the financial year and to the date of this meeting:</p> <p style="padding-left: 20px;">i. PFCC (PFCC CFO)</p> <p style="padding-left: 20px;">ii. Constabulary (CC CFO)</p>	<p>PFCC Chief Finance Officer</p> <p>PFCC CFO CC CFO</p> <p>PFCC CFO CC CFO</p>	14:30
17	<p>ANNUAL STATEMENT OF ACCOUNTS</p> <p>To receive the un-audited Statement of Accounts and consider a copy of a summarised non-statutory version of the accounts:</p> <p>a) PFCC/Constabulary Group</p> <p>b) Constabulary</p>	<p>PFCC Chief Finance Officer</p> <p>CC Chief Finance Officer</p>	14:40
18	<p>TREASURY MANagements ACTIVITIES</p> <p>To receive for information the report on Treasury Management Activity - Quarter 4/Annual Report.</p>	<p>Constabulary Chief Finance Officer</p>	14:50
19	<p>POINTS FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE</p>		14:55
20	<p>AOB</p>		14:55

Future JAC Meeting Dates (For Information)

25th September 2024 @ 10.30– Police HQ Conference Room 2 & Fire HQ

27th November 2024 @ 10.30 – Police HQ Conference Room 1 & Fire HQ

26th March 2025 @ 10.30– Police HQ Conference Room 1 & Fire HQ

Future Police, Fire and Crime Panel Meeting Dates (For Information)

25th July 2024 - Committee Room 1, County Hall, Kendal

14th October 2024 - Conference Room A/B, Cumbria House, Carlisle

31st January 2025 - Committee Room 1, County Hall, Kendal



Agenda Item 4

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER, CUMBRIA CONSTABULARY AND CUMBRIA FIRE & RESCUE SERVICE - JOINT AUDIT COMMITTEE

Minutes/ notes of a special meeting with members of the Joint Audit Committee held on Thursday 25th January 2024 via MS Teams @ 12:00 in relation to the Statutory Sign Off of the 2023/24 Statement of Accounts

PRESENT

Mrs Fiona Moore (Chair)
Mr Malcolm Iredale
Mr Jake Cornthwaite
Mr Mike Roper

APOLOGIES

Wing Commander (Retired) Tim Mann

Also present:

Office of the PFCC

PFCC Chief Finance Officer/CFRS Chief Finance Officer (PFCC CFO & CFRS CFO), (Steven Tickner)

Cumbria Constabulary

Constabulary Chief Finance Officer (CC CFO), (Michelle Bellis)

NOTES OF MEETING

MS Teams meeting held with members of JAC to discuss the final audited Statement of Accounts. Changes to the Audit Findings Report were outlined following conclusion of the audit and that there were no changes to the SOA that impacted the financial standing of the PFCC/Constabulary. Technical changes have been made in respect of pensions. Committee members sought clarification on points raised and accepted the final Statement of Accounts for 2022/23 as were signed off by the Commissioner and Chief Constable.

Signature _____

Date _____

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Agenda Item 4 – Part 1

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER, CUMBRIA CONSTABULARY AND CUMBRIA FIRE & RESCUE SERVICE - JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Wednesday 20th March 2024
Conference Room 1, Police HQ, Penrith, at 10.30am.

PRESENT

Mrs Fiona Moore (Chair)
Mr Malcolm Iredale
Wing Commander (Retired) Tim Mann
Mr Jake Cornthwaite
Mr Mike Roper

Also present:

Office of the PFCC

Chief Executive (CE), Office of the Police, Fire and Crime Commissioner (Gill Shearer)
PFCC Chief Finance Officer/CFRS Chief Finance Officer (PFCC CFO & CFRS CFO), (Steven Tickner)

Cumbria Constabulary

Deputy Chief Constable (DCC), (Darren Martland)
Director of Performance and Change, (Louise Kane)
Constabulary Chief Finance Officer (CC CFO), (Michelle Bellis)
Financial Services Assistant (FSA), (Megan Owens)

Cumbria Fire & Rescue Service

Deputy Chief Fire Officer (DCFO), (Brian Steadman)
Head of Performance and Assurance (HPA), (Mark Clement)

Internal Audit

Audit Manager (AM), TIAA, (Andrew McCulloch)
Director - Local Government and Emergency Services, (Fiona Roe)

External Audit

Audit Manager (AM), Grant Thornton LLP, (Gareth Winstanley)
Audit Manager (AM), Grant Thornton LLP (Hebe Dyson)

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

The Chair called the meeting to order at 10.30am

849. APOLOGIES FOR ABSENCE

Apologies were received from:

Group Accountant (Lorraine Holme)

850. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

There were no items of urgent business or exclusions of the press and public to be considered by the committee.

In relation to Item 5 on the Agenda, the Action Sheet, there is an update on a Part 2 item.

851. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of any personal interest relating to any item on the agenda.

852. MINUTES OF MEETING AND MATTERS ARISING

The notes of the previous meeting held Wednesday 22nd November 2023 previously circulated with the agenda were discussed and signed by the Chair. No comments were made regarding the accuracy of the minutes.

No matters arising from the minutes that were not to be discussed in the agenda. It was noted that a follow up meeting took place early in the new year (25/01/24) to discuss the sign off of the Statement of Accounts for 2022/23. It was requested to have minutes written up for this meeting or for a record of discussion to be made.

ACTION: Meeting notes/minutes to be prepared for the separate meeting in relation to Statement of Accounts sign off and presented to the next meeting for signing.

It was also noted that the minutes of the meeting on 20/09/23 had not been signed pending the separate meeting in relation to the sign off of the Statement of Accounts 2022/23, it was agreed that these minutes could now be signed.

ACTION: Chair to sign the minutes of the meeting on 20/09/23.

853. ACTION SHEET

An Action Sheet showing any actions discussed in the previous JAC meeting and the progress made was circulated to the members prior to the meeting. The progress of each item was discussed.

Item 832 – It was queried whether the target date of this item should be amended as the work is still ongoing and the target date is March 2024. After a short discussion it was agreed to mark the item as complete.

ACTION: update the action plan to mark this item as complete.

Item 836 – Minutes of meeting held 20th September 2023 are still to be signed by the Chair. Once signed the item can be marked as complete.

Item 839 – In relation to the previously outstanding prior audit reports in relation to fire activity, the AM provided an update to say that these reports had now been provided by the former County Council audit team. A review of all previous audit reports was to be undertaken in the next week. Once the review has been completed, a report on this matter will be prepared and shared with the committee members as soon as possible.

Committee members agreed it would be helpful to see any audit progress before the next meeting in June. Ideally in the form of a table, showing evidence to provide assurance on any progress being made. Extra information will be added into the audit report.

ACTION: TIAA to provide members with an update in relation to the finding of the review of all prior Fire audit reports and recommendations made.

Item 814 – The DCC clarified the governance structure in place within the Constabulary and stated that this was covered as part of agenda item 15b. A query was raised about how the constabulary ensures its officers are kept up to date with changes to laws and legislation. The DCC provided a detailed explanation and suggested that by way of example he could pick out a specific piece of legislative change and illustrate how this was enacted. The committee agreed this would be helpful.

ACTION: DCC to provide a specific legislative change example.

The JAC review of effectiveness action plan is to be kept as it is for now and reviewed following the 360° review. Therefore, the review dates need to be changed to March 2025.

ACTION: The committee's current action plan be rolled forward and review dates updated to March 2025.

854. CORPORATE UPDATE

(a) The DCC provided an update on the Constabulary. He briefed the panel on the overall performance of the Constabulary, any organisational issues that are affecting the Constabulary, any events that have happened or are happening that they are planning for, and any significant media. The DCC offered to provide a written summary by way of corporate update to future meetings.

The members agreed they would prefer to see a brief report in writing before the meeting to

familiarise themselves and save time.

ACTION: For future meetings, a brief written corporate update should be provided from each area as part of the agenda.

(b) The PFCC Chief Executive gave an update on the PFCC budget and the upcoming elections. Opportunities for the Fire and Police working together were mentioned, such as the new joint head of estates roles. The panel were also informed about projects that are currently in progress.

Chair asked for further information on the CCTV project mentioned. Both the PFCC CE and DCC responded.

A member asked if when the new PFCC is elected in May will there be a timescale for the new strategy plan. PFCC Chief Executive explained that this was all in place.

(c) DCFO provided an update on the Fire and Rescue service. Most was covered by PFCC Chief Executive, however there were some extra points regarding PFCC collaboration, finance, external audits, projects, equipment and recruitment.

A member asked about the external audits that took place and how the Fire and Rescue service responded. Another member asked if there was a way for the committee to receive the results of any external audits to review. DCFO responded to both questions and advised that results could be shared with members once received.

ACTION: The DCFO to provide members with information on externally commissioned audits as these became available.

(d) PFCC CFO advised most items were covered by fire and that there was a budget development session for committee members after the JAC meeting to go into further detail. It was mentioned that Fire has a new finance system coming in from 1st April 2024.

CC CFO addressed the committees previous concerns regarding staffing in the shared Financial Services Team, providing reassurance that the team is almost at full staffing. Also updated on the Police Uplift program and confirmed the target has now been met, meaning the grant funding for 2023/24 will be received.

A member asked for an overview on budget monitoring coming up to year end. PFCC CFO and CC CFO responded regarding their own areas.

855. FUTURE WORKING OF JOIN AUDIT COMMITTEE

Since April 2023 the Joint audit committee has expanded its role to cover Fire. The paper proposed that from April 2024, whilst the committee remains a joint committee, the meetings are separated to discuss Fire related activity in one meeting and PFCC/Constabulary related activity in another. Both meetings to be held on the same day. The Terms and conditions of

the committee will be updated later in the year to reflect this change. Members raised concerns of an increased time commitment. One member also commented that they felt it would be better to keep the meeting as a single meeting.

PFCC CFO also touched on moving the papers to be distributed electronically. In order to save time and costs. Discussions have been had with ICT to see how this could be achieved and further information about this will be provided in the meetings in June or September.

Chair advised the committee were happy to try the new timetabling to see how it works. Also noted that if they were to move to electronic papers the PFCC would need to provide the equipment to support doing that. They are happy to hear any proposals regarding this.

A member raised that the timetable may be quite tight in timings as it is rare to discuss all matters at the JAC meeting within an hour and a half. PFCC CFO responded suggesting condensing the agenda down to save time. A member re-raised earlier suggestions of providing a written brief in relation to the corporate updates to save time at the beginning of meetings. Another member also suggested a shorter lunch break.

DCFO proposed keeping the meeting as one with Fire and Police as there are benefits to listening to updates on the opposing service.

It was decided to have at least two separate JAC meetings and review this in future 360° meetings before making a final decision. It was noted that any newly elected PFCC may have a different input on this.

ACTION: To trial separate meetings for Fire and OPFCC/Constabulary for two meetings (June and September) and feedback in November.

ACTION: To include some wording in the forthcoming 360° review of JAC to seek views on the split meetings.

856. INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

AM of TIAA talked through the SICA reports for the PFCC/Constabulary. No was report provided for Fire.

A member raised a concern around the lack of progress against the audit plan and asked if all remaining audit reports would be ready for the next meeting. AM of TIAA confirmed they should, excluding the two reports that require a new member of the audit team to be vetted, these reports may have to slip into the 2024/25 financial year. Concerns were raised by a member if this would affect the next financial years' work. AM, TIAA advised it would not nor would it impact on an annual audit opinion being provided for 2023/24.

A member asked if this would impact operationally within the force or the finance team. Can auditees be given a reasonable time to respond to the requirements needed. CC CFO

confirmed the finance audits have all been completed.

857. INTERNAL AUDIT REPORT(S)

Four audit reports were presented to members and whilst there were no specific comments in relation to the four audit reports, a member said that he felt that it was unusual to have 4 audit reports with no recommendations at all. The AM explained that a robust process had been followed and in respect of the financial audits, the processes were well established and being followed which was why there were no further recommendations. The audit in relation to procurement of victims services also revealed processes were robust and quality evidence being provided.

858. PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER

AM of TIAA gave a brief overview of the audit strategy for the PFCC and CC. As well as the annual plans for PFCC, CC & CFRS.

A member asked about the key risks and considerations for CC and CFRS. Queried why climate change and sustainability was under CC and not CFRS. The AM agreed that this had been an oversight and that the issue of climate change and sustainability was equally applicable to both organisations.

A member asked for clarification on how it was decided which audits should be included. AM explained that this was informed by national discussions of areas of interest and local discussions with Chief Officers. AM gave some examples of audits which had been added to the programme following discussions with Chief Officers, the member said it might be helpful to indicate these as part of the overall rationale for inclusion.

A member referred to earlier in the meeting (internal audit SICA report) when fraud was identified as a high risk and questioned why it was not listed in the Fire plan and if it had been considered. AM of TIAA responded to say that fraud is considered as part of all audits that are undertaken.

859. EXTERNAL AUDIT PLAN

Item deferred until June 2024.

860. EXTERNAL AUDIT ANNUAL AUDIT REPORT

AM of Grant Thornton LLP briefed the panel on the value for money arrangements report. The report given to the committee was for 2022/23, therefore focuses only on PFCC and CC arrangements (Fire will be included from 2023/24 onwards). Report had no statutory or key recommendations only a small number of improvement points. Last year's recommendations have all been addressed.

A member asked if the recommendation concerning climate change and sustainability had

any action plans or timescales for completion. The CC CFO advised that a draft report had been provided by the Energy Savings Trust, this was to be developed into an action plan.

A second question was raised by a member asking if there would continue to be a formal mid-year review on key assumptions and estimates in the MTF. CC CFO confirmed this was planned.

861. STRATEGIC RISK REGISTER

(a) PFCC CE noted they had changed the format of the risk register as requested by the members to be consistent across the PFCC, CFRS and CC.

A member asked how often these risk registers are reviewed. The CE responded that the risk registers were reviewed on a monthly basis by the PFCC Executive Team and subsequently come to committee twice a year (March and September).

(b) Director of Performance and Change provided an overview of the Constabulary risk register to the panel, highlighting those areas of new risk or those that had changed.

(c) DCFO briefed the panel on any new risks identified on the risk register.

862. RISK MANAGEMENT STRATEGY (FIRE)

Item deferred until June 2024.

On behalf of the Chief Fire Officer, the DCFO presented an overview of Fire to members, a hard copy of the slides was provided to members at the meeting.

863. ANNUAL REVIEW OF GOVERNANCE

(a) (i) PFCC CE advised there have been no significant changes to the governance of the PFCC other than the replacement of the Joint CFO role with separate CFOs for PFCC/CFRS and Constabulary.

(ii) Scheme of delegation is reviewed significantly every three years. Document provided is an annual tidy up review to ensure it is fit for purpose.

A member asked specifically about the role of the Deputy PFCC and how delegations were made to this role.

ACTION: CE to review the scheme of delegation specifically in relation to the role of the DPFCC.

(b) CC CFO briefed the panel in relation to the updated scheme of delegation for the Constabulary which is reviewed annually.

(c) DCFO briefed the panel on their scheme of delegation and gave points to consider.

A member asked if a table could be produced like the ones done by the OPFCC and CC.

ACTION: HPA to consider adding a table to the Fire scheme of delegation along the lines of OPFCC and Constabulary.

(d) Financial Regulations and Financial Rules, item deferred to June/September until after PFCC election.

864. VALUE FOR MONEY

Item deferred to June due to HMICFRS VFM profiles for 2023 not being published at the time the meeting papers were circulated. The CC CFO advised the meeting that the VFM indicators had now been published on the HMICFRS website and that the link would be circulated and stated that a report would be prepared for the next meeting.

ACTION: CC CFO to circulate the link to the VFM profiles on the HMICFRS website to members and prepare a summary report for June meeting.

865. JAC ANNUAL WORK PROGRAMME: ASSURANCE FORMAT

(a) CC CFO provided an explanation of the annual work programme and noted that the development sessions need to be added to appendix B. In June there will be a development session for Police and in September there will be a development session for Fire.

(b) PFCC CFO issued papers on the morning of the JAC meeting regarding the annual work programme in relation to Fire activity. Members agreed they would feedback once they had chance to go through the papers.

866. TREASURY MANAGEMENT STRATEGY STATEMENT AND TREASURY MANAGEMENT PRACTICES

Prior to the meeting, in a member development session, members received an economic update and background information in relation to Treasury Management from the Commissioner's treasury management advisors Link Asset Management. The development session is provided annually to assist members in providing recommendations to the PFCC in relation to the adoption of the Treasury Management Strategy.

(a) CC CFO gave a brief overview of the treasury management strategy statement and practices. No questions were raised as the session with the members prior to the JAC meeting covered a lot of information.

(b) PFCC CFO reiterated same points as CC CFO in relation to the Fire TMSS.

(c) CC CFO explained what the joint document covered. It was said that if members were happy with the document the track changes could be removed and published on the website

alongside the treasury strategy.

Members were happy with the reports.

867. TREASURY MANagements ACTIVITIES

The Treasury Management Activity reports for 1st October 2023 to 31st December 2023 (Quarter Three) have been received and reviewed by the panel.

(a) CC CFO provided further details on the Treasury Management Activities for PFCC/Constabulary.

A member commented on the different rate and return between Police and Fire. The CC CFO explained that this was due to uncertainty around cash flow forecasting in this first year of operation in relation to Fire, whereas for the PFCC/CC this is more certain. It is expected that the rates of return on investment should be more closely aligned in future.

A member then asked if in future it would be possible for the two separate legal entities of PFCC/CC and Fire to borrow/lend to each other and it was agreed that this would be possible.

(b) PFCC CFO gave an overview of treasury management activities for CFRS.

868. POINTS FOR CONSIDERATION BY THE COMMISSIONER, THE CHIEF CONSTABLE AND THE CHIEF FIRE OFFICER.

Members agreed to once again raise concern with the absence of fire internal audit reports.

ACTION: PFCC/Fire CFO to raise members concerns with regard to the absence of internal audit reports and progress against the audit plan with the PFCC.

Meeting ended at 13:25hrs.

Signature _____

Date _____

Future JAC Meeting Dates (For Information)

26th June 2024 @ 10.30 – Fire HQ and Police HQ Conference Room 1

25th September 2024 @ 10.30– Police HQ Conference Room 1 and Fire HQ Penrith

27th November 2024 @ 10.30 – Police HQ Conference Room 1 and Fire HQ Penrith

26th March 2025 @ 10.30– Police HQ Conference Room 1 and Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

22nd May 2024 – Barrow Town Hall, Drawing Room, Duke Street, Barrow LA14 2LD

25th July 2024 - Committee Room 1, County Hall, Kendal

14th October 2024 - Conference Room A/B, Cumbria House, Carlisle

31st January 2025 - Committee Room 1, County Hall, Kendal

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Joint Audit Committee – Action Update and Plan (PFCC/Constabulary)

Completed
Ongoing within Original Timescale
Ongoing with original timescale extended
Overdue

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
783(b) (22/03/23)	Risk Management Strategy	Constabulary CFO	Sep 23 Nov 23 Jun 24	<p>The Constabulary CFO to look making clearer descriptions around the actual risk and then what mitigations have been put in place that will now reduce the risk.</p> <p>May 2023 – This will be incorporated into the next report in September.</p> <p>September 2023 – A meeting is to be held later in September between the Constabulary CFO and Ch Supt Bird with a view to aligning the terminology in the Constabulary Risk Register updates and the bi-annual risk management updates. The meeting has not yet taken place due to diary commitments.</p> <p>November 2023- The detailed discussions have still to take place but descriptions will be updated for the next reported SRR update to committee in March 2024.</p> <p>February 2024 – The Director of Performance and Change (Louise Kane) will provide an update at the meeting. A review is being undertaken to ensure that the SRR and Risk Management Strategy are aligned, particularly around the use of terminology.</p> <p>June 2024 – This action was completed as part of March 2024 meeting.</p>	Completed
836(a) (22/11/23)	Minutes of the Previous Meeting	Chair	Mar 2024 Jun 24	<p>Chair to sign off Minutes of Previous Meeting: Part 1 in a special meeting. Date to T.B.C.</p> <p>June 2024 – Replaced by action 852(b) below.</p>	Completed

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
836(b) (22/11/23)	Minutes of the Previous Meeting	CC CFO	Mid 2024	CC CFO to send a link to the HMICFRS PEEL Inspection report (once released) to the committee members to avoid having to keep checking. February 2024 – The final report is expected to be published May/June and a link will be emailed. March 2024 – Link to the HMICRS VFM profile page of HMICFRS website circulated to members 25/03/24. June 2024 – The publication to the HMICFRS PEEL inspection report has been delayed until after the general election. The expected release date is now 23/07/24.	Ongoing within original timescales
843 (22/11/23)	JAC Annual Report	CC CFO and PFCC CFO	Mar 2024 Sept 2024	CC CFO and PFCC CFO to provide that 360 report to include fire next year. February 2024 – The JAC 360' review will be conducted in 2024 and will incorporate Fire. The annual JAC work programme has been updated to reflect this. June 2024 - Financial Services await confirmation of the question set from the Committee before launch of the survey.	Ongoing within original timescales
852 (a) (20/03/24)	Minutes of 22/11/23 Meeting/Matters Arising	PFCC/Fire CFO and CC CFO	June 2024	Meeting notes/minutes to be prepared for the separate meeting in relation to Statement of Accounts sign off (25/01/24) and presented to the next meeting for signing. June 2024 – Minutes were prepared and circulated to chair on 25/03/24. The minutes will be brought to the June meeting for signing.	Completed
852(b) (20/03/24)	Minutes of 22/11/23 Meeting/Matters Arising	JAC & FSA Chair	June 2024	Chair to sign the minutes of the meeting on 20/09/23. June 2024 – The minutes of meeting 20/09/23 will be brought to the meeting for signing.	Completed
853 (20/03/24)	Action Sheet Ref 814	DCC Martland	June 2024	DCC to provide a specific legislative change example. June 2024-an update will be provided at the meeting.	Ongoing within original timescales
853 (20/03/24)	Action Sheet (JAC Action Plan)	CC CFO	June 2024	The committee's current action plan be rolled forward and review dates updated to March 2025. June 2024 – updated as per agenda item 05b	Completed

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
854 (20/03/24)	Corporate Update	DCC, CE, PFCC/Fire CFO, CC CFO	June 2024	A brief written corporate update should be provided from each area as part of the agenda. June 2024 – These have been provided as part of the agenda	Completed
855(a) (20/03/24)	Future Working of JAC	PFCC/Fire CFO and CC CFO		To trial separate meetings for Fire and OPFCC/Constabulary for two meetings (June and September) and feedback in November. June 2024 – Meetings separated on a trial basis.	Completed
855(b) (20/03/24)	Future Working of JAC	CC CFO		To include some wording in the forthcoming 360°review of JAC to seek views on the split meetings. June 2024 – additional questions incorporated in the draft question set circulated to members on 28/03. Still awaiting JAC final discussion and decision on question set.	Completed
863 (20/03/24)	Annual Review of Governance – OPFCC Scheme of Delegation	CE	March 2025	CE to review the scheme of delegation specifically in relation to the role of the DPFCC. June 2024 – The scheme of delegation has been reviewed and updated as required.	Completed
864 (20/03/24)	Value for Money	CC CFO	June 2024 Sept. 2024	CC CFO to circulate the link to the VFM profiles on the HMICFRS website to members and prepare a summary report for June meeting. June 2024 – The Link to VFM Dashboard was re-circulated to members 18/06/24, note per action 836b above this had already been provided on 25/03/24. The summary report in relation to the CFM profiles will be provided for the September meeting.	Ongoing with original timescale extended

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Joint Audit Committee – Review of Effectiveness Action Plan 2024/25

Completed
Ongoing within Original Timescale
Ongoing with original timescale extended
Overdue

Ref	Improvement Area	Planned Action	Owner	Review Date	Status
JAC1	Support and monitor the OPFCC, Fire and Rescue and Cumbria Constabulary plans to address the ongoing funding environment and sustainability.	Members to maintain awareness of the national position in relation to the Funding Formula; to receive annual training on the budget and MTFP and consider as appropriate the arrangements flowing from significant changes in funding levels. JAC members to consider efficiency aspects of any recommendations or reports to Committee	JAC	March 2025	Ongoing within original timescale
JAC2	Support and challenge any new governance arrangements for example arising from restructuring and capacity reviews; Local Government Reorganisation and Fire; greater collaboration with other organisations; joint working on delivery of services.	JAC to seek assurance regarding the sufficiency of all new arrangements supported by appropriate documentation including Financial Regulations and ensure governance arrangements are considered as part of the risk assessment process. To receive briefings on Fire Governance arrangements.	JAC	March 2025	Ongoing within original timescale
JAC3	Achieve a greater understanding of the involvement of the PFCC and Constabulary in partnerships working arrangements	To include briefings on fire arrangements across the county.	JAC	March 2025	Ongoing within original timescale
JAC4	Achieve a greater understanding of the findings of HMICFRS reports; how these are reflected in the risk registers and evidence of benefit realisation following implementation.	Arrange briefings to develop the Committees understanding of the process to include reference in risk registers and development of learning and continuous improvement work.	JAC	March 2025	Ongoing within original timescale
JAC5	To improve engagement with the CC, CFO and PFCC (Committee Chair) and attend Police & Crime Panel Meetings and other governance committees as necessary/considered beneficial to enhance the work of JAC	Arrange meetings for the Committee Chair with Chief Constable; Chief Fire Officer; PFCC and CEO at least annually. Establish rota for attendance at the Police & Crime Panel Meetings	JAC	March 2025	Ongoing within original timescale

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Briefing Note

Corporate Update – JAC

DCC Martland

1. Performance Update (Data as of Month End May 2024)

CCR:

For May 2024 93.2% of 999 calls were answered within the service level agreement (SLA) of 10 seconds and 94.6% of 101 calls answered within the SLA of 5 minutes.

(FY 23/24 – 999's 94.63% - 101's 96.35%)

101 abandonment rate for May 2024 was 5.7% with the average time to abandon a call being 1 minute and 2 seconds. FYTD the 101 abandonment rate is 5% and within our SLA.

Volume of calls has increased, which is expected to continue in the coming months due to seasonal demand. As an example, in May 2024 6,624 999 calls were received compared to 5,156 in the month previous.

In May 2024, 91.6% of grade one incidents were attended within the required response time. Broken down to 92.6% for Cumberland and 90.4% for Westmorland and Furness. FY 23/24 found the average attendance in target for grade 1's to be 89.64%, this being an increase on 77.23% from FY 22/23. For grade 2 incidents, in May 24, the percentage of incidents attended in target was 94% with the FY23/24 average being 93.1%, an increase from 60.85% FY22/23.

Crime Outcomes:

The constabulary are meeting multiple KPI's for Positive Outcomes. For the all crime category, the lower KPI is 19.5% with the current rate being 20.07%. The lower KPI is also met in other areas including Residential Burglary of a home and Crimes with a Domestic Abuse flag.

The outcome rate for Victim Based Crime is currently 15.69% with the Lower KPI set at 16%.

Nationally, Cumbria Constabulary are 2nd for all crime positive outcome rate and 3rd for Victim Based Crime.

ASB:

FYTD has seen 723 reported ASB incidents, with 724 reported across the same period last year showing a reduction of 0.14%. The ASB hot spot initiative begins in July this year where we hope to see a reduction.

2. Organisational Updates

In line with the requirement for financial savings expected for 2025/26, the constabulary have initiated a 'futures programme' which consists of 16 projects, led by senior officers focussing on saving opportunities and efficiencies. The programme is underway, with initial findings and identified opportunities for progression to be presented to Chief Officers in Autumn of this year.

As of w/c 10.06.2024 Constabulary staffing is as follows:

Officer FTE (excluding secondment) – 1366.19 (Budget 1359.00)

Staff FTE (excluding secondment) – 636.71 (Budget 703.54)

PCSO FTE – 38.81 (Budget 60.00)

The Constabulary have seen a new intake of Police officer commence their training at HQ this week (17/06) as well as a small cohort of PCSO's. The Constabulary are working to a headcount target of 1393 for Police

Officers, this number will be assessed by the Home Office as of 30.09.24 and 31.03.25. Some police staff vacancies remain on hold as part of the aforementioned Futures Programme.

Key pieces of work ongoing by the Constabularies HR department include:

- Recruitment of Police Officers as part of the national officer maintenance programme.
- Retention – implementation of new initiatives, improved data analysis and processes
- The department have been integral in the implementation of the recent leadership restructure, including facilitation of promotion processes, changes to establishment, system changes in relation to work force data, and creation and movement of roles and resources
- Review of the employee lifecycle – including improving the onboarding process
- Futures Programme – currently assisting project leads with information requests and strategic HR advice. HR will have a fundamental role in delivery of any proposed changes resulting from the reviews.
- Improving the governance structure in relation to workforce planning
- In relation to staff recruitment, the department continue to dynamically review recruitment processes and adapt to market conditions
- Leading on the implementation of the Police Staff National Terms and Conditions

The Occupational Health Department continue to support colleagues with the continuation of Psychological screening of high risk roles, Team resilience building and Trauma informed supervision courses amongst other initiatives.

Wellbeing week is scheduled for 1st – 4th July with the planned focus being BP & Cholesterol checks, Height/weight/BMI and Bodyfat checks, Alcohol Awareness, Diet & Health and breathing workshops for stress reduction.

3. Key Events and Media

Appleby Horse Fair 2024

More than 100 arrests were made as Appleby Horse Fair saw more proactive enforcement than ever before.

Dave Day

Police and partners agencies safely coordinated Dave Day fundraising events, which included a 20,000-strong motorcycle procession moving through the county to Barrow.

Cumbria Police adopt the Forcer Protocol

In May, the force announced that it had adopted a ground-breaking initiative which aims to prevent missing veterans coming to harm. Cumbria is the first force, outside of the pilot, to adopt the protocol.

Right Care, Right Person adoption in Cumbria

Cumbria Constabulary has adopted a new operating model which will ensure that those in need of specialist support receive the help they need from the agency best placed to provide that support.

Police work with businesses in Cumbria to tackle retail crime

A total of 18 arrests were made during a month-long initiative aimed at reducing offences and targeting retail criminals.

Man jailed after drugs valued at £1.5 million were found in vehicle during stop on M6

A Southport man was jailed for five years and six months for possession with intent to supply Class A drugs after officers found 15kg of Cocaine in his vehicle with a value of £1.5 million.

Joint Audit Committee



Title: OPFCC Corporate Update

Date of Meeting: 26 June 2024

Agenda Item No: 06(b)

Originating Officers: Gill Shearer, Chief Executive and Steven Tickner, Chief Finance Officer

This update provides the Joint Audit Committee with a headline summary of recent developments within the Office of the Police, Fire and Crime Commissioner.

1. **PFCC Chief Finance Officer**

- 1.1 The draft Statement of Accounts are now published and subject to the audit process. Thanks go to the Constabulary Finance Team for all their efforts.

2. **PFCC Chief Executive**

- 2.1 A new Police, Fire and Crime Commissioner was elected on 2 May 2024 following the election. Our new Commissioner is David Allen.
- 2.2 Plans are underway to develop a new Police, Fire and Crime Plan and members will be consulted as part of the process.
- 2.3 Following the announcement of a General Election we have now entered a pre-election period. We will remain within this period until 5 July.



Joint Audit Committee – 26 June 2024

Item 06c Corporate Update – Finance

2023/24 Accounts

The 2023/24 revenue budget outturn was for a combined OPFCC and Constabulary overspend of £92k (0.07%) which is a good achievement. Additional costs in relation to maintaining police officer numbers to secure the uplift grant and costs associated with specific operations were offset by reductions in police staff as a result of higher than anticipated variances and increased investment income. The outturn reports are provided on the OPFCC website for information.

The draft (subject to audit) statutory statement of accounts 2023/24 for both the PFCC/Group and the Constabulary were authorised for issue by the respective CFOs on Friday 7th June and appear on this agenda. The statutory audit of the accounts by Grant Thornton will commence on 1st July and is expected to run until September when it is hoped that the September meeting will receive the finalised audited statements. The financial services team are currently quality assuring all working papers and uploading to the GT information sharing platform 'inflow', inflow is the tool used to provide all working papers to GT, for GT to raise audit queries and for the OPFCC/Constabulary to respond to those queries.

2025/26 Budget Setting

Work will shortly commence in relation to budget setting and MTF to 2029/30.

Steven Tickner

OPFCC Chief Finance Officer

Michelle Bellis

Constabulary Chief Finance Officer



**Police, Fire and Crime Commissioner for Cumbria and
Cumbria Constabulary**

Summary Internal Controls Assurance (SICA) Report

June 2024



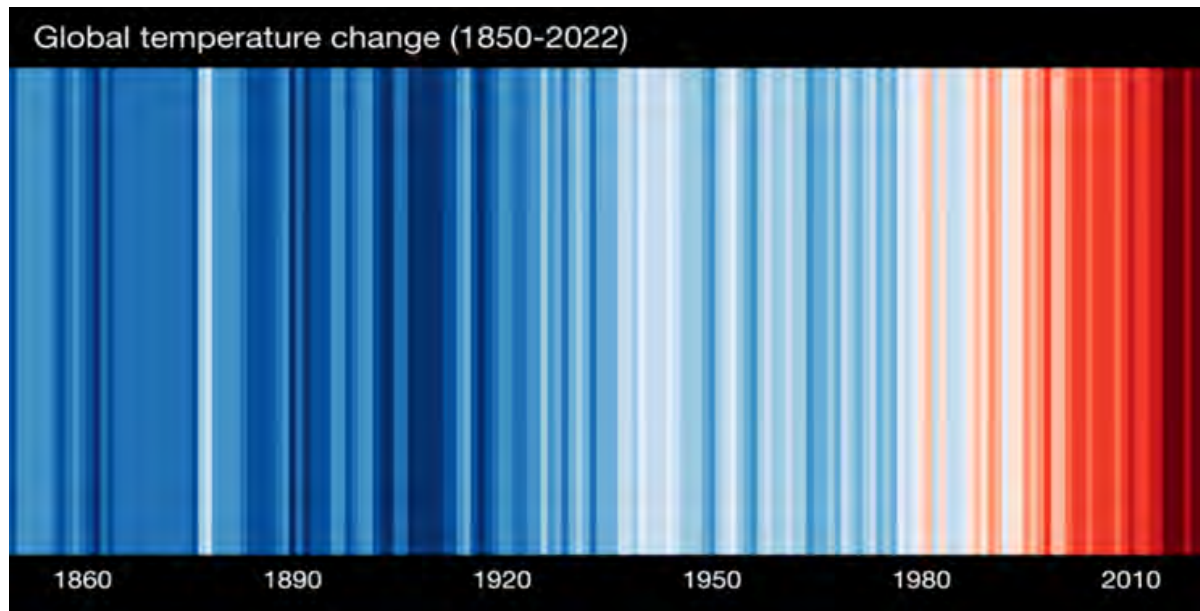
Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Police, Fire and Crime Commissioner for Cumbria and Cumbria Constabulary as at 18th June 2024.

Global Temperature Change

2. The scientific evidence is clear that the impacts of global warming are having an effect on our weather globally and locally and these impacts may result in a disruption to the services that we deliver. These climatic changes may also result in increased demand for our services and so we need to be prepared for these predicted changes. Extreme weather events are likely to be more frequent and more intense and we are all suffering the impacts of climate change in our daily lives, right here in the UK. 2023 was the warmest year on record globally, with average temperatures 1.48° C above pre-industrial levels. That is very nearly at the point (1.5°C) at which the United Nations believe that some regions and ecosystems will face an existential challenge. All the indicators suggest that the upward trend in temperatures is set to continue until at least the end of the century. Here in the UK, rising temperatures are leading to higher incidence of hypothermia, heart attack, respiratory failure and drownings as people struggle to escape the heat. Higher temperatures are accompanied by greater rainfall and flooding as warmer air holds more water than colder air.



We are advising our clients on their approach to making changes that address both mitigation and adaptation. Mitigation is about reducing the likelihood of climate change through cutting our Greenhouse Gas (GHG) emissions and living within very strict net-zero (or better) limits. Adaptation is about changing the way that we work and live; to accommodate the - already inevitable – effects of climate change. Adaptation involves revising public services to reflect an increase in demand for housing that keeps us cool in summer as well as warm in winter. Our clients face particular adaptation challenges as they work to keep people safe, through measures including improved housing (for both heating and cooling), information about climate risks, places of refuge, healthcare provision at all levels, public order safety, flood defences, fire fighting and public transport to name but a few.

At TIAA we are working with our clients to prepare and review climate risk assessments; prepare and review action plans for mitigation and adaptation in the face of identified risks; raise awareness of climate risks across all service areas; and begin to tackle wider implications, such as air pollution and biodiversity.

Poor air quality is the largest environmental risk to public health in the UK, and it is immediate and localised. Sources of air pollutants that affect our health are typically the same sources of greenhouse gases, including burning fossil fuels for transport and heating in the domestic properties.

Working together can help to tackle wider issues outside of the direct control of any individual organisation, working collaboratively to deliver climate change action and address the UK carbon reduction targets to achieve lasting change.

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Grievance Reporting and Management	Substantial	16/05/2024	10/06/2024	13/06/2024	0	0	0	0
Partnerships and LGR	Reasonable	19/04/2024	23/05/2024	23/05/2024	0	2	0	0
Risk - Insurance	Substantial	11/03/2024	11/03/2024	12/03/2024	0	0	0	0

4. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2023/2024 and 2024/2025 Annual Plans

5. Our progress against the Annual Plans for 2023/24 and 2024/25 are set out in Appendix A.

Progress in actioning priority 1 & 2 recommendations

6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The recommendation trackers are provided for the Committee.

Frauds/Irregularities

7. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

8. We have issued a number of briefing notes and fraud digests, shown in Appendix C, since the previous SICA report.

Responsibility/Disclaimer


9. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.


Appendix A: Progress against Annual Plans - 2023/24 and 2024/25


2023/24			
System	Planned Quarter	Current Status	Comments
Absence Management	1	Final report issued	
Vetting	1	Final report issued	
Fleet - Strategy and Management of Fleet	1	Final report issued	
Accounts Payable (Creditors)	3	Final report issued	
Victim Support Services	4	Final report issued	
General Ledger	4	Final report issued	
Grievance Reporting and Management	2	Final report issued	
Partnerships and LGR	4	Final report issued	
Risk - Insurance	3	Final report issued	
Recruitment - Induction	3	Draft report issued	
ANPR Cameras	3	Draft report issued	
Corporate Health and Safety	2	Draft report issued	
Risk –Mitigating Controls (Deep Dive)	3	Fieldwork commenced	
Use of Social Media	2	Date to be agreed	

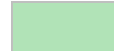
KEY:

2024/25			
System	Planned Quarter	Current Status	Comments
Equality, Diversity and Inclusivity	1	Date to be agreed	
Contractor Vetting	1	Date to be agreed	
Data Protection and GDPR	1	Date to be agreed	
Stop and Search	2	Date to be agreed	
Fleet - Fuel Usage (Fuel Card usage std/prem)	2	Date to be agreed	
Use of Force Reporting	2	Date to be agreed	
Wanted People	2	Date to be agreed	
Budgetary Control	3	Date to be agreed	
ICT – Disaster Recovery	3	Date to be agreed	
Business Continuity	3	Date to be agreed	
Payroll	3	Date to be agreed	
Workforce Planning	4	Date to be agreed	
Security of Seized Cash	4	Date to be agreed	
Body Worn Video	4	Date to be agreed	
Recommendation Tracker Follow up	1-4	On Going	On Going

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to **Organisation** Police, Fire and Crime Commissioner for Cumbria and Cumbria Constabulary is given below:

Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Web Link	TIAA Comments
26 MARCH 2024	All	Client Briefing Note	Procurement Act 2023	Transforming Public Procurement - GOV.UK (www.gov.uk) Procurement Act 2023: short guides - GOV.UK (www.gov.uk)	<p>The Procurement Bill, which will reform the existing Procurement Rules, received Royal Assent in October 2023. In early 2024 secondary legislation (regulations) will be laid to bring some elements of the Bill and the wider regime into effect.</p> <p>The Procurement Act is expected to be implemented in October 2024 following at least six months notice.</p> <p>We share the key points.</p>
26 MARCH 2024	All	TIAA Article	As Featured In The Saturday Telegraph – What Gives Your Board Confidence In Your Internal Investigations Ability?	As featured in the Saturday Telegraph - what gives your Board confidence in your internal investigations ability? - TIAA	<p>Does your business need help with HR Investigations? Our latest article in the Saturday Telegraph highlights the importance of having a specialist team handle these complex and sensitive matters.</p>
15 MARCH 2024	All	Security Alert	Serious Organised Crime Theft Warning – Purses & Wallets	Serious organised crime theft warning – purses & wallets - TIAA	<p>An organised group of thieves, specialising in the theft of purses, wallets and the subsequent fraudulent use of stolen credit cards have been operating in the southwest and elsewhere in the UK in recent months.</p> <p>The offenders dress smartly and often wear an NHS/Council style lanyard.</p> <p>We provide key advice.</p>
13 MARCH 2024	All	Anti-Crime Alert	Action Fraud Launches Holiday Fraud Campaign	Action Fraud launches holiday fraud campaign - TIAA	<p>Action Fraud has launched a crucial campaign to combat holiday fraud. As the holiday season approaches, scammers are on the prowl. Read our key advice.</p>



Internal Audit

FINAL

PFCC Cumbria & Cumbria Constabulary

Assurance Review of Grievance Reporting and Management

2023/24

June 2024

Executive Summary

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
<p>The diagram shows a circular gauge with 'Substantial Assurance' selected. The gauge is labeled 'Adequate & effective governance, risk and control processes'. To the right, four levels are listed: Substantial Assurance (green), Reasonable Assurance (yellow), Limited Assurance (orange), and No Assurance (red).</p>	<ul style="list-style-type: none"> A comprehensive Grievance Policy and Procedure is in place providing a clear framework for dealing with grievances fairly, consistently and speedily. From January 2023 to December 2023, there were 16 grievance cases, of which 13 (81%) related to issues with management. On a bi-annual basis, a report is presented to the Ethics and Integrity Panel on Constabulary Grievances. 								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>No specific risks have been identified in relation to grievance reporting and management.</p>	<ul style="list-style-type: none"> A HR professional is allocated to each grievance to support the resolution managers and to provide guidance and specific information in relation to employment law, regulations, term and conditions and policy. The Grievance Policy and Procedure is readily available to all staff on the on-line Policy Library and is signposted within other policies. 								
SCOPE	ACTION POINTS								
<p>The review considered the arrangements for the operation of the grievance procedure at the organisation and focused on the effectiveness of the process and the appropriateness of the evidence held to support grievances. The review also considered whether the level of trends or patterns in relation to submitted grievances are being considered and actions are being taken to address concerns.</p>	<table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	0	0
Urgent	Important	Routine	Operational						
0	0	0	0						

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No Recommendations were deemed necessary.							

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
----------	---------------	--

2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Jane Butterfield	Operations Director	Jane.Butterfield@tiaa.co.uk	07580164521
Andrew McCulloch	Director of Operations – Internal Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Constabulary Staff	Title
Diane Johnson	HR Manager

Exit Meeting Date	29 th April 2024
Attendees	Diane Johnson, HR Manager

Director/Commander Comment	<p>I have reviewed the report and confirm that I am happy with the contents as discussed with the auditor.</p> <p>Diane Johnson HR Manager</p>
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Deputy Chief Constable's Comment	<p>I have read this report and the comments from the HR Manager. I am happy that the audit has provided the highest level of assurance “substantial” with no recommendations. The grading provides chief officers with confidence in the way that the grievance reporting and management system is controlled and operated.</p> <p>DCC Darren Martland</p>
Considered for Risk Escalation	<p>No recommendations to escalate</p>

Findings



Directed Risk:











Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

- A Grievance Policy and Procedure is in place, last reviewed in September 2021 and due for review in September 2024. The Policy and Procedure includes the Code of Ethics and Policing Principles, which are linked to The Police Standards of Professional Behaviour.
- The Policy and Procedure provide a clear framework to deal with grievances fairly, consistently and speedily and applies to all Police Officers, Special Constables, Volunteers and members of Police Staff. The Procedure takes into account current employment legislation together with the ACAS Code of Practice.
- The Procedure includes an overview into the issues which may cause an individual to raise a grievance; the process if an individual leaves prior to the grievance being resolved / completed; Collective Grievances; Grievance and Disciplinary cases; Grievance in relation to bullying and harassment; and mediation.

Other Findings

-  A flowchart is included within the Grievance Policy and Procedure detailing the processes to be followed for Informal; Formal Stage 1; Formal Stage 2 Appeal; and Mediation. This is supported by commentary explaining what action officers, staff, managers and supervisors need to undertake for each stage with hyperlinks to the relevant forms.
-  The Grievance Policy and Procedure states “Appropriate training will be provided to managers”. Discussion with the HR Manager confirmed that a HR professional is allocated to each grievance and supports the resolution managers and provides guidance and specific information in relation to employment law, regulations, term and conditions and policy.
-  From January 2023 to December 2023, there was 16 grievance cases. Of these, four (25%) had been withdrawn, seven (44%) had been resolved at Stage 1, three (19%) were ongoing, one (6%) had been resolved informally and one (6%) was on hold.
-  Out of the 16 grievance cases between January and December 2023, 13 (81%) related to issues with managers, one to processes and discrimination, one to the leave process and one to the selection process.
-  Whilst there are a number of issues with management, there is no particular trend and all are for differing reasons. Discussion with the HR Manager noted that there has recently been a lot of work regarding leadership and training for managers. In December 2023, the Constabulary launched its new Leadership Approach and leadership action plan within the PDR. The approach also links into leadership development training for all managers and those aspiring to be leaders.
-  Sample testing was undertaken on two withdrawn cases (50% of the total number), three cases resolved at Stage 1 (43% of the total number) and one on-going case (33% of the total number).
-  The sample cases were reviewed against the flowchart and it was noted that all adhered to the policy requirements with clearly documented decision making. In all cases reviewed, there was evidence to support the investigation and outcome of each grievance. On occasions where the prescribed timescales had not been adhered to, there was evidence of communication with the employee and their agreement to the time extension. In addition, it was evidenced that there was clear oversight and management from the HR team.
-  There has only been one appeal, however, this was not classed as formal as the employee left. A review, however, was still undertaken of the case for due diligence purposes.
-  The Grievance Policy and Procedure is available to all staff on the on-line Policy Library, is signposted within other policies (for example the Disciplinary Policy) and an update is provided at the Inspectors / Sergeants briefing days. Discussion with the HR Manager highlighted that grievances can also be submitted by the union representatives.
-  During the review, the HR Manager requested that Digital Marketing create a "tile" called Engagement which will signpost officers and staff to the various policies.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

-  On a bi-annual basis, in May and November, a report is presented to the Ethics and Integrity Panel providing a position overview in respect of ongoing, finalised and newly submitted grievances for the six months from 1st October to 31st March and 1st April to 30th September respectively.
-  The report also provides the number of grievances on a six-monthly basis from 1st October 2018 and a breakdown of the number of grievances by area; and gender and ethnicity.
-  An examination of the reports presented to the Ethics and Integrity Panel from May 2022 to November 2023 confirmed that appropriate information was provided in a clear manner.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	12 th January 2024	12 th January 2024
Draft Report:	16 th May 2024	10 th June 2024
Final Report:	13 th June 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PFCC Cumbria & Cumbria Constabulary		
Review:	Grievance Reporting and Management		
Type of Review:	Assurance	Audit Lead:	Jane Butterfield

Outline scope (per Annual Plan):	The review considers the arrangements for the operation of the grievance procedure at the organisation and will focus on the effectiveness of the process and the appropriateness of the evidence held to support grievances. The review will also consider whether the level of trends or patterns in relation to submitted grievances are being considered and actions are being taken to address concerns.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	05/02/2024	Exit Meeting Date:	29/04/2024	Exit Meeting to be held with:	HR Manager
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

PFCC Cumbria & Cumbria Constabulary






Assurance Review of Recruitment - Inductions

2023/24

June 2024

Agenda Item 08b

Executive Summary

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
 <p>The diagram shows a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four levels: Substantial Assurance (green), Reasonable Assurance (yellow), Limited Assurance (orange), and No Assurance (red).</p>	<ul style="list-style-type: none"> <li data-bbox="1160 379 2101 459">  <p>A standard induction checklist is in place that is completed by police staff and signed off by the line manager.</p> <li data-bbox="1160 480 2101 560">  <p>For police officer new recruits, a timetable is in place that covers their activities to be undertaken within the 22-week training period.</p> <li data-bbox="1160 580 2101 660">  <p>Discussions undertaken with two new members of staff identified that they had mixed experiences of the induction process.</p> 								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>Inductions provided new employees with key information on important policies, procedures and practice.</p>	<ul style="list-style-type: none"> <li data-bbox="1160 860 2101 940">  <p>The majority of induction learning is undertaken and recorded within the Police College e-learning system.</p> 								
SCOPE	ACTION POINTS								
<p>The objective of the audit was to ensure that there is a robust and consistent approach to the induction programme for police officers and staff. The review looked to ensure that appropriate planning and structure is in place to ensure that all aspects of the induction process can be provided at the appropriate moment in the process.</p>	<table border="1"> <thead> <tr> <th data-bbox="1149 1193 1391 1264">Urgent</th> <th data-bbox="1391 1193 1632 1264">Important</th> <th data-bbox="1632 1193 1874 1264">Routine</th> <th data-bbox="1874 1193 2116 1264">Operational</th> </tr> </thead> <tbody> <tr> <td data-bbox="1149 1264 1391 1334" style="text-align: center;">0</td> <td data-bbox="1391 1264 1632 1334" style="text-align: center;">0</td> <td data-bbox="1632 1264 1874 1334" style="text-align: center;">0</td> <td data-bbox="1874 1264 2116 1334" style="text-align: center;">0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	0	0
Urgent	Important	Routine	Operational						
0	0	0	0						

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations were made.							

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339

Constabulary Staff	Title
Kate Ruddick	HR Manager

Exit Meeting Date	20 th March 2024
Attendees	Kate Ruddick
Director/Commander Comment	<p>I have reviewed the audit report and am content that the report provides a fair assessment of the recruitment/induction process within the Constabulary. I am pleased to note that the audit report provides the highest level of assurance 'substantial' and that the report makes no recommendations for improvement. The Constabulary will however strive to continuously improve recruitment and induction processes to help up to recruit and retain the best possible officers and staff for Cumbria Constabulary. The current on-boarding process is being reviewed by HR with a view to improving the employee experience further.</p> <p>HR Manager – Kate Ruddick</p>

Deputy Chief Constable's Comment	<p>I have read this report and the comments from Kate above.</p> <p>I am satisfied that the audit has provided the highest level of assurance “substantial” with no audit recommendations.</p> <p>The grading provides Chief Officers with confidence in the way that recruitment and induction processes are controlled and operated.</p> <p>DCC Darren Martland</p>
Considered for Risk Escalation	None

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings



A staff induction checklist is required to be completed by the new member of staff and their line manager within the first two weeks of commencing employment and is sent to the Central Services Department upon completion. This contains a record that the employee has completed the activities and, where required, read and understood a number of documents. These include the following discussions, and associated actions within the brackets:

- An introduction to colleagues and a tour of the building (confirmation that the COVID safe working guidance has been read and understood);
- A discussion regarding job descriptions, expectations and probation arrangements (and to view the Chief Constables Introduction video);
- A review of the IT set-up;
- An explanation of how Crown Duties operates including booking annual leave and accessing payslips (to read the Leave Policy);
- (Read the Staff Terms & Conditions Handbook, Flexible Working Practice and pension documentation);
- An explanation of the performance and development review process;
- Explain the sickness reporting system (read the Attendance Support Procedures);
- Explanation of the organisational structure (read the Our Plan on a Page, locate the Wellbeing support pages and consider the 'Fair Passport' process);
- (Read the Health and Safety Policy and complete the DSE package. Complete the E-Learning Packages relating to Health and Safety and Fire Safety);
- (Read documents in relation to professional standards, data protection, the Code of Ethics, the Information Security Supporting Procedures and Acceptable Use of ICT systems document. Completed E-Learning packages of sexual harassment in the workplace, information security and Managing Information – Non-Operational);
- Read the Official Secrets Act document; and
- Discuss any other policies, procedures or processes that are particularly relevant to the area of work.

There is also a condensed version of this document specifically for agency staff and volunteers.



For police officer new recruits, a timetable is in place that covers their activities to be undertaken within the 22-week training period. An example timetable was provided by the Learning & Development Team in relation to D23 intake. A review of this showed that it contains such areas as (excluding police officer specific areas): personnel and finance, health and safety, access to the Force systems, managing information, Crown Duties and occupational health. Discussions with management identified that, although completion of each individual session is not formally documented, students would not be able to pass the full course without attending each module. In addition to the timetable, officers also attend a welcome meeting where they collect their uniform.



It was identified that the following arrangements are also in place:

- New student officers undertake a 10-week independent patrol status (IPS) with a tutor. It was confirmed that the areas covered during this time include the attestation, ICT input, fingerprints and DNA, safeguarding, intelligence, a tour of the custody suite, Pathways, Policeworks and access to a transferee TEAMS channel and a Sharepoint page which contain a set of additional useful documents.

Other Findings

- Transferring officers are sent an email by the Area PDU Co-ordinator containing copies of the Attendance Support Policy and Procedure, Leave Policy and Procedure, “Duties – need to know for students and transferees” and the induction checklist. This also provides details of their timetable for the first four weeks and the areas that are to be covered within their first 2-3 days, which include dates that courses have been booked for first aid, personal safety training, Police Support Unit (PSU), and the Police National Computer (PNC). New starters are requested to complete their E-Learning, where possible, during shadowing shifts.
- In relation to initial entry Officers, performance reviews are covered in the Needs Concerns and Expectations session on the initial block timetable. Tutorials and reviews are carried out throughout the probation period, with Police Trainers, whilst on the Initial Block, and reviews with Area PDU Sergeants when on the Tutor phase and independent patrol phases of the programme. Sickness reporting is covered in the course introductions, and for new cohorts, Inspector Di Bradbury attends the Initial Block to let the Officers know how to use Crown and how to report sickness. In relation to Wellbeing support, the Occupational Health department speaks to the Officers on health and wellbeing at the start of the initial block, and they often carry out another session towards the end of the block. The Student Handbook also includes information as to where to find welfare support. There is also the wellbeing and inclusion hub on SharePoint. The Data and Information Assistant provides a lesson on information management and data protection as part of the initial block, which is within the first few weeks. The Student Handbook also has a section on information governance. All Officers are required to complete the e-learning package on sexual harassment. The topic is also covered in the Professional standards lesson, code of ethics lesson and VAWG lessons.

In relation to a sample of new officers selected for testing from the intakes in late 2022 and early 2023, the Learning Manager confirmed that all had completed their Initial Block and at least the majority of their independent patrol status (IPS).



A testing exercise was undertaken in order to establish whether a sample of new staff, including new officer recruits (selected from intakes between November 2022 and March 2023), and transferees and re-joiners (both officers and support staff) had undertaken all of the required elements of their inductions, including the e-learning packages that are recorded on the induction checklist. This utilised data in relation to the modules recorded in the College e-learning system provided by the Force and identified that:

- No staff had completed the Introduction to Health and Safety or information security modules. The introduction to health and safety was re-launched by the College of Policing on 3rd August 2023 and all new starters within the sample joined before this date. Prior to August 2023, staff were required to just read the policy on the SharePoint page. Information security is a link to the NCSC website and is therefore not recorded on College Learn.
- Display Screen Equipment (DSE) – 7 out of 21 had completed this module, 4 were enrolled and 10 had not completed the module. DSE is now an internal document that staff are required to read through and is not recorded on college learn.
- Fire safety – 13/21 completed, 1 had cancelled, 1 completed but failed, 1 in progress and 5 not completed. This module was launched in June 2023 and all staff within the sample started prior to this date.
- Sexual harassment in the workplace – 15/21 completed, 1 in progress, 5 not completed. This module was added in July 2023 and therefore did not form a part of the majority of the new starter’s induction process.

The changes to the above modules were seen to be in place but no testing was undertaken as this was outside of the agreed intake cohort period.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Out of scope	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



Discussions were undertaken with a sample of new starters in order to ascertain their experience of the induction process. It was possible to talk to only two new starters who included a transferring officer and a member of support staff who was new to the service. The comments that they made included:

One officer had not been informed of what the induction process was. They stated that they may have been sent an email by the Senior HR Advisor regarding the induction, but this was when they were on maternity leave before they commenced work. They stated that they were given a poor induction and were given only a one-hour session on the IT systems and were not informed of how to access the e-learning system.

One member of support staff commented that their classroom training was well organised and supported by peers and supervisors. They went through the housekeeping elements of the induction at the beginning, speed read the documents initially, however they did look at them and digested them at a later date and confirmed that they were up to date with all e-learning packages.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	None sent	n/a
Draft Report:	12 th June 2024	19 TH June 2024
Final Report:	19 th June 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Recruitment - Induction		
Type of Review:	Assurance	Audit Lead:	David Robinson

Outline scope (per Annual Plan):	The objective of the audit is to ensure that there is a robust and consistent approach to the induction programme for police officers and staff. The review looks to ensure that appropriate planning and structure is in place to ensure that all aspects of the induction process can be provided at the appropriate moment in the process.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	

Planned Start Date:	21/11/2023	Exit Meeting Date:		Exit Meeting to be held with:	
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

PFCC Cumbria & Cumbria Constabulary

Assurance Review of ANPR Cameras

2023/24

June 2024

Agenda Item 08c

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Non-compliance with the National ANPR Standards for Policing and Law Enforcement (NASPLE).

SCOPE

The National ANPR Standards for Policing (NASP) guidance detail the standards that are required to be met for the development and use of ANPR systems. Our review confirmed whether the deployment of ANPR systems is consistent with NASP guidance and whether key accountability and responsibilities have been established.

KEY STRATEGIC FINDINGS

- Testing supports that Cumbria Constabulary is materially compliant with NASPLE and the related Audit Standards.
- Records of local audit testing should be retained for a period of two years.
- A dedicated local NAS Auditor is now in place.
- An assessment should be made of the staffing requirements needed to provide sufficient cover for the local NAS Auditor.

GOOD PRACTICE IDENTIFIED

- There is an up-to-date, written ANPR Policy in compliance with NASPLE section 9.2.1.
- There are locally designed documented procedures in place, supported by a detailed schedule of audit testing to be performed locally throughout the year.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Paragraph 8.2.10 of the National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards) document states that records of local audit are to be retained for a period of two years. For the period under review, written assurances were provided by the Cyber Security Risk and Intelligence Advisor as to the extent of local audit reviews performed and reported by exception to management and to the National Auditor. Detailed records of the actual testing performed were not made. It is understood that the exceptions encountered during local testing were minor in nature. The recently appointed Cyber Security Risk and Intelligence Assistant acts as the local NAS auditor and has begun documenting records of local audit, in compliance with paragraph 8.2.10.	In compliance with the National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards) document, records of local audit testing be retained for a period of two years.	2	<p><i>Specific: Recording templates in place at time of audit to be populated with audit findings.</i></p> <p><i>Measurable: Population of the templates</i></p> <p><i>Achievable: Yes</i></p> <p><i>Relevant: National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards) requirement.</i></p> <p><i>Time-bound:01/06/24</i></p>	Complete 01/06/24 Templates populated	Cyber Security Threat and Intelligence Assistant

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	Records of local audit testing should be retained for a period of two years. Prior to the recent appointment of the Cyber Security Risk and Intelligence Assistant, written records were not retained of the local audit testing undertaken. To reduce the risk of future gaps in the records of local audit testing, an assessment should be made of the resource required to provide sufficient cover for the Cyber Security Risk and Intelligence Assistant, including any training, security clearance and infrastructure access requirements.	An assessment be made of the resource required to provide sufficient cover for the Cyber Security Risk and Intelligence Assistant, to include any training, security clearance and infrastructure access requirements.	2	<p><i>Specific: Skills retention and onboarding to be raised as a cross functional risk.</i></p> <p><i>Measurable: Presence on Risk Register</i></p> <p><i>Achievable: Yes</i></p> <p><i>Relevant: National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards) requirement.</i></p> <p><i>Time-bound: 01/06/24</i></p>	Complete 01/06/24 Risk registered and resilience inbuilt by now having 2 trained auditors.	Cyber Security Threat and Intelligence Advisor
2	Delivery	The government's website has a page headed National ANPR Service compliance dashboard. The dashboard has been designed to measure critical metrics for compliance with National ANPR Standards for Policing and Law Enforcement (NASPLE) and the National Standards for Compliance and Audit (Audit Standards) by Police Forces and Law Enforcement Agencies (LEAs). A National Compliance Dashboard survey is sent to forces on a biannual basis to collect certain metrics in reference to the Audit Standards. For the most recent reporting period, being Q3 and Q4 of 2023, no data is reported for Cumbria.	Data reported biannually on the National ANPR Service Compliance Dashboard survey be submitted on a timely basis.	3	<p><i>Specific: Contact with National auditor and update contact names.</i></p> <p><i>Measurable: Meeting and communication with National auditor</i></p> <p><i>Achievable: Yes</i></p> <p><i>Relevant: National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards) requirement.</i></p> <p><i>Time-bound:01/06/2024</i></p>	Complete 01/06/24 Auditor fully embedded and in regular communication with the National auditor.	Cyber Security Threat and Intelligence Advisor

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	The 'Camera locations' section of the Cumbria Constabulary website's ANPR page states "In assessing whether new cameras are to be set up, we'll do a Data Privacy Impact Assessment (DPIA)." NASPLE Paragraph 8.5.2 defines a DPIA to be a Data Protection Impact Assessment.	References on the ANPR page of the Cumbria Constabulary website to a Data Privacy Impact Assessment be amended to reference a Data Protection Impact Assessment.	3	<p><i>Specific Complete DPIA assessments of all ANPR sites on an annual rolling basis. The process will be led by D/Insp SOCU/RCU/ECU supported by the RCU team.</i></p> <p><i>Measurable: Submission of completed assessment forms to the Cyber Security Threat advisor and monthly Specialist Crime performance meeting</i></p> <p><i>Achievable: Yes</i></p> <p><i>Relevant: National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards) requirement.</i></p> <p><i>Time-bound: complete all sites by 31/12/2024 and maintain annual checks.</i></p>	<i>In progress as per SMART action plan completion date set as 31/12/2014</i>	<i>Head of Specialist Crime.</i>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director of Operations	Andrew.McCulloch@tiaa.co.uk	07980787926
Ian Goodwin	Principal Auditor	Ian.Goodwin@tiaa.co.uk	07867526292

Constabulary Staff	Title
Ian Hussey	Detective Superintendent
John Chambers	Cyber Security Risk and Intelligence Advisor
Sim Jain	Cyber Security Risk and Intelligence Assistant

Exit Meeting Date	19 th April 2024
Attendees	John Chambers, Cyber Security Risk and Intelligence Advisor Sim Jain, Cyber Security Risk and Intelligence Assistant

Director/Commander Comment	<p>I have noted the contents of this audit report. The recommendations have already been actioned out and will be monitored through the appropriate governance structures. Three of the four actions have been completed with Action 3 being progressed by T/DSU Myers with no identified blockers to this being signed off within agreed timelines.</p> <p>Temp. Chief Superintendent Ian Hussey</p>
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ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Deputy Chief Constable's Comment	<p>I have reviewed the audit report and comments from Temp. CS Hussey above. I note that the audit report provides 'reasonable' assurance and note that the report makes four recommendations for improvement (two important and two routine), three of which have already been complete with plans in place for the final recommendation.</p> <p>DCC Darren Martland</p>
Considered for Risk Escalation	

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

Other Findings





Automatic Number Plate Recognition (ANPR) technology is used to help detect, deter and disrupt criminality at a local, force, regional and national level. A National Law Enforcement ANPR Capability (NAC) enables Law Enforcement Agencies (LEAs) to benefit from operational use of ANPR. The NAC comprises the National ANPR Service (NAS) and the National ANPR Infrastructure (NAI). The NAS is a single national system comprising standardised functionality to enable use for operational response, investigation and intelligence purposes as well as a single national store of data. The NAI is a network of ANPR cameras, communications links, firewalls and other related supporting components.





In July 2022 the Home Office issued version 2.4 of the National ANPR Standards for Policing and Law Enforcement (NASPLE), with which LEAs must comply to access the NAC. There are over 100 Standards, split across three sections: Data Standards; Infrastructure Standards; and Data Access and Management Standards. Two further documents issued by the Home Office cover audit standards and technical requirements: the National Standards for Compliance and Audit of Law Enforcement ANPR (Audit Standards); and the National ANPR Service Technical Specifications (TSpec) respectively.


Other Findings


- 


Section 9.2.1 of the NASPLE states that all LEAs that connect to, or have access to, the NAS must have an up-to-date written policy in place for the access, management and use of ANPR data, including provisions for audit, which must be consistent with the Audit Standards. Cumbria Constabulary has an ANPR Policy dated August 2021, with a review every three years by the Serious Organised Crime Unit Detective Inspector. The Policy owner is the Detective Superintendent Specialist Capabilities. The Policy states that the Chief Constable is the data controller for the ANPR system operated within Cumbria Constabulary, with the designated deputy being the Detective Superintendent Specialist Capabilities. The Policy comprises five sections: Why we use ANPR; Access to stored data, Auditing; User Access; and Camera Locations.
- 

Paragraph 8.14.4 of the National ANPR Standards for Policing and Law Enforcement (NASPLE) states that provisions for performance evaluation must be defined in Law Enforcement Agency (LEA) policy and procedures. NASPLE paragraph 9.5.1 states that LEAs must establish procedures for the management and review of any data held under these provisions including arrangements for deletion as required. An Audit Methodology document was prepared by the Cyber Security Risk and Intelligence Advisor in satisfaction of these requirements.
- 

Version 3 of the government's National ANPR Service – Using the Audit Functionality document was issued in September 2023. Paragraph 1.2 states that, in order to operationally use the NAS, Police Forces are required to appoint a local NAS auditor. The document provides guidance to local system auditors on how to effectively use the NAS audit tool and apply the relevant audit processes detailed within NASPLE and comprises two main sections: Using the NAS Audit Tool; and NASPLE Audit Processes. The recently appointed Cyber Security Risk and Intelligence Assistant satisfies the requirement to appoint a local NAS auditor. Day-to-day oversight is provided by the Cyber Security Risk and Intelligence Advisor.
- 

NASPLE paragraph 9.3.6.1 requires each LEA to designate a senior manager who is accountable for the authorisation of staff who may access ANPR data. Audit Standards paragraph 8.2.1 requires the local auditor to confirm annually the identity of the senior manager. Testing confirmed the designated senior manager to be a Detective Superintendent and that the local auditor confirms this annually.
- 

A detailed review of the NAS Audit Methodology document prepared by the Cyber Security Risk and Intelligence Advisor was performed, cross-checking it to the requirements of the Audit Standards. It was found to be an accurate summary of the Audit Standards and a useful tool in shaping local audit testing going forward.
- 

Quarterly meetings are held with the National Auditor. Assurances were provided by the Cyber Security Risk and Intelligence Advisor and by the Cyber Security Risk and Intelligence Assistant that the National Auditor is satisfied that Cumbria Constabulary is in compliance with NASPLE and the related Audit Standards.
- 

Evidence was provided to support the local audit testing performed by the recently appointed Cyber Security Risk and Intelligence Assistant. The tests are being recorded on a series of Excel spreadsheet templates designed and provided by the National Auditor. From a review of these templates, they were seen to provide the necessary detail required to support the proper recording of the testing required.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	2	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	3, & 4	-

Other Findings



The Cumbria Constabulary website has a page relating to ANPR. It provides details on how the technology works, how data is stored, camera locations, and what to do if you think your vehicle has been cloned. Links are provided to further information, including guidance on the National ANPR standards; and the rights of data subjects under the Data Protection Act 2018.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	8 th March 2024	8 th March 2024
Draft Report:	13 th May 2024	19 th June 2024
Final Report:	19 th June 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PFCC Cumbria & Cumbria Constabulary		
Review:	ANPR Cameras		
Type of Review:	Assurance	Audit Lead:	Ian Goodwin

Outline scope (per Annual Plan):	The National ANPR Standards for Policing (NASP) guidance detail the standards that are required to be met for the development and use of ANPR systems. Our review will confirm the deployment of ANPR systems is consistent with NASP guidance and key accountability and responsibilities have been established.		
Detailed scope will consider:	<p>The review will set out to provide assurance to Joint Audit Committee that the organisation has robust arrangements for ANPR cameras.</p> <ul style="list-style-type: none"> The processes are directed by appropriate policy and procedures The processes are in line with any contractual arrangements 	<ul style="list-style-type: none"> Risks have been identified and are appropriately monitored and reported Deployment of the ANPR systems is consistent with the National ANPR Standards for Policing and Law Enforcement issued by the Home Office Suitable performance monitoring arrangements are in place key accountabilities and responsibilities have been established 	
Requested additions to scope:	None		
Exclusions from scope:	None		

Planned Start Date:	12/03/2024	Exit Meeting Date:	19/04/24	Exit Meeting to be held with:	John Chambers, Simran Jain
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

PFCC Cumbria & Cumbria Constabulary

Assurance Review of Partnerships and Local Government Reorganisation

2023/24

April 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The County of Cumbria has seen some significant landscape changes both in terms of health reorganisation and local government reorganisation on which has seen the County move from a County Council and six District Councils to two Unitary Authorities. The Safer Cumbria Partnership has remained a stable body in these changing times and is working across all partners to ensure that the reorganisation brings forth opportunities that recognises best practices and any associated areas of improvement.

SCOPE

The review considered the forming of relationships and arrangements with the newly formed unitary authorities of Westmorland and Furness, and Cumberland. The full scope agreed included partnerships established for County Drugs, Safer Cumbria, and Serious Violence.

KEY STRATEGIC FINDINGS



A Safer Cumbria Partnership Strategy is in place, however, when reviewed it was found to be out of date.



A Delivery Plan is documented and in place for all Groups. These were confirmed as having been approved by the Safer Cumbria Partnership Board.



Performance for each business area/group is regularly monitored by the relevant Boards/Operational Groups, including the Safer Cumbria Main Board.

GOOD PRACTICE IDENTIFIED



Management confirmed that for the year 2025 and beyond, the Partnership will be reviewed to ensure it is still fit for purpose and to ensure that it meets the needs of the partner agencies at a local and national level.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Safer Cumbria Partnership provides a forum for partner organisations to work together to deliver a coordinated approach to such areas as combating drugs and serious violence across Cumbria. The key/main functions of Safer Cumbria include Criminal Justice, Serious Violence and Drugs. A Strategy that directs the process relating to the period 2020-2025 is in place. The Strategy outlines the key priorities for the Safer Cumbria Partnership and how the priorities will be delivered to ensure positive outcomes and great service delivery. The Strategy also includes the "Crime and Community Safety Agreement" which delivers the statutory duty under Section 17 of the 1998 Crime and Disorder Act, stipulating that two tier authorities are required to prepare a Crime and Community Safety Agreement for the County. It was, however, noted that the Strategy is out of date and has not been updated following changes and reorganisations made through the local government reorganisation (LGR), Health Reforms, structural changes and key/main functions.	The Safer Cumbria Partnership Strategy be updated to reflect key changes as a result of the newly formed unitary authorities including structural and functional changes	2	<p><i>The changes to the Local Authority Landscape have been recognised through the work of the Safer Cumbria Partnership and named individuals from both Local Authorities are in attendance at both the main board and across the associated subgroups, with all terms of reference updated to reflect the changes.</i></p> <p><i>The changes to the strategy need to be made out with of the office due to the design packages required. This work is scheduled in with the Force Marketing and Media Department.</i></p>	31/07/24	Safer Cumbria Business Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	No strategic risks in relation to Safer Cumbria Partnerships have been identified by the OPFCC. Given the collaborative and preventative work involved to ensure tangible improvements and outcomes are delivered to enhance the lives of the people of Cumbria, it is recommended that the risk management of this area remains a focus with mitigating controls listed and being regularly reviewed.	Risks in relation to Safer Cumbria Partnership arrangements be identified and appropriate controls recorded.	2	<i>The risk has been added to the PFCC Operational Risk Register and has been assessed with a mitigated total score of 2 due to the review work carried out and the continuing positive collaboration.</i>	Complete	Safer Cumbria Business Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Ade Kosoko	Principal Auditor	Ade.Kosoko@tiaa.co.uk	07779031139
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

PFCC Staff	Title
Wendy Doreen-Binks	Business Manager
Jo Woof	Partnership Analyst

Exit Meeting Date	4 th April 2024
Attendees	Wendy Doreen-Binks, Business Manager Jo Woof, Partnership Analyst
Director/Commander Comment	I welcome the report into an important partnership business area that has experienced significant change in the last 12 months. The report reflects the good work by the Safer Cumbria Manager to ensure the OPFCC delivers its statutory functions and makes a real difference to the people of Cumbria across a broad spectrum of crime areas. The recommendations will be easily addressed.
Considered for Risk Escalation	

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Partially in place	2	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

- The Safer Cumbria Partnership Strategy sets out the different Boards, Groups, Forums and Safety Partnerships that works together with Safer Cumbria Partnership to deliver the outcomes of the Safer Cumbria Strategy. Terms of References are in place for the individual Boards and Subgroups.
- A meeting structure is in place for all Boards and Groups of the Safer Cumbria Partnership and this is set out within the Accountability Framework. Each have different overarching aims and different meeting cycles. Testing of two subgroups and the main Board confirmed regular meetings being held and discussions of the set priorities taking place with the most recent meetings dated November 2023, December 2023, and March 2024. Other meetings held include multi -agency/ Community Safety Partnership meetings with the two newly formed unitary authorities and with other members of the Safer Cumbria Partnership.
- The Safer Cumbria Partnership in consultation with relevant stakeholders and data obtained from local and national sources, such as the Cumbria Crime and Community Safety Strategic Assessment and the Cumbria Police Force Management Statement, have identified and determined key priorities needing dedicated input from the Partnership.

Other Findings

The following priorities have been agreed: Domestic & Sexual Abuse, Serious Violence and Crime, Reducing Reoffending and Covid-19 Recovery and Stabilisation. In addressing each priority areas, overarching outcomes have been identified. For example, for Serious Violence/ Violent Crime, one of its outcomes is to reduce serious violence linked to the nighttime economy. These priorities and their outcomes are monitored by the Main Board during each of their meetings.



Delivery plans have been developed by the different business area groups to address issues relating to these priority areas together with implementing national initiatives and managing day to day activities amongst the key functions.



It was noted other areas of work such as Modern Slavery, Hate Crime, Anti -Social Behaviour are also considered together with these priorities.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

- The Delivery Plans for each business groups contain measurable actions that are monitored and evaluated to demonstrate successful completion and highlight areas requiring attention. The main Board provides oversight of this by holding the business groups to account against these delivery plans during the meetings of the Main Board and at the December meeting undertaken each year. Testing confirmed the Main Board determines the overarching strategic priority areas annually. It was further identified that Safer Cumbria measures performance based on a set of national performance related indicators as part of its key functions.
- It was confirmed that each Business Area reviews their performance based on the set priorities and delivery plan and provides an update to the relevant Group. An example of a performance reviews was evidenced during the audit. This showed relevant data obtained nationally and locally including trends and progress made to one of the priorities (Reducing Offending), providing details on actions taken such as pathway programmes and housing and actions for the forth coming year.
- Testing identified the Main Board approved the delivery plan for each area in December 2022. It was, however, confirmed that for the Community Safety Group, the delivery plan is being drafted following the formation of the two unitary authorities.
- Information provided during the audit confirmed that there was less demand for Class A drugs in South Cumbria due to work undertaken by One CLIC and Cumbria Constabulary. In relation to Serious Violence, it was confirmed that during the 12-month period November 2022 to October 2023, violence against the person decreased by -8.3% (-1430 offences) although some categories

Other Findings

remained high when compared with the full pre-Covid year of 2018/2019. It was further confirmed that there was a 32.5% increase of possession of weapons. Action plans are in place for 2024/25 to support the delivery of the set priorities.



Testing identified that there is no data sharing agreement in place between Safer Cumbria and its related partners. Management confirmed that partners have their own data sharing agreements in place and that good working relationship over the years have resulted in excellent data sharing arrangements in place. It was further confirmed that the only data received is performance related and Safer Cumbria does not receive or tend to deal with personal details or specific spaces. In December 2023, during the Safer Cumbria Partnership Board discussions were held around adopting the national CJ Data sharing Memorandum of Understanding (MOU) but this was deemed not necessary as there have been no recognised issues with sharing data. It was noted that the Board however agreed to re-visit this if data sharing ever became less effective or an issue.



A CONTEST Board based on national requirement is in place. It was noted, the CONTEST Board oversees all the 4 Ps of CONTEST work; Prevent, Pursue, Protect and Prepare. It was further noted that the delivery plans around CONTEST sit with the relevant area of the 4Ps i.e. the Prevent Board which is a Local Authority responsibility has its delivery plan for the areas of the business that it covers. The CONTEST Board receives information on this.



Management stated that for 2025 and beyond, the Partnership will be reviewed to ensure it is still fit for purpose and to ensure that it meets the needs of the partner agencies at a local and national level.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	10 th March 2024	10 th March 2024
Draft Report:	19 th April 2024	23 rd May 2024
Final Report:	23 rd May 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PFCC Cumbria & Cumbria Constabulary		
Review:	Partnerships and LGR		
Type of Review:	Assurance	Audit Lead:	Ade Kosoko

Outline scope (per Annual Plan):	The review will consider the forming of relationships and arrangements with the newly formed unitary authorities of Westmorland and Furness, and Cumberland. The full scope to be agreed.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	15/03/2024	Exit Meeting Date:	04/04/2024	Exit Meeting to be held with:	Wendy Doreen Binks (Business Manager) and Jo, Woof (Partnership Analyst)
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

DRAFT

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Internal Audit Annual Report

2023/24

June 2024

Internal Audit Annual Report

Introduction

This is the 2023/24 Annual Report by TIAA on the internal control environment at the Police and Crime Commissioner Cumbria & Cumbria Constabulary. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Board in making its annual governance statement.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model.

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards and relevant guidance issued by the Accounts & Audit Regulations 2015.

Internal Audit Planned Coverage and Output

The 2023/24 Annual Audit Plan approved by the Joint Audit Committee was for 190 days of internal audit coverage in the year.

During the year there were two changes to the Audit Plan. The ICT Use of Social Media and Risk Mitigating Controls (Deep Dive) reviews were deferred to Quarter 1 of 2024-25 due to resourcing at TIAA.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition to that set out in the Annual Audit Plan.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Office of the Police and Crime Commissioner Cumbria has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner Cumbria from its various sources of assurance.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, the Chief Constable Cumbria Constabulary has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Chief Constable Cumbria Constabulary from its various sources of assurance.

Assurance

TIAA carried out 12 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Organisations' objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	6 (3)
Reasonable Assurance	6 (9)
Limited Assurance	0 (0)
No Assurance	0 (0)

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented. *(x) denotes previous year comparison.

We made the following total number of recommendations on our audit work carried out in 2023/24. *(x) denotes previous year comparison.

Urgent	Important	Routine
0 (0)	14 (18)	7 (18)

Audit Summary

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	6	1
Risk Mitigation	0	3	0
Compliance	0	4	2
Delivery			
Performance Monitoring	0	1	4
Sustainability	0	0	0
Resilience	0	0	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
1 (2)

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits *	100%	86%
Audits Completed in Time Allocation	100%	100%
Draft report issued within 10 working days of receipt of responses	95%	95%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

* Excludes HMICFRS Action Plan review cancelled by client.

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	June 2024
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Annexes

Annex A

Actual against planned Internal Audit Work 2023/24

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Absence Management	Assurance	15	15	Reasonable	
Vetting	Assurance	15	15	Reasonable	
Fleet - Strategy and Management of Fleet	Assurance	12	12	Reasonable	
Accounts Payable (Creditors)	Assurance	10	10	Substantial	
Victim Support Services	Assurance	10	10	Substantial	
General Ledger	Assurance	6	6	Substantial	
Grievance Reporting and Management	Assurance	15	15	Substantial	
Partnerships and LGR	Assurance	10	10	Reasonable	
Risk - Insurance	Assurance	8	8	Substantial	
Recruitment - Induction	Assurance	14	14	Substantial	
ANPR Cameras	Assurance	12	12	Reasonable	
Corporate Health and Safety	Assurance	12	12	Reasonable	
Risk –Mitigating Controls (Deep Dive)	Assurance	10	0		Deferred to 2024/25
Use of Social Media	Assurance	12	0		Deferred to 2024/25
Follow-up	Follow Up	7	7		
Annual Planning	Management	2	2	-	Annual Plan issued
Annual Report	Management	2	2	-	Annual Report issued
Audit Management	Management	18	18	-	-
	Total Days	190	168		

Joint Audit Plan for the Police, Fire and Crime Commissioner for Cumbria and the Chief Constable of Cumbria Constabulary

Year ended 31 March 2024

3 May 2024



Contents



Your key Grant Thornton team members are:

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Winnie Oduor

Audit In-Charge

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Police, Fire and Crime Commissioner and Chief Constable or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Key matters

National Policing context

The police service faces an array of challenges. Levels of public trust are at historically low levels – a consequence of recent scandals (and repeated failures to address these) and a general and widespread belief that the police cannot adequately deal with crime. While overall levels of reported crime have declined over the last 10 years, so too have charge rates. In the period, police resources have been stretched by the combination of increasing crime complexity and growing non-crime demands.

Police spending has increased significantly in recent years, largely to support the successful recruitment of an additional 20,000 police officers. The decline in the charge rate has been halted, and the absolute number of charges increased in 2022/23 for the first time since 2013/14. Similarly, forces are increasing their focus on sexual assaults, while aiming to reduce the amount of time spent on non-crime demands such as responding to mental health incidents.

However, there is considerable uncertainty about the long-term impact of the additional officers. Forces are under financial strain to maintain officer numbers, while rapid recruitment has led to concerns over the adequacy of vetting arrangements and the burden placed on supervising officers. It will take time to assess whether these changes can lead to a sustained increase in the number of charges, and improvements in public trust.

Our recent value for money work has highlighted a growing number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

In planning our audit, we have taken account of this national context in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

Against a backdrop of ongoing audit reporting delays, in October 2023 PSAA found that only five local government accounts had been signed by the September deadline. In June 2023 the Public Accounts Committee (PAC) also produced a report setting out their concerns over these audit reporting delays. We issued our report [About time?](#) In March 2023 which explored the reasons for delayed publication of audited local authority accounts.

In our view, to enable a timely sign off of the financial statements, it is critical that draft local authority accounts are prepared to a high standard and are supported by strong working papers.

Key matters - continued

Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out in this Audit Plan, has been agreed with the constabulary Chief Finance Officer and the Chief Finance Officer representing the PFCC and Fire and Rescue Service.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our Value for Money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- We will continue to provide you and your Joint Audit Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretations, to discuss issues with our experts and to facilitate networking links with other audited bodies to support consistent and accurate financial reporting across the sector.
- There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of both the Police, Fire and Crime Commissioner for Cumbria ('the PFCC') and the Chief Constable of Cumbria Constabulary ('the Chief Constable') for those charged with governance. Those Charged with governance are the PFCC and the Chief Constable.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the PFCC and the Chief Constable. We draw your attention to these documents.



Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the PFCC, Chief Constable and group's financial statements that have been prepared by management with the oversight of those charged with governance; and we consider whether there are sufficient arrangements in place at the PFCC and the Chief Constable for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or those charged with governance of your responsibilities. It is the responsibility of the PFCC and Chief Constable to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the PFCC and Chief Constable is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PFCC and Chief Constable's business and is risk based.

Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls;
- Valuation of property, plant and equipment: and
- Valuation of the net defined benefit pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Group Audit

Cumbria Police is required to prepare group financial statements that consolidate the financial information of the PFCC and Chief Constable.

Materiality

We have determined group planning materiality to be £4.087m (PY £3.832m) for the group, £3.415m (PY £3.311m) for the PFCC and £3.585m (PY £3.268m) for the Chief Constable, which equates to 2% of prior year gross expenditure for the year.

For our audit testing purposes we apply the lowest of these materiality amounts, which is £3.415m (PY £3.268m).

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

As part of our risk assessment, we have considered the impact of unadjusted prior period errors

Clearly trivial has been set at £0.171m (PY £0.163m).

Value for Money arrangements

At this stage, we have not identified any risks of significant weaknesses from our initial planning work. We will undertake more detailed planning work and continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor's annual report.

Any further risks identified will be reported to Those Charged with Governance promptly.

Audit logistics

Our planning visit took place in March and April 2024, our final visit will take place between July to September. Our key deliverables are this Audit Plan, our Audit Findings Report and our Auditor's Annual Report.

Our proposed fee for the audit will be £96,240 (PY £49,998) for the PFCC and £52,109 (PY: £25,713) for the Chief Constable, subject to the bodies delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
ISA (UK) 240: Presumed risk of fraud in revenue recognition	Chief Constable, PFCC and Group	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA (UK) 240 and the nature of the revenue streams of the PFCC and the Chief Constable, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; • all revenue received by the Chief Constable comes from the PFCC; and • the culture and ethical frameworks of public sector bodies, including the Chief Constable comes from the PFCC, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Chief Constable, PFCC or Group.</p>	<p>N/A</p> <p>We have rebutted the presumed risk but we will continue to consider throughout the audit and will perform sample testing of material revenue streams as part of the audit.</p>

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified - continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Risk of fraud related to expenditure recognition – Practice Note 10	Chief Constable, PFCC and Group	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition.</p> <p>Having considered the nature of the expenditure streams of each of the Chief Constable, PFCC and Group, we have determined that there is no significant risk of material misstatement arising from improper expenditure recognition.</p>	<p>N/A</p> <p>We have rebutted the presumed risk but we will continue to consider throughout the audit and will perform sample testing of material expenditure streams as part of the audit.</p>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK) 315)

Significant risks identified - continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Chief Constable, PFCC and group	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The PFCC and Chief Constable face external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatements.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Make enquiries of finance staff regarding their knowledge of potential instances of management override of controls • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals and those falling into certain criteria determined by the audit team; • test a sample of journals made during the year and during the period preparing the draft accounts for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgement applied made by management and consider their reasonableness about corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified - continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	PFCC and Group	<p>The PFCC and Group revalue their land and buildings on a rolling two-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved, £66.3m as at 31 March 2023 and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management will need to ensure the carrying value in the PFCC and Group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We have, therefore, identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; • evaluate the valuer's report to identify assets that have large and usual changes and/ or approaches to the valuation – these assets will be substantively tested to ensure the valuations are reasonable; • test a selection of asset revaluations performed during the year to see if they have been input correctly into the PFCC and Group asset register, revaluation reserve and Comprehensive Income and Expenditure Statement; and • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different from current value at year-end.

Significant risks identified - continued

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the defined benefit pension fund net liability	Chief Constable, PFCC and Group	<p>The Group's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£1.066 billion as at 31 March 2023 for the group) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Group's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Group's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the Group's pension fund valuation; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and perform any additional procedures suggested with the report; and • obtain assurances from the auditor of Cumbria Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Police, Fire and Crime Commissioner for Cumbria	Yes	Purple - Audit of the financial information of the component using component materiality	<ul style="list-style-type: none"> • Management override of controls • Valuation of Land and Buildings • Valuation of net pension fund liability 	Full scope audit performed by Grant Thornton UK LLP
Chief Constable of Cumbria Constabulary	Yes	Purple - Audit of the financial information of the component using component materiality	<ul style="list-style-type: none"> • Management override of control • Valuation of net pension fund liability 	Full scope audit performed by Grant Thornton UK LLP

Nb: We will use the lowest materiality of the Group, CC and PFCC as the basis for our testing.

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Reports and Annual Governance Statements and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the PFCC and Chief Constable.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the PFCC and/or Chief Constable under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.



Progress against prior year audit recommendations

We identified the following issues in our 2022/23 audit of the PFCC and Chief Constable's financial statements, which resulted in 4 recommendations being reported in our 2022/23 Audit Findings Report. We will follow up on the implementation of our recommendations during fieldwork.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue (April 2024)
To be confirmed following completion of 23/24 accounts audit	<p>Assets not revalued</p> <p>Management had not undertaken a detailed review of land and building assets not revalued during 2022/23 as part of its arrangements for preparing the financial statements to ensure they remained materially stated. We recommended that as part of the process for preparing the financial statements, management should undertake a detailed review of assets which have not been revalued to ensure that they remain materially stated.</p>	<p>Management have revised the letter of instructions to the valuer which now clearly sets out the expectation for the valuation exercise and desktop review of out of scope assets. On receipt of the valuation reports, a meeting will be held between the OPFCC CFO, Head of Estates and Valuer to discuss any matters arising and any further assurances required.</p>
To be confirmed following completion of 23/24 accounts audit	<p>IFRIC14 Pensions</p> <p>From discussions with actuarial firms as part of the 2022/23 audit, it was understood that the application of IFRIC14 was not within their normal scope of work. As such, unless they are instructed otherwise by the employer, they will produce IAS19 disclosures assuming there are no IFRIC14 adjustments to any surplus or deficit. This means there is a risk that material adjustments are not factored into the IAS19 disclosures. We recommended that management instruct their actuary to calculate any potential asset ceiling under IFRIC14 where pension schemes are in surplus to ensure they are reflected in their IAS19 calculations.</p>	<p>Arrangements put in place for additional calculations to be requested from the scheme actuary where this issue arises in future years' supporting ability to present figures appropriately in the draft accounts. Management have advised the Actuary of their asset ceiling outcome in 2022/23 to assist their calculations in the current year.</p>

Progress against prior year audit recommendations - continued

We identified the following issues in our 2022/23 audit of the PFCC and Chief Constable's financial statements, which resulted in 4 recommendations being reported in our 2022/23 Audit Findings Report. We will follow up on the implementation of our recommendations during fieldwork.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue (April 2024)
To be confirmed following completion of 23/24 accounts audit	<p>Reserve movements</p> <p>There had been no adjustment for the difference between fair value depreciation and historical cost depreciation between:</p> <ul style="list-style-type: none"> - Revaluation reserve - The capital adjustment account <p>We recommended that there should ensure that the difference between fair value depreciation and historic cost depreciation is adjusted for.</p>	<p>As part of the 2023/24 year-end closedown process, the difference in the fair value depreciation and historic cost depreciation will be revisited and if material, will be reflected in the accounts.</p> <p>Historically the amount has not been material.</p>
To be confirmed following completion of 23/24 accounts audit	<p>Related Parties</p> <p>Review of the arrangements to support the related party disclosures within note 21 of the 2022/23 accounts identified some discrepancies between the working papers provided and the individual related party declarations. We identified the need to ensure that declarations made are accurately reflected in the related party disclosure note.</p> <p>We recommended the need to ensure that declarations made are accurately reflected in the related party disclosure note.</p>	<p>Management confirmed that an additional level of quality assurance will be implemented within the financial services team to ensure that disclosures made on individual forms are correctly recorded on the working papers provided to the audit team.</p> <p>An additional step has been added to the 2023/24 process which will see a second team member check that all the data has been entered correctly into the summary of responses spreadsheet.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
1	<p>Determination</p> <p>We have determined financial statement materiality for the group, PFCC and Chief Constable based on a proportion of the gross expenditure of the PFCC for the prior financial year. In the prior year we used the same benchmark, however the lowest was the Chief Constable's gross expenditure.</p> <p>For our audit testing purposes we apply the lowest of these materiality's, which at the planning stage of our audit is £3.415m (PY £3.268m) which equates to 2% of the PFCC's prior year gross expenditure (PY was the Chief Constable's gross expenditure).</p> <p>The group materiality is £4.087m (PY £3.832m)</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; – assist in establishing the scope of our audit engagement and audit tests; – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements.
2	<p>Other factors</p> <p>An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p>An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <ul style="list-style-type: none"> – We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality at 2% of the note value for senior officer remuneration.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
3	<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>
4	<p>Other communications relating to materiality we will report to the Joint Audit Committee</p> <p>Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the PFCC and Chief Constable any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p>We report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. In the context of the Group, PFCC and Chief Constable, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.171m (PY £0.163m).</p> <p>If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Audit Committee to assist it in fulfilling its governance responsibilities.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Materiality for the Group and PFCC financial statements	£4.087m	Materiality equates to 2% of your prior year gross expenditure for the group. This assessment reflects the fact that you operates in a stable, publicly funded environment and no significant control deficiencies have been identified.
Materiality for the Police, Fire and Crime Commissioner	£3.415m – used for testing	Materiality equates to 2% of your prior year gross expenditure for the PFCC single entity financial statements. In determining materiality, separate amounts are identified for the group and the PFCC and CC as components of the group. In carrying out our audit testing, we apply the lowest materiality identified. This materiality is the lowest and will be applied when carrying out our audit testing.
Materiality for the Chief Constable	£3.585m	Materiality equates to 2% of your prior year gross expenditure for the Chief Constable single entity financial statements.
Materiality for senior officer remuneration	£0.039m (2% of prior year senior officer note value £1.944m)	This reflects public sensitivity in the pay of senior officers in the public sector.



IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
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Oracle Fusion	Financial reporting	<p>A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure will be carried out by our internal IT specialists team for the 2023/24 financial year.</p> <p>We will review any changes identified in key controls from the prior year and assess the impact of any changes on the planned audit approach.</p> <p>We will also follow up on any recommendations made in the prior year in relation to IT general controls to assess whether these have been actioned by management.</p> <p>Oracle Cloud (Fusion) is considered to be a complex and customisable system which means that there is an increased risk around the appropriateness of privileged access. One of the issues with Oracle Cloud is that it is difficult to generate the privileged reports, required for our audit procedures, in a useable format. We require assurance that all privileged access roles have been completely and accurately extracted.</p> <p>Additionally, as management override is treated as a significant risk, privileged access should be 100% tested every year to identify any potentially inappropriate access which is then factored into both journal entry testing and the wider audit strategy for other accounts balances. Privileged access cannot be 'rolled forward' as such, as access privileges are not static year to year.</p> <p>We will therefore this year be using an automated tool, FastPath, to extract the raw data tables from Oracle Cloud and analyse them with a specific ruleset tailored for external audit purposes. This helps to address the risk of incomplete or inaccurate reports. FastPath also has the ability to perform segregation of duty reviews to identify conflicting access rights.</p>
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Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2024.

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



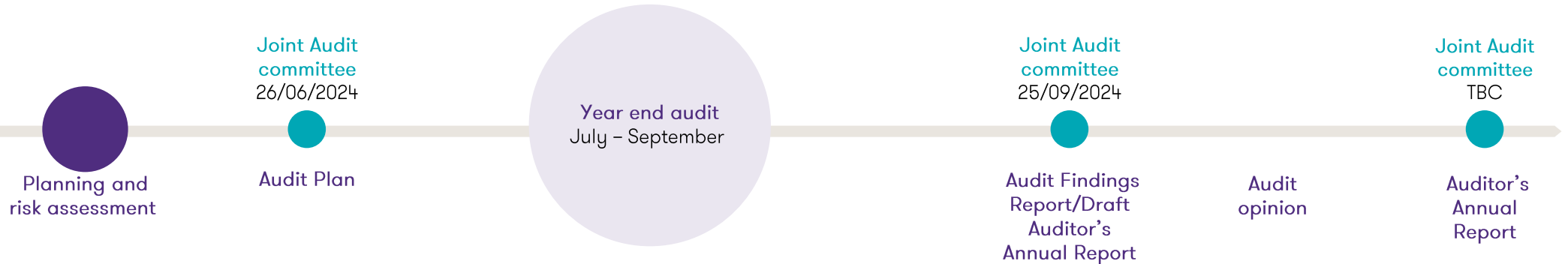
Governance

How the body ensures that it makes informed decisions and properly manages its risks.

At this stage, we have not identified any risks of significant weaknesses from our initial planning work. We will undertake more detailed planning work and continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor's annual report.

Any further risks identified will be reported to Those Charged with Governance promptly.

Audit logistics and team



Michael Green, Key Audit Partner



Michael is the main point of contact for management and committee members. He will share his knowledge and experience across sector providing challenge and share good experience. Michael will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit work.

Hebe Dyson, Audit Manager



Hebe will work with senior members of the finance team ensuring testing is delivered and any accounting issues are addressed on a timely basis. She will attend joint audit committee and liaison meetings, and ensure our reports are clear and concise.

Winnie Oduor, Audit In-charge



Winnie will lead the onsite team and will be the day to day contact for the audit. She will monitor the deliverables, manage the query log with your finance team and highlight any significant issues and adjustments to senior management. She will undertake the more technical aspects of the audit, coach the junior members of the team and review the teams work.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Annual Report and the Annual Governance Statement;
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you;
- ensure that the agreed data reports are cleansed, are made available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit; and
- respond promptly and adequately to audit queries.

Audit fees and updated Auditing Standards

Audit fees are set by PSAA as part of their national procurement exercise. In 2017 PSAA awarded a contract of audit for Cumbria PFCC and CC to begin with effect from 2018/19. This contract was re-tendered in 2023 and Grant Thornton have been re-appointed as your auditors. The scale fee set out in the PSAA contract for the 2023/24 audit is £88,661 for the PFCC and £48,413 for the Chief Constable.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here <https://www.psa.co.uk/appointing-auditors-and-fees/fee-variations-overview/>

Assumptions

In setting these fees, we have assumed that the PFCC and Chief Constable will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Audit fees

	Proposed fee 2023/24		
	PFCC	CC	Total
PFCC Audit – Scale fee	£88,661		£88,661
Chief Constable Audit – Scale fee		£48,413	£48,413
ISA 315	£4,079	£2,196	£6,275
Additional IT related procedures for Oracle ledger (including use of FastPath software)	£3,500	£1,500	£5,000
Total audit fees (excluding VAT)	£96,240	£52,109	£148,349

Previous year

In 2022/23 the scale fee set by PSAA were £28,048 for the PFCC and £14,363 for the Chief Constable. The actual fees charged for the audits were £49,998 (PFCC) and £25,713 (CC).

Assumptions

In setting the above fees, we have assumed that the PFCC and Chief Constable will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit;
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements; and
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fees, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

IFRS 16 ‘Leases’ and related disclosures

IFRS 16 will need to be implemented by police bodies from 1 April 2024. IFRS 16 is a standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases, and it replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. As this is the year before the implementation of IFRS 16, we will need to consider the work being undertaken by the PFCC and Chief Constable to ensure a smooth adoption of the new standard.

Introduction

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”
In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major departure from the requirements of IAS 17 in respect of operating leases.

IFRS 16 requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There is a single accounting model for all leases (similar to that of finance leases under IAS 17), with the following exceptions:

- leases of low value assets
- short-term leases (less than 12 months).

The requirements of IFRS 16 are set out in the CIPFA publication IFRS 16 Leases - A n early guide for local authority practitioners and PFCC and Chief Constables will need to aide by the requirements set out in the CIPFA Code of Practice on Local Authority Accounting.⁴

PFCC and Chief Constable’s systems and processes

This is the year when PFCC’s and Chief Constables will need to consider the impact the adoption of IFRS 16 will have on their 2024/25 accounts. This will cover the following areas:

- accounting policies and disclosures
- application of judgment and estimation

The PFCC and Chief Constable will need to identify which systems capture and maintain new lease data and ongoing maintenance requirements. We will need to consider the work being undertaken by the PFCC and Chief Constable in updating relevant internal controls to reflect these changes in accounting policies and processes.

Planning enquiries

As part of our planning risk assessment procedures, we have sent enquiries over on the 22/02/2024. We have since received responses and management will present these as a separate agenda item in the June 2024 Joint Audit Committee.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the PFCC and Chief Constable.

No other services have been provided by Grant Thornton were identified.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud(deliberate manipulation) involving management and/or which results in material misstatement of the financial statements (not typically PFCC and Chief Constable tax fraud)		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Escalation policy

The Department for Levelling Up, Housing and Communities are proposing to introduce an audit backstop date on a rolling basis to encourage timelier completion of local government audits in the future.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the 31 May 2024 and respond to audit information requests and queries in a timely manner.

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit Committee (at next available Audit Committee meeting or in writing to Audit Committee Chair within 6 weeks of deadline)

If senior management is unable to resolve the delay, we will escalate the issue to the audit committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.



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Joint Audit Committee



Title: Effectiveness of OPFCC Risk Management Activity Monitoring

Date: 14 May 2024

Agenda Item No: 12

Originating Officer: Joanne Head, Governance Manager

Report of the Chief Executive

1. Introduction and Background

1.1 The Police, Fire and Crime Commissioner has a statutory responsibility to provide policing and fire services for Cumbria. This takes place in a constantly changing and challenging environment and therefore the Office of the Police, Fire and Crime Commissioner (OPFCC) must ensure that it has robust systems and processes in place to identify, monitor and react appropriately to risk.

1.2 This report details the effectiveness for Risk Management within the OPFCC for the period 1 April 2023 to 31 March 2024.

2. Effectiveness of Arrangements for Risk Management

2.1 In order to ensure that the OPFCC's arrangements for Risk Management are effective a number of areas of business are monitored to ensure compliance and identify any risks to the organisation.

Risk Management Strategy

2.2 The OPFCC Risk Management Strategy is reviewed on a three-year cyclical basis with the latest review taking place in March 2023 where a number of updates were included. The strategy was reviewed and updated to ensure that the OPFCC has a robust risk management process and to highlight the Commissioner taking on responsibility for Cumbria Fire and Rescue Service. The strategy was presented to the Joint Audit Committee where no alterations or additions were recommended.

2.3 The strategy continues to contribute to the overall governance arrangements in place for the Office of the Police, Fire and Crime Commissioner (OPFCC). It allows strategic and operational risks to be identified and provides guidance to enable staff to deal with these appropriately and effectively. Being a dynamic

document, it assists the consideration of risk to permeate throughout the OPFCC's business when making decisions.

Risk Monitoring

2.4 During 2023-24 all the OPFCC risk registers were reviewed and updated on a quarterly basis. The strategic and operational risk registers have a mechanism to enable risks to be moved between the two, allowing risks to be appropriately monitored and reviewed. Any projects being carried out by the OPFCC have their own individual risk registers. These are monitored on a more frequent basis and if necessary any risks escalated to the strategic risk register.

2.5 Within the reporting period, and in line with the OPFCC's Risk Strategy, JAC were presented with the updated strategic risk register twice during the year to enable them to have oversight in line with their terms of reference. Throughout the year the strategic risks have been reviewed with some risks being elevated from the operational register due to their risk scores.

2.6 During the reporting period there were five risks identified within the strategic risk register. These being Strategic Finance; Fire and Rescue Service Corporate and Support Services; Fire and Rescue Service Hosted Service Arrangements; Estates Resource; Fire Pensions Remedy were as a result of identified risks to the OPFCC which were and continue to be actively managed. The OPFCC's Executive team retains oversight of the progression of risks on both the strategic and operational risk registers.

2.7 In August 2023 a new risk was escalated from the operational register to the strategic risk register, this being Fire & Rescue Service – Hosted Service Arrangements. Progress has been made during 2023 and 2024 to bring services in-house where performance of the SLA has been poor and there has been no financial impact. The 2024-2025 budget includes provision for inflation uplifts on the remaining SLAs. This risk was monitored by the OPFCC at the Executive Board – Fire meetings.

2.9 The OPFCC correlates its risks with the priorities contained within the Police and Crime Plan in both the strategic and operational risk registers as appropriate. Although the objectives within the plan are predominantly for the Constabulary to fulfil, as it is the Commissioner's plan and he holds the Chief Constable to account for the provision of policing services in Cumbria, it is essential that the plan is achieved. The Commissioner has a Fire and Rescue Plan which is for the Chief Fire Officer to attain and by which he holds them to account for the provision of fire services in Cumbria.

2.10 The OPFCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faced during 2023/24. A review of the operational risk register is carried out on a quarterly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPFCC Executive Team regularly consider both the strategic and operational risk registers as part of their meetings.

2.11 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, Risk 5 Asset management and Risk 6 Insurance. They remain to show illustrated monitoring of these areas of business which are important to the OPFCC's overall Governance regime.

2.12 Assurance from the Joint Audit Committee continues through the reporting of both strategic risks in full, supported by a high-level summary for operational risks. This provides the Committee with oversight that all expected risks are captured and being appropriately scored and monitored.

2.13 During 2023-24 a total of 33 decisions were made. These can be broken down into 17 Commissioner

decisions and 5 OPCC Executive Team Gold decisions. All were based on information provided including any areas of risks which need to be considered. The Executive Support Officer when receiving and logging decision forms ensures that this section of the form is completed to enable the Commissioner to make an informed decision. No forms have been received where this section has not been completed.

Oversight of Constabulary Strategic Risks

2.14 In addition to monitoring OPFCC risks the Chief Executive and the Governance Manager also carry out monitoring of Cumbria Constabulary's strategic risks. This has taken place two times during 2023/24 whereby they have met with senior Constabulary staff/officers who have responsibility for the Constabulary's Strategic Risk Management. The meetings provide an opportunity to identify and discuss those risks which impacted upon both organisations and seek assurance from the Constabulary that they had correctly identified risks, had appropriate mitigation in place to deal with and monitor the risk, and no areas of concern were identified. Risks between both organisations are also discussed at Collaborative Board meetings to ensure risks of concern have a solution identified and its progression monitored.

2.15 During 2023/24, again the risk of a change to the funding formula was present on both organisation's strategic risk registers. The 2024/25 grant settlement was in line with expectations although additional flexibility was afforded to Police and Crime Commissioner's to increase council tax by up to £13 was provided. However, the additional funding was inadequate to cover the recent increases in inflation and as a result there is a significant savings requirement over the MTF period. Further development and refinement of savings options in conjunction with the Constabulary is being carried out. In response to the increased risk the Constabulary has committed to preparing an enhanced savings and efficiencies plan headed by the DCC.

2.16 Risks continue to be added and removed on the Constabulary's strategic risk register as they are identified and mitigated or dealt with. These have included strategic finance, PIP2 accredited detectives, Firearms Licensing; negotiator deployment; and West Cumbria Coal Mine. All of these have been reported upon to the Joint Audit Committee during the year.

Oversight of Cumbria Fire and Rescue Service Strategic Risks

2.17 The OFCC Chief Executive and Governance Manager monitor Cumbria's Fire and Rescue Service's strategic risks and has taken place twice during 2023/24. Risks between both organisations are also discussed at the Executive Board – Fire meetings to assure the Commissioner that risks of concern have been identified and suitable solutions put in place with effective monitoring.

2.18 Financial planning and funding remains a key risk for Fire and there are significant uncertainties around future funding commitments as the costs of service provision as the Authority disaggregates from Service Level Agreements with the unitary authorities. Savings have been achieved for 2024/25, however there are increasing cost pressures and plans need to be considered as to how the Fire Authority will react to changes in funding or increases in costs to remain financially resilient.

2.19 Risks continue to be added and removed on the Fire and Rescue Service's strategic risk register as they are identified and mitigated or dealt with. These have included Budget Management, Delivery of HFSV, Use of PPE, Pension Remedy and NWFC CAD System. All of these have been reported upon to the Joint Audit Committee during the year.

Risk Training

2.20 The Governance Manager, as OPFCC lead officer for risk management, attended a 2-day refresher training course on the 13th and 14th October 2022 facilitated by our insurance risk control consultant Gallagher Bassett. The OPFCC Governance Officer attended a 2-day risk management training course on 17th and 18th September 2019. This now affords the OPFCC additional resilience with regards to risk management.

2.21 Risk management training sessions for OPFCC staff were held in July 2023 and January 2024, highlighting everyone's responsibility for risk management, how to identify, analyse and evaluate risks taking into account the OPFCC's risk appetite. No areas of concern have been raised or identified by staff with regards to risk management. Further risk management sessions have been incorporated within the OPFCC's 2024-25 Training Plan and is scheduled for July 2024 and February 2025.

Joint Audit Committee

2.22 During 2023/24 the OPFCC's Chief Executive presented the OPFCC's strategic risk register to the Joint Audit Committee on two separate occasions. This afforded the OPFCC the benefit of the committee testing the validity of the recorded risks and mitigations; reviewing the current arrangements and ensuring the integration of risk management into governance and decision making processes. Areas of concern or issues identified by the committee have been noted and addressed earlier in this report.

Lead Officer

2.23 The Governance Manager is the OPFCC lead officer for risk and carried out this role throughout 2023/24. On a quarterly basis they have ensured that the OPCC's strategic and operational risk registers were updated by those members of staff who have responsibility for individual risks. No areas of concern or issues have been identified by the Governance Manager during 2023/24.

3. Internal Audit

3.1 As part of the annual audit programme for 2023/24 Internal Audit carried out reviews over a number of areas of business within the OPFCC and Cumbria Constabulary. Each review evaluated any exposures to risks relating to the organisation through its governance, operation and information systems. Audit reviews undertaken during 2023/24 did not identify any new or unidentified risks to the OPFCC.

4. Conclusions

4.1 From the monitoring which has taken place during 2023/24 by the Office of the Police, Fire and Crime Commissioner, no unidentified risks have been identified or occurred. When taking this into consideration assurance can be gained that the strategy, policy, systems and processes in place are working effectively.

5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPFCC's processes and monitoring of risk.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

Financial Implications: the inability of the OPFCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPFCC but Cumbria Constabulary and other partner organisation which are financially dependent upon it.

Risk Management Implications: if the OPFCC does not identify and mitigate risks then it may mean that it cannot carry out its statutory function efficiently and effectively.

Legal Implications: the OPFCC could face legal challenge on some areas of its business, therefore it is essential that these are identified at an early stage and effectively mitigated and managed.

Contact points for additional information

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Joint Audit Committee



Title: Effectiveness of OPFCC Anti-Fraud and Corruption Activity Monitoring

Date: 3 June 2024

Agenda Item No: 13

Originating Officer: Joanne Head, Governance Manager

Report of the Chief Executive

1. Introduction and Background

1.1 The Police, Fire and Crime Commissioner has a statutory responsibility to provide policing services for Cumbria. The Office of the Police, Fire and Crime Commissioner (OPFCC) must ensure that effective processes and procedures are in place to deliver that service in an environment free from fraud and corruption.

1.2 To safeguard against fraud and corruption the Commissioner and OPFCC staff operate in an open and transparent environment. This is achieved by a variety of methods including making decisions in public, publishing information on its website including registers of interests, decisions, declarations of gifts and hospitality and expenses.

1.3 Arrangements to prevent and detect Fraud and Corruption are reviewed and approved by the Police, Fire and Crime Commissioner on a cyclical basis. These arrangements provide clear definitions of fraud, corruption, theft and irregularity within the strategy. They were reviewed and updated in November 2021 and January 2023 following which a copy was provided to the Joint Audit Committee. The arrangements mirror much of the Constabulary's policy, although there are differences in relation to reporting, monitoring and any disciplinary procedures.

1.4 The OPFCC Arrangements for Anti-Fraud and Corruption provides clarity over roles, responsibilities and duties of staff within the OPFCC. The Deputy Monitoring Officer undertakes a review between the gifts and hospitality registers, the contact with supplier register and decisions made by the Commissioner. During 2023/24 no irregularities, issues or concerns have been identified.

2. Effectiveness of Arrangements for Anti-Fraud and Corruption

2.1 In order to ensure that the OPFCC's arrangements for Anti-Fraud and Corruption are effective a number of areas of business are monitored to ensure compliance and identify any fraudulent or corrupt practices.

2.2 During 2023/24 and in compliance with arrangements covering gifts and hospitality the Governance Officer has issued a notice on a monthly basis to all OPFCC staff formally requesting the documentation of any gifts and hospitality offered during the previous month. Staff identify what the gift or hospitality was; who it was offered to and whether it was accepted or declined. They have made two notifications of offers of hospitality during the reporting period. A change in the OPFCC's Arrangements for Anti-Fraud and Corruption now means that any only offers over the value of £10 will be recorded by staff. Upon completion the registers are published on the OPFCC website at the beginning of the following month. The Governance Officer has not identified any areas of concern or irregularities.

2.3 The Commissioner and appointed Deputy Commissioner also identified any gifts or hospitality which has been offered and again indicates whether this is accepted or declined. During 2023/24 the Commissioner made 2 notifications of either hospitality or gifts, whilst the Deputy Commissioner made 3. Again, upon completion the registers are published on the OPFCC website at the beginning of the following month. The Chief Executive has not identified any areas of concern or irregularities.

2.4 In accordance with guidelines set by the Secretary of State, the Commissioner is eligible to claim allowances and expenses whilst carrying out his role. The Commissioner on a monthly basis will complete a form which includes a declaration stating that the expenses being claimed have been necessarily incurred. They are then approved or declined by the Chief Executive. During 2023/24 the Commissioner made no expense claims. Where any claims are made, the Constabulary's Central Services Department will re-check the claims against the Home Office criteria before making payment where any claims are made providing an additional level of assurance. In line with the Elected Local Policing Bodies (Specified Information) Order 2011 authorised expenses are published on the OPFCC website.

2.5 OPFCC members of staff, Independent Custody Visitors, members of the Joint Audit Committee and members of the Ethics and Integrity Panel are eligible to claim expenses in line with approved policies and procedures. Each individual must sign a declaration stating that the expenses claimed were necessarily incurred during the course of their agreed duties. All claimed expenses are checked for accuracy and signed off by the Chief Executive or the Governance Manager whichever is the appropriate authority to approve the expense claim. Throughout 2023/24 no irregularities or fraudulent claims were made by any of those mentioned above.

2.6 On the 15 March 2023 the Commissioner submitted a signed declaration of interest setting out any business and personal interests for which the Office should be aware in the context of the integrity of decision making. This form was published on the Commissioners website on 19 March 2024 to ensure public transparency of declarations. During 2023/24 the Commissioner and OPFCC Exec Team made a total of 33 decisions, of which the decision forms recorded that there were no personal and prejudicial interests. The Governance Manager has undertaken a review during the year of each decision form against the published declaration of interests and has confirmed that no conflicts of interests have been identified regarding any decisions the Commissioner has made during 2023/24.

2.7 During 2023/24 and in compliance with the arrangements governing supplier contacts, the Governance Officer has issued a notice on a monthly basis to all OPFCC staff formally requesting the documentation of any supplier contacts that have taken place in the previous month. Staff have made notification of 35 supplier contacts during the year through this process. These notifications form a supplier contact register that has been reviewed by the Governance Officer to provide assurance during procurement processes that there are no conflicts of interest at contract award. The Governance Manager has confirmed that during 2023/24 no issues or areas of concern have been identified in relation to this area of work.

2.8 On behalf of the Commissioner the Ethics and Integrity Panel at their quarterly meetings review the Constabulary's performance in relation to Anti-Corruption. Reports provide information on the

number, categories of reported incidents, officer and staff suspensions, ongoing cases and investigations which are being dealt with by the Constabulary. This enables the Panel to identify emerging trends or patterns which the Panel can then ensure that preventative measures are put into effect. In addition, the Panel also dip sample police officer and police staff misconduct cases which have been finalised on a six-monthly basis. During 2023/24 the Panel carried out two dip sample processes where they reviewed a total of 20 cases that had been finalised. The Panel report their findings to the OPFCC Chief Executive at their Panel meetings, on the OPFCC website via the Panel minutes and within their Annual Report. During 2023/2024 the Panel did not identify any issues or areas of concern to be raised with the Commissioner.

2.9 On an annual basis the Constabulary undertakes a number of financial tasks for the OPFCC including under Section 6 of the Audit Commission Act 1998 to provide relevant data for the National Fraud Initiative. The initiative uses advanced data matching techniques to tackle a broad range of fraud risks faced by the public sector. The Constabulary participates, on the OPFCC's behalf within the National Fraud Initiative having completed fraud risk assessments for the financial year. As this process is undertaken following the compilation of this report the OPFCC is not able to report on the outcome of the 2023/24 process at this time. No incidents of fraud were identified to the Chief Finance Officer during the 2022/23 processes. In terms of wider fraud and corruption there have been no frauds identified against Cumbria Constabulary or the OPFCC in the last year.

2.10 To encourage reporting by OPFCC staff of anything they are concerned about sessions on Integrity were included at Extended Team Meetings in May and October in 2023; and how to report it to their line manager. The OPFCC have not been advised of any issues being raised with external organisations. The OPFCC website contains information on how members of the public could report any concerns.

2.11 The OPFCC has a Confidential Reporting (Whistleblowing) Policy which enables staff and members of the public to raise a concern but also be protected by the Public Interest Disclosure Act 1998. The policy is brought to the attention of staff and is also available on the OPFCC website. During 2023-34 the OPFCC did not receive any notifications from either staff or members of the public via its Confidential Reporting process.

3. Internal Audit

3.1 As part of the annual audit programme Internal Audit carry out reviews of a number of areas of business within the OPFCC and Cumbria Constabulary. Each review evaluates any exposures to risks relating to the organisations governance, operation and information systems. Audit reviews undertaken during 2023/24 did not identify any risks to the OPFCC in relation to fraud or corruption.

4. Conclusions

4.1 From the monitoring which has taken place during 2023/24 by the Office of the Police, Fire and Crime Commissioner, no instances of fraud or irregularity have been identified or reported. No allegations have been made against any member of staff or the Police, Fire and Crime Commissioner. When taking this into consideration assurance can be gained that the policy, systems and processes in place are working effectively.

5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPFCC's monitoring of Anti-Fraud and Corruption Activity.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

Gill Shearer
Chief Executive

Legal Implications: the OPFCC has a statutory obligation with regard to preventing and dealing with fraud and corruption as outlined within the report.

Financial Implications: If the OPFCC does not actively manage any potential or actual fraud and corruption then there is the potential for the organisation to suffer financially, therefore having an impact upon its ability to provide policing services in Cumbria.

Risk Management Implications: there is a potential for the organisation to suffer not only financially, but with regard to its reputation leading to a loss of public confidence. The OPFCC could be open to legal challenge if it does not actively identify and manage fraud and corruption.

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

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Peter McCall

POLICE, FIRE & CRIME
COMMISSIONER

Ethics & Integrity Panel

2023 ANNUAL REPORT

Cumbria Office of the Police, Fire and Crime Commissioner

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Foreword from the Panel Chair

Welcome to the 2023 Ethics and Integrity Panel Annual Report.

I have had the pleasure of being Chair of the Ethics and Integrity Panel since 2016. This will be my last annual report as I step down from the role in February 2024. The Panel's purpose has always been to promote and influence high standards of ethical performance in all aspects of policing in Cumbria and the work carried out by the Police and Crime Commissioner's office (OPCC). It achieves this by investigating, dip sampling, constructively challenging and reviewing a broad range of aspects of policy, process and performance, through the lens of ethics and integrity. We are entirely independent of the Office of the Police, Fire and Crime Commissioner and Cumbria Constabulary. From 1 April 2023 the remit of the Panel expanded to include Cumbria Fire and Rescue Service and we are now developing a work programme to include this area of business.

Over the last 12 months we have continued to see challenge and change for the people of Cumbria. This can be attributed to many reasons, not least us still dealing with legacy issues from the pandemic; the increasing challenges of the cost-of-living crisis, and of course societal issues and political instability that affect us all in both the UK and abroad. The Panel have been hugely impressed by the resilience, commitment, focus and determination to serve our county; constantly striving to offer the fire and the policing service that the public require. This is a great credit to the organisations and their officers and staff.

I am delighted that during 2023 we have recruited additional members to the panel, and along with more members who will join in 2024, this has broadened and deepened our capability, insight and importantly, our diversity. Whilst the Panel membership is from a diverse range of backgrounds and experience, we have two things in common. We and our families live in the county and are committed to seeing the area thrive and we all share the strong desire to ensure that Cumbria Constabulary and Cumbria Fire and Rescue Service continues to deliver high quality services to the public, while maintaining Cumbria as the safe and secure place to live that it currently is.

The Chief Constable, Chief Fire Officer, Commissioner and their teams fully support us in our work and are open to challenge, feedback and suggestions for improvement. In itself, this is an indicator of a strong, open, transparent and ethical culture.

While 2023 has been an incredibly challenging year, we have enhanced our work programme, and have adapted to look at a number of thematic areas. The information in this, and our other quarterly reports, helps to promote a wider understanding and awareness of performance and ethical approach of both Fire and the Constabulary.

We hope that you find the report useful and informative and on a personal level I would like to thank all colleagues I have worked with over the last 9 years in developing, evolving and growing the role of the panel, and our work.

Alan Rankin

Ethics and Integrity Panel Chair



The Police, Fire and Crime Commissioner, Peter McCall

2023 has been a year of change for not only my office but for the Ethics and Integrity Panel. From 1 April 2023 I took on Fire Governance and the Panel are now encompassing this area of business into their annual work programme.

I am incredibly grateful for the

commitment, professionalism, independent and pragmatic approach taken by the Ethics and Integrity panel in their work. They provide effective and sensible challenge which enables my office, the police and fire to take stock and indeed to change practice where necessary in order to improve the service we are all here to deliver to the public of Cumbria.

The ability of the panel to evolve and undertake in-depth scrutiny of specific areas provides not only myself but also the communities of Cumbria with additional assurance. It seeks to achieve this by acting as a critical friend in the work it oversees.

Whilst we are blessed with highly professional, dedicated and committed police officers, staff, firefighters and fire staff we must always be ready to examine performance to ensure that each organisation maintains the highest possible standards, when often faced with difficult and challenging circumstances.

I look forward to working with the Panel in 2024.

Peter McCall

Police, Fire and Crime Commissioner for Cumbria

Chief Constable, Rob Carden



As a Constabulary we consistently strive to provide members of the public with an outstanding police service to keep Cumbria safe.

The ongoing transformation of the force has delivered

significant improvements in performance and service delivery to communities across Cumbria over the last 12 months; the breadth of these improvements covers a range of areas including call handling, response to calls, crime data integrity, standards of investigation, outcome rates, proactivity and crime prevention. However, in order to build public confidence in policing, it is imperative that our police officers and staff continue to demonstrate the highest ethical and moral standards.

The important work of the Panel provides us with the independent scrutiny to ensure that we demonstrate the highest standards of ethical performance and continue to respect a national model of policing based on the principle of 'policing by consent'.

Rob Carden

Chief Constable, Cumbria Constabulary

Chief Fire Officer, Rick Ogden



The Vision of Cumbria Fire and Rescue Service is to be a community focussed, professional and trusted Fire and Rescue Service that makes Cumbria a safer

place for all.

Over the last twelve months the Service has gone through a significant change process and moved from the governance of Cumbria County Council to the Police Fire and Crime Commissioner (PFCC). This has involved a significant amount of work, that has included the creation of new departments, a large number of policies and procedures to be rewritten and the introduction of new IT systems. Despite this front-line performance to the people of Cumbria continues to be excellent.

The scrutiny work of the panel provides us and the public with the reassurance that we are delivering within a framework based on the National Fire Chief Councils Core Code of Ethics and enables us to continue to embed within the PFCCs governance structure with confidence.

Rick Ogden

Chief Fire Officer, Cumbria Fire and Rescue Service

About the Ethics and Integrity Panel

The Ethics and Integrity Panel challenge, encourage, support and promote and influence high standards of professional work and ethics within Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police and Crime Commissioner (OPFCC); ensuring that these are effective in all organisations. This report provides an overview of the work that the Panel has carried out during 2023.

The Panel meets privately on a quarterly basis to enable open and frank discussions. The agenda and reports are published on the Commissioner's website following each meeting, with only sensitive or confidential information being excluded. Reports are provided by the Panel to the Commissioner's public meeting to provide information about the Constabulary, Fire Service and OPFCC's performance in areas that relate to ethics and integrity. The purpose of this is to promote openness, transparency and public confidence.

A programme of work is developed and agreed on an annual basis enabling the Panel to fulfill its terms of reference and scrutiny role. Where necessary the Panel will also provide scrutiny for areas identified during HMICFRS inspections to enable the implementation of recommendations to be monitored. In addition, they have critical and important thematic issues referred to them by both Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police, Fire and Crime Commissioner. This enabled the Police, Fire and Crime Commissioner and the Chief Officers to be provided with independent reassurance.

Further information regarding the Panel, its membership, and the work it carries out can be found on the Commissioner's website:

<https://cumbria-pcc.gov.uk/what-we-do/ethics-integrity-panel/>

The membership of the Panel in 2023 was:

Andrew Dodd	Mike Duff
Alan Rankin	Alex Rocke
Megan Masters	Ben Phillips
Jane Scattergood	Shaun Thomson

Work of the Panel During 2023

Code of Ethics and Code of Conduct

The Panel's role is to ensure that both the Constabulary, Fire Service and the Police, Fire and Crime Commissioner have embedded within their organisations the respective **Code of Ethics** and **Code of Conduct**.

The Panel have been provided with assurance whilst carrying out their role that all organisations take the ethos of the Code of Ethics and Code of Conduct seriously and this has been evident in the reviews and dip samples they have undertaken in other areas of business. During their various dip sample sessions, the Panel saw first-hand that policies and procedures within the Constabulary had the ethos of the Code of Ethics embedded within them.



Similarly, the Commissioner upon re-election in May 2021 swore an oath to act with integrity and signed a Code of Conduct and Ethics. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows transparency in all areas of the work of the Police and Crime Commissioner. These principles encompass the Commissioner's work locally and whilst representing Cumbria in regional and national forums.

Equally importantly, all the OPFCC members of staff adhere to a **Staff Code of Conduct** which is based upon the model Code of Conduct for Local Government Employees and incorporates the principles arising from the Nolan Report, providing a framework for all employees in terms of official conduct

During 2023 the Panel did not identify any complaints received from either members of staff or the Commissioner regarding conduct or integrity. During 2024 the panel will also ensure that the Code of Ethics is embedded within Cumbria Fire and Rescue Service.

Public Complaints



At their quarterly meetings the Panel received performance data from the Constabulary on the number of complaints received, how these have been managed and whether they were within the required timescales. From these reports there were areas which had again seen an increase in complaints being received, these being impolite language, unprofessional attitude, lack of impartiality, overbearing or harassing behaviours. The Panel undertook to specifically review some of these complaints to see if there were any trends or concerns.

During 2023 the Panel carried out two dip sample sessions within the Constabulary's Professional Standards Department (PSD) in which they reviewed a total of 62 files. They carried out the dip samples directly via the Centurion system enabling members to view all information, actions and outcomes on the live system. Panel members spoke directly with case workers regarding any issues or concerns.

Following the sessions any recommendations or comments were collated within an action sheet to ensure that they are completed and where appropriate implemented in a timely manner. Some of these include:

- The importance of linking intelligence reports and information received within the Professional Standards Department to the Comms Centre to inform any future incidents.
- Ensuring that complaint handling is clear and understood by both the complainant and the complaint handler; and information is sent to the correct identified correspondence address.
- Having robust property procedures in place to reduce the number of lost or damaged property claims.
- Some excellent case work was identified, with good work carried out by local policing teams to deal with complaints and social issues. Responses were often clear and explained fully the issues and outcome to the complaint.
- Officers not using body worn video when dealing with incidents or members of the public continued to be an issue, or the footage is not marked and retained. Although the situation has improved significantly over recent years. Some complaints could have been dealt with quicker and more effectively if this independent evidence had been available.

During the year it was noted the significant increase in the number of complaint and misconduct cases which staff and officers were dealing with. A Review of PSD has been commissioned and will be carried out during the early part of 2024, which the Panel welcomed.

Quality of Service Issues



The Office of the Police, Fire and Crime Commissioner received 675 letters, emails and telephone calls from members of the public who wished to raise issues or dissatisfaction with the Commissioner, highlighting issues that were concerning local communities. Many of these related to operational policing and the OPFCC liaised with the Chief Constable's Staff office to provide information or a solution for the individual. The types of issues raised are varied and detailed below are some of the categories:

- The Police Service Dissatisfaction in relation to the standard of service provided or received.
- Fox Hunting
- Anti-Social Behaviour
- Crime – drug dealing, rural crime and ongoing 'in progress' ASB neighbour issues.
- Miscellaneous – how crime figures are recorded, DBS check process and CCTV cameras.

Many of the solutions were provided by the Constabulary in conjunction with local policing teams, local focus hubs and partner agencies, including local educational establishments, to see to identify the underlying causes of crime or behaviours and seek to support and deter individuals from going on to make further adverse life choices. The information gathered is used to look at how assistance or changes can be provided not only locally but throughout Cumbria. The Commissioner also uses the information to implement local initiatives to make a difference to local communities. Some of these included Safety of Women at Night (SWAN), Safer Streets Projects in Whitehaven and Workington, and funding for local projects through the 'Property Fund'.

After the 1st April 2023 when the Commissioner took on the responsibility for Fire governance, the OPFCC received eight contacts from the public which related to:

- Fire Resources (buildings and fire fighters)
- Miscellaneous/general issues
- Fire Consultation

The OPCC also received a number of compliments thanking the Commissioner, Constabulary or Fire for the service they provide.

Complaint Reviews



From 1 February 2020 the Office of the Police, Fire and Crime Commissioner (OPFCC) has carried out **Public Complaint Review** outcomes of when requested by the complainant. During 2023 the OPFCC received 41 review requests, which 11 (32%) of those carried out were upheld.

The Panel dip sampled a number of reviews and felt that they had been dealt with appropriately and within a timely manner. Where a review had been upheld and recommendations made, the Constabulary had carried out further work providing the complainant and OPFCC with their findings and outcome. Identified learning from the upheld reviews was collated and disseminated within local teams and more widely across the force.

The OPFCC does not carry out this function in relation to complaints made to Cumbria Fire and Rescue Service. During 2024 the Panel will be looking at complaints received by Fire as part of their annual work programme.

Misconduct Police Officer & Police Staff



The Panel received information on a quarterly basis relating to **Police Officer and Police Staff Misconduct** from the Constabulary's Professional Standards Department. This enables the Panel to monitor performance in relation to these areas of business and consider any patterns or trends across the whole organisation.

As part of their work programme the Panel have reviewed 20 misconduct files during two dip sample sessions in 2023. During the session the Panel reviewed all completed files, providing views and recommendations for any improvement in the way information was provided, how cases were handled or

the public perception of the handling of such cases. Nearly half of the cases related to officers' conduct when they were 'off-duty'. The Panel were pleased to note that the quality of the files was being maintained and that actions were being fully recorded within each case.

Misconduct – Fire Employees



The Panel carried out their first dip sample session of **Fire Employee Misconduct** cases in October, reviewing 10 cases which had been dealt with during previous 12 months. Prior to the Commissioner undertaking Fire governance, conduct cases had been dealt with by the County Council's HR department. These were now being dealt with by dedicated HR staff within Cumbria Fire and Rescue Service. Improvements could be seen in how files were dealt with and details of actions or sanctions being imposed and followed up. The Panel were particularly pleased to see that following the conclusion of each misconduct case it was internally reviewed to ascertain where improvements could be made in future cases or within the service.

Grievances



On a six-monthly basis the Panel have reviewed **Grievances** being processed by the Constabulary. Although the Constabulary's HR Department dealt with all grievances, they link in with the Anti-Corruption Unit to ensure matters were cross referenced. In April and October 2023, the Panel reviewed a total of 6 finalised cases and discussed each one in turn with the HR Manager. Generally, the grievances were regarding policies and procedures or action taken against an individual. For any officer or member of staff leaving the organisation the Panel were keen that detailed conversations were held with individuals to help understand the issues and make improvements to officer and staff employment. The Panel had assisted the Constabulary in reviewing the draft management of change process. The Panel's 2024 work programme will include reporting by Cumbria Fire and Rescue Service of their grievance cases and dip sample sessions.

Civil Claims



On behalf of the Police, Fire and Crime Commissioner the Panel also monitor **Civil Claims** being processed by the Constabulary's Legal Department. They received information about the types of claims being made, the stage the proceedings had reached and about the claims that had been resolved. As part of this oversight the Panel seek assurance that any trends are being identified and how the organisation has learnt from particular cases; disseminating such information throughout the organisation to avoid future risks and claims. There had been an increase in the number of Employment Tribunals some of which had been upheld; and in the number of public liability cases being lodged. Learning had been identified and implemented across the force and the Panel will monitor this as part of their dip sample and report process.

Young in Service Officers



The Panel continued to monitor **Young in Service Officers** following their recruitment process as part of Operation Uplift from 2020 to 2023. Due to the large proportion of officers with less than 3-6 years' service being on front line duties the Panel sought assurance that these officers were being supported, had a designated tutor constable and a reasonable workload. The summary findings were:

- Officers' young in service carry around 10% more workload than officers from other groups. However, the average workload by officer number was higher for the group with 3-6 years-service (this is due to the fact there are less officers in the 3-6-year group than the young-in-service group).
- Complaints - Male officers received more complaints (allegations) than female officers mostly in the 3-6 years' service group.
- Officers with more than 3 years-service are more likely to be assaulted than those who are young-in-service

Recruitment – Fire Fighters



In November 2023 the Panel had reviewed the **'On-Call' Recruitment** process being carried out by Cumbria Fire and Rescue Service. It was important that the campaigns were tailored to the different communities across Cumbria. The Fire Service were offering open days and developing virtual sessions to enable potential candidates to speak with firefighters, particularly female firefighters to attract more females into the role. Members provided feedback on the recruitment packs particularly in relation to potential candidates having to provide availability and offered suggestions on different groups to approach. This area of work will continue to be reviewed during their 2024 work programme.

Police Officer & Staff Wellbeing



During 2023 the Panel monitored **Officer and Staff Wellbeing and Sickness**. During the second half of the year force absence rates had reduced from 4% at the same point in 2022 to 2.8% at the end of September 2023. Tutor constables were recruited to support the new officers when they were working within the policing teams and more were being recruited with the aim of having 2 tutor constables per policing team. In November 2023 the total headcount for the Constabulary was 1,393 with additional funding for a further 29 officers being realised in 2024-25. Further recruitment of Police Community Support Officers (PCSO) was planned in March 2024 to increase numbers as at the end of 2023 there were only 48 across the county. The Panel would be monitoring this process as part of the 2024 work programme.

Information Management



During 2023 the Panel received six monthly reports on how the Constabulary and Office of the Police, Fire and Crime Commissioner were complying with their statutory duties in relation processing and managing data. This included Freedom of Information Requests, Subject Access Requests and data processing. Both organisations continued to see a year-on-year increase in the number of requests being received. The reports also identified whether any data breaches had occurred and how these were dealt with, including whether or not they had been reported to the Information Commissioner's Office and the subsequent outcomes. In November 2023 the Panel were updated on a data breach which had occurred, the actions taken and that processes and procedures had been updated and strengthened following the breach.

Violence Against Women and Girls



In February and August, the Panel were provided with updates on the work being carried out by the Constabulary to deliver an array of services in response to offences such as domestic abuse, sexual crime and patterns of behaviour. Increased reporting had been realised during the year and was attributed to the work and training of officers to better understand victims needs. A Street Safe tool had provided the public with the opportunity to engage with the police on issues which affected them; and the 'Call it Out' Survey had received 3,000 responses identifying hotspots where police patrols needed to be diverted to. The Panel had been keen to learn of the work being done to encourage ethnic or sectarian religious communities to report incidents, being advised that leaflets had been translated into different languages and a multi-cultural conference had been held on 3 October.

Race Action Plan



Following the National Police Chief's Council (NPCC) identifying five key areas to change internal cultures and inclusivity towards communities the Constabulary had carried out an internal and external consultation process. HMICFRS as part of their cultural audit process had found the force to have an inclusive culture. The Panel were briefed twice during the year on how the Constabulary were progressing this work and how this work would be benchmarked to enable performance and success to be measured. There was a requirement to produce evidence on what the force were doing and why a decision had been made not to do some elements. The actions were included with the live force improvement plan enabling audits of work to be carried out. The force had taken a decision to look at BAME and work with those groups rather than simply focussing on just black communities. The Constabulary were looking at stakeholder and community mapping to identify opportunities to reach wider audiences. A full update and monitoring of the implementation plan would be carried out by the Panel in February 2024.

Property Store



In 2022 the Panel had raised concerns about the number of civil claims being received in relation to lost or damaged property which had been held by the police. A review of all property stores had been carried out with a number of new storage and working practices being implemented. A significant step forward of inventory management had been realised with bar coding of all property locations to enable accurate accounting and auditing of property. The Panel would continue to monitor this work through reports and any reduction in civil claims being made.

Right Care, Right Person



From January 2024, the Constabulary were looking to take a new approach when dealing with vulnerable people who had health or social care needs to ensure that the right person with the right skills, training and expertise met their needs; and where the force did not have a legal responsibility to deal with the matter. This approach would include signposting callers to contact the appropriate agency especially if the responsibility for a duty of care lay with another organisation. Collaborative work with partner organisations had been developed with testing of the designed toolkit taking place at the end of 2023 in preparation for the launch.

Digital Policing



In August 2023 the Panel had been briefed about a project to develop digital policing skills within the workforce using an evidence-based approach. Funding had been secured from the NPCC Science Technology and Research (STAR) fund which was being used to training officers in what digital information could be retrieved from different technology such as doorbell cameras and home routers. Over 500 Domestic Abuse cases had been reviewed to understand what improvements could be made for future investigations. To assist officers a number of guides, short videos and crib sheets were being developed. The members had been keen to ensure that ongoing digital care for victims and witnesses was provided. As part of the toolkit officers would be advised of 'digital hygiene' procedures which could be provided to help with online security and safety. Making victims more resilient, protected and potentially reduce future crimes.

Thematic Sessions

Since its inception, the Panel has delivered a significant programme of work on a planned, dynamic and responsive basis. Detailed below and overleaf are some of the areas the Panel reviewed during 2023:



In early 2023 the Panel sought assurance that the Constabulary were carrying out rigorous **vetting of new officers and staff** being employed, particularly with the pressures of meeting the Operation Uplift target by the end of March 2023. Two vetting dip sample sessions took place during the year the first in February and then a following up session in August 2023, where the Panel reviewed a total of 20 cases. The Panel had found that robust checks had been carried out and where necessary applicants had not been progressed where they did not meet the strict criteria.



The Panel were provided with a demonstration on a new **CCTV System** which the Constabulary were considering. The new system would replace an aging system and provide significantly enhanced capabilities to assist officers and staff in the detention and solving of criminal offences. Further work and training programmes were to be developed during the year to enable the system to be purchased and implemented. The Panel stressed the importance of ensuring the public were aware of the advancements and that it did not have facial recognition capabilities to address and allay any fears or speculation.



Following the findings from the Commission on Race and Ethnic Disparities (CRED) report the government undertook to develop a new framework to monitor the use of police powers including **Custody Detention Scrutiny**. As the Panel already carried out monitoring of Stop and Search and Use of Force it was felt appropriate that the Panel should provide the review function for custody detention. The Panel carried out dip samples of custody detention, reviewing 12 cases and received performance reports. They raised concerns on the average time of detention disparity between white males and Asian males. It was understood that this was due to time taken for interpreters to attend police stations particularly for police interviews.



During 2023 the Panel undertook quarterly reviews of **Stop and Search** and **Use of Force**, enabling the implementation of HMICFRS recommendations to be monitored. The Panel carry out reviews of incidents via body worn video and completed forms, reviewing 48 separate incidents, which included incidents where the use of **TASER** had also been a factor. In early 2023 the Panel found that although the incidents themselves were being carried out well the completion of the required forms was not. This had also been recognised by the Constabulary had introducing annual refresher training as part of the 3-day personal safety training package and include communication and de-escalation training. The Constabulary were using Stop and Search as a key tool by the proactive policing teams to help prevent and detect crimes.



The use of **Body Worn Video** continued to feature within the monitoring work of the Panel. Noticeably when reviewing Stop and Search or Use of Force incidents the first 30 seconds of footage had no sound when activated by the officer. The Panel felt that this timeframe was often when an officer was introducing themselves and provided a good context of the interaction. The matter had been raised at a national level and in September 2023 the Panel were notified that National Police Chief's Council (NPCC) had agreed a standardised national approach to pre-vent buffering on all Cumbria BWV recordings which would rectify the issue raised by the Panel.

Panel Member Recruitment

During 2023 three separate recruitment campaigns were carried out to allow for succession planning as some of the Panel members retired at the end of 2023 and into the first six months of 2024. It will also allow the Panel to increase their workload as the OPFCC expands its remit in relation to Cumbria Fire and Rescue Service.

As a result of these campaigns four new members were appointed in 2023 with a further three being appointed to commence their roles in early 2024. A programme of Induction training and support from existing Panel members has enabled the newly appointed members to understand their roles and the work of the Panel.

The Panel Chair retired from the Panel in February 2024 and a process to appoint a new Panel Chair was carried out in January 2024.

Conclusion

The Panel continues to develop their role, expanding into other areas of business to assist not only the Constabulary and Fire but enable the Police, Fire and Crime Commissioner to have further and more detailed oversight. They have shown their ability to respond to emerging and changing situations; adapt to understand the issues; work with the Constabulary, Fire and OPFCC to carry out work in addition to that scheduled within their work programme; and provide reassurance to these organisations and the public.

Recommendations and guidance given by the Panel continues to be welcomed; resulting in a number of positive changes and developments to processes and procedures. The Panel's 2024 work programme will continue to ensure that the Panel remain an independent body in their oversight of Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police, Fire and Crime Commissioner.



Cumbria Office of the Police, Fire and Crime Commissioner

Joint Audit Committee 26 June 2024: Agenda Item 15

Review of effectiveness of the arrangements for Audit 2023/24

A Joint Report by the Chief Executive and PFCC/CCFRA Chief Finance Officer of the Police, Fire and Crime Commissioner.

1. Introduction and Background

- 1.1. The Accounts and Audit Regulations 2015 removed the requirement within the 2011 Regulations to conduct an annual review of the effectiveness of the arrangements for audit. Assurances in respect of the arrangements for audit are however part of a robust governance framework. They support the Commissioner in placing reliance on the opinion of the Director of Audit (TIAA) and support the Joint Audit Committee in placing reliance on the work and reports of the internal auditors. An effective internal audit service is also a characteristic within the seven principles of the CIPFA 2016 Good Governance Framework.
- 1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines the system of Internal Audit as the entirety of the arrangements for audit put in place by the entity, including the activities of any oversight committee. This report sets out an overall judgment, based on that review. The review comprises the arrangements for internal audit, detailed within this report and the arrangements for the Joint Audit Committee, detailed in the Committee's Review of Effectiveness. The review of effectiveness in relation to the Joint Audit Committee is now conducted over a biennial cycle as follows:
 - Odd Years – A report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance is produced.

- Even Years - A 360' review of committee effectiveness which is private meeting between members, DCC, OPFCC CFO / CCFRA CFO, OPFCC CEO & CC CFO.

1.3. The review process seeks to provide assurance that the arrangements are adequate and effective. This is based on a judgment made following an assessment of compliance with relevant codes and standards. For internal audit the review is undertaken against the Public Sector Internal Audit Standard (PSIAS). The review of the effectiveness of the arrangements for the Joint Audit Committee is undertaken in line with the CIPFA 2018 guidance¹ that provides an evaluation self-assessment framework and a checklist of good practice.

2. Effectiveness of the Internal Audit Function

2.1. From 2022/23, an arrangement was put in place for Internal Audit Services with TIAA Ltd providing this function.

2.2. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit provider with the PSIAS. The Director of Audit (TIAA) is required under the PSIAS to include within his annual report, a statement of conformance with the Standards. Any instances of non-conformance must be reported to the Joint Audit Committee. Furthermore, any significant non-conformance should be considered for inclusion within the Commissioner and Chief Constable's and Cumbria Commissioner Fire and Rescue Authority respective Annual Governance Statements.

2.3. The Public Sector Audit Standards support audit effectiveness by setting out the requirements for the governance, management and delivery of internal audit. This includes a requirement to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. Key elements of the QAIP include on-going monitoring of the performance of the internal audit activity, periodic assessment or self-assessment and external assessment. The QAIP also ensures that reasonable assurance is provided that Internal Audit is performing its work in accordance with its Internal Audit Charter, which is consistent with the PSIAS and that it operates in an effective and efficient manner.

¹ audit committees\Practical Guidance for Local Authorities and Police

- 2.4. The QAIP is included within the Director of Audit (TIAA) annual report and opinions for 2023/24 and will be presented to members of the Joint Audit Committee at their meeting on 26 June 2024 for review. The QAIP report set out what was in place during 2023/24. The QAIP sets out for members how audit engagements are supervised, how work including final reports are reviewed, arrangements for the audit manual and performance measures. The QAIP also includes the annual assessment of Internal Audit's conformance with its Charter and annual completion of the CIPFA checklist for assessing conformance with the PSIAS. The Internal Audit Charter in place during 2023/24 was presented at the 20 March 2024 Joint Audit Committee. The Internal Audit Charter sets out the purpose, authority, responsibility and objectives of Internal Audit, providing clarity on how Audit works, its scope, lines of reporting and requirements in respect of objectivity and independence. The Charter, alongside the QAIP, supports the organisation and its auditors in ensuring the delivery of arrangements for Internal Audit that are effective. During the year members of the Joint Audit Committee have also received monitoring reports on actual performance against Internal Audit's performance framework at their quarterly meetings.
- 2.5. The summary of the outcomes of the completed self-assessment is attached to this report at Appendix A and is further supported by an evaluation of the role of the Director of Audit (TIAA) against the CIPFA standard at Appendix B. The full 48 page checklist is retained on file for review by the External Auditors. The Annual Report of the Director of Audit (TIAA), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.6. TIAA Limited commissioned an External Quality Assessment (EQA) of its internal audit services in 2022. An EQA is required every five years, in line with the requirements of the International Professional Practices Framework (IPPF) and the Standards set by the Global Institute of Internal Auditors (IIA). The independent EQA considered TIAA's conformance with the IPPF and the Standards and also the Public Sector Internal Audit Standards (PSIAS), which govern internal audit in the public sector. The independent EQA was undertaken by a senior partner at Chiene + Tait, a long-established and high-quality accountancy firm headquartered in Edinburgh with offices in Scotland and London. The review assessed TIAA's internal audit methodology and delivery against the Core Principles, the Code of Ethics and the Standards. It took into account their comprehensive framework, their guiding policies, organisational culture, planning and delivery, investment in their people, tools and techniques and their quality assurance framework, including feedback from clients. The independent EQA assessor was able to

conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model. It was also noted that there were no areas of non-conformance or partial conformance with the Standards.

- 2.7. The review of internal audit against the PSIAS provides the primary source of assurance. Further assurance of the effectiveness of internal audit was previously taken from the opinion provided by the external auditors. In 2020, the external auditor (Grant Thornton) advised that they no longer use the work of internal audit to assist with their own work and as such have not provided an opinion on the work of internal audit. The internal auditors have however shared some information with external auditors in relation to the audit on financial sustainability to prevent the finance team having to duplicate provision of information.

3. Effectiveness of arrangements for an Audit Committee

- 3.1. The effectiveness of the arrangements for an audit committee is assessed by reviewing the arrangements for the Joint Audit Committee against the assessment criteria and checklist provided by CIPFA in its 2018 updated publication "audit committees, Practical Guidance for Local Authorities and Police". The guidance document provides a detailed regulatory framework against which the work and activity of the committee, in addition to the overall arrangements, can be assessed and consideration given to areas for improvement and development. In a change from previous years, from 2020/21 the effectiveness of the committee is to be assessed on a biennial cycle as outlined in paragraph 1.2 above.
- 3.2. The overall conclusion and assessment from the review is that the Joint Audit Committee is effective in its operation. However, with the addition of Fire responsibilities and a new Commissioner in May 2024, the Committee will undertake a more formal review in June 2024 to undertake a full 360 degree review.

4. Conclusions

4.1. From the reviews described above, it is concluded that:

- i. The review of the internal audit arrangements against the PSIAS, and supported by the review of the role of the Head of Internal Audit, demonstrates that the service is effective.
- ii. The annual review of the arrangements for an audit committee in accordance with the guidance, assessment criteria and checklists defined by CIPFA, demonstrates that the Joint Audit Committee is effective in its operation

4.2. When taken together, there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2024, or to the date of this meeting.

5. Recommendations

5.1. Members of the Joint Audit Committee are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2024 and to the date of this meeting, and
- ii. Consider any areas where they might wish to make recommendations to the Commissioner and Chief Constable for improvements in 2024/25.

5.2. The Commissioner, Chief Constable and Chief Fire Officer are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2024 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
- ii. Consider any areas where they might wish to see improvements or changes in 2024/25.

Gill Shearer
OPFCC Chief Executive

Steven Tickner
OPFCC Chief Finance Officer / CCFRA Chief Finance Officer
26 June 2024

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications:

The Annual Governance Statement and the underpinning reviews, including the effectiveness of arrangements for audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner and Chief Constable discharge their respective responsibilities.

Contact points for additional information

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Review of Internal Audit Effectiveness

1. Definition of Internal Auditing

- 1.1. Internal audit work is carried out in line with the definition of internal auditing so as to provide independent assurance on the Commissioner's and Chief Constable's systems of risk management, governance and internal control.
- 1.2. All internal audit reviews result in an audit report detailing the level of assurance that can be given. Standard definitions are in place to ensure consistency in the assurance levels across the service.
- 1.3. Internal audit does not have any operational responsibilities, thereby ensuring its ability to independently review all of the Commissioner and Chief Constable's systems, processes and operations

2. Code of Ethics

- 2.1. The internal audit team have been made aware of the mandatory code of ethics within the PSIAS and have the opportunity to discuss this at team meetings.
- 2.2. All internal audit work is performed with independence and objectivity and all staff are aware of the need for them to declare any relevant business interests in order that any potential conflict of interest or compromise to audit objectivity is effectively managed.
- 2.3. Staff are aware of their responsibilities in relation to confidentiality and information governance.
- 2.4. Arrangements are in place to ensure that work is performed by staff with the appropriate skills, knowledge and experience and that training and development needs are identified through annual appraisals and six-month reviews.

3. Purpose, Authority and Responsibility

- 3.1. An internal audit charter is in place which defines the purpose, authority and responsibility of internal audit as well as its rights of access to all information, premises and personnel for the purpose of completing internal audit reviews.
- 3.2. The charter sets out the functional reporting line of the Director of Audit (TIAA) to the Joint Audit Committee to ensure internal audit independence.
- 3.3. Director of Audit (TIAA) attends all meetings of the Joint Audit Committee.
- 3.4. Director of Audit (TIAA) has direct access to the Chief Officer Group (Constabulary), Senior Leadership Team (Fire), the Chief Executive, the Commissioner and the Joint Audit Committee Chair.
- 3.5. The reporting lines for the Director of Audit (TIAA) ensure that internal audit independence is maintained and in line with the Standards, the Audit Manager reports directly to the Chief Finance Officer (S151 Officer) who is a member of the Public Accountability Conference.
- 3.6. There have been no identified threats to internal audit independence or objectivity during the year.
- 3.7. The Standards refer to the arrangements for the Director of Audit (TIAA) appraisal. Input and feedback should be obtained from the Chief Executive or equivalent and Chair of the Joint Audit Committee. This is a requirement of the employing organisation designed to protect the independence of the Director of Audit (TIAA) in relation to those audits that may be subject to undue influence, being within the area of the appraiser's responsibility. Whilst this is not a requirement for either the Commissioner, Chief Constable, Chief Fire Officer or the Chief Finance Officer, on behalf of both entities, will provide feedback on the performance of the Director of Audit (TIAA) as part of the arrangements for management of the internal audit contract.

4. Proficiency and Due Professional Care

- 4.1. Director of Audit (TIAA) is professionally qualified and experienced to deliver an effective internal audit service.

- 4.2. Job descriptions and person specifications reflect the duties required to deliver the risk-based approach to internal auditing and the skills needed to undertake the roles.
- 4.3. The TIAA team has a wide range of skills and experience brought about by the fact that they are a specialist internal audit provider operating nationally.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Director of Audit (TIAA) to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2023/24. The programme has been formally documented and is included as an appendix, within the Head of Internal Audit's annual report and opinions for 2023/24, which is included within this agenda. This includes the adoption of a comprehensive performance framework that is incorporated within the audit charter. The Joint Audit Committee have received quarterly reports monitoring actual performance against the framework.

5. Performance Standards

- 5.1. Internal audit work is undertaken to support the purpose of internal audit as defined within the audit charter. Management arrangements are in place to ensure that all work is delivered in accordance with the charter and to deliver relevant assurance to management, the Joint Audit Committee, the Commissioner, Chief Constable and Chief Fire Officer.
- 5.2. Risk based audit plans have been developed across the internal audit service. The plans have been developed to enable an overall annual opinion to be provided on the arrangements for governance, risk management and internal control.
- 5.3. In developing the plans, account has been taken of the organisation's risk management frameworks, the expectations of senior management and emerging national and local issues.
- 5.4. Audit plans have been developed based on a documented risk assessment. Arrangements are in place to report required amendments to audit plans to the Joint Audit Committee should this become necessary.
- 5.5. The plans identify the audit resources required to deliver them and arrangements are in place to allocate the workload across the audit team in advance to ensure all plans can be delivered.

- 5.6. Arrangements are in place to ensure the audit manual is continually updated as working practices continue to be reviewed.
- 5.7. Internal audit contributes to improving the Commissioner, Chief Constable's and Chief Fire Officer's operations through delivery of approved audit plans. Internal audit recommendations are aimed at strengthening performance and risk management, governance and ethical policies and values and internal controls.

6. Engagement Planning

- 6.1. All internal audit reviews are scoped and a brief prepared setting out the scope and objectives of the audit work together. This process ensures that management input to the scope of each audit. A standard client notification document has been designed and has been used for all audit reviews. Audit scopes include consideration of systems, records, personnel and premises.
- 6.2. The audit planning process includes a preliminary assessment of risk for each audit included in the plan. Auditors then undertake research as part of planning individual audit reviews to identify specific risks within the area under review. Within the risk based approach, once the scope of an audit is agreed, a full risk identification exercise is undertaken as part of the audit fieldwork. This ensures that risk is considered throughout the audit process.
- 6.3. The Internal Audit management review process ensures that work plans are prepared for each audit that document how the audit objectives will be met and that sufficient audit work is undertaken to support conclusions reached.
- 6.4. There is a document retention policy in place to manage audit records.
- 6.5. All internal audit work is subject to management review, and there is a consistent approach in place to documenting and retaining evidence of this review.
- 6.6. All internal audit reports are issued in draft for management comments and agreement of the factual accuracy and completion of the action plan. Clients have the opportunity to discuss the draft reports with the auditor.
- 6.7. Audit final reports issued in relation to 2023/24 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

6.8. The Director of Audit (TIAA) produces an annual report to the Joint Audit Committee and the Public Accountability Conference, which includes the overall opinion on the arrangements for governance, risk management and internal control. The report includes a summary of the work undertaken in support of the opinion.

7. Monitoring Progress

7.1. Arrangements are in place for follow up of agreed actions arising from internal audit reports and the outcome of these is reported to the Joint Audit Committee within the quarterly progress reports.

8. Communication of the Acceptance of Risks

8.1. Arrangements are in place to ensure that where key risks are accepted by management, this is discussed with senior management. Should the Director of Audit (TIAA) consider that the organisation is accepting a level of risk that may be unacceptable, this would be reported to the Joint Audit Committee and the Public Accountability Conference.

CIPFA Statement on the Role of the Head of Internal Audit 2019

1. Introduction

1.1 In 2019, CIPFA published an updated Statement on the Role of the HoIA in Public Sector Organisations in recognition of the critical position occupied by the Head of Internal Audit (HoIA) within any organisation in helping it to achieve its objectives by giving assurance on its internal control and risk management arrangements and playing a key role in promoting good corporate governance. Conformance with the Statement is cited as an example of good governance within the Delivering Good Governance Framework 2016

2. The Five Principles

3.1 The Statement sets out how the requirements of legislation and professional standards should be fulfilled by the HoIA in carrying out their role and is structured under five core principles:

3.2 The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

- championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

3.3 To perform this role, the Head of Audit:

- must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee
- must lead and direct an internal audit service that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

3.4 A completed self-assessment template is attached below for appropriate sign off.

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
Principle 1: The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments					
1.1	Set out the HIA's role in good governance and how this fits with the role of others.	HoIA Role Profile sets out the contribution of the annual report of the HoIA to the Annual Governance Statement.	✓		
1.2	Ensure that the importance of good governance is stressed to all in the organisation, through policies, procedures and training	Code of Corporate Governance sets out the frameworks that are in place to support the overall arrangements. There are individual codes for the Cumbria OPFCC and Cumbria Constabulary. Cumbria Commissioner Fire and Rescue Authority has its own Corporate Governance Framework	✓		
1.3	Ensure that the HIA is consulted on all proposed major projects, programmes and policy initiatives.	Internal audit plan incorporates some capacity to respond to emerging issues and projects.	✓		
Principle 2: The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control					
2.1	Set out the responsibilities of the HIA, which should not include the management of operational areas.	Responsibilities of the HoIA are set out in the Role Profile and do not include any operational responsibilities.	✓		
2.2	Ensure that internal audit is independent of external audit.	Internal audit is independent of external audit. IA plans will be shared with external audit, but will not be in any way directed by external audit.	✓		
2.3	Where the HIA does have operational responsibilities the HIA's line manager and the Audit Committee should specifically	Not applicable.			

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
	approve the IA strategy for these and associated plans and reports and ensure the work is independently managed.				
2.4	Establish clear lines of responsibility for those with an interest in governance (e.g. Chief Executive, Chief Legal Officer, Chief Financial Officer, Audit Committee, non-executive directors/elected representatives). This covers responsibilities for drawing up and reviewing key corporate strategies, statements and policies.	Clear lines of responsibility are set out in job roles, the scheme of delegation and key supporting governance documents e.g. financial regulations, procurement regulations, grant regulations. The Joint Audit Committee has a clear Terms of Reference consistent with the CIPFA guidance.	✓		
2.5	Establish clear lines of reporting to the Leadership Team and to the Audit Committee where the HIA has significant concerns	Reporting lines are defined within the Internal Audit Charter which has been agreed by the Board.	✓		
2.6	Agree the terms of reference for internal audit with the HIA and the Audit Committee as well as with the Leadership Team	Internal audit charter sets out internal audit's terms of reference. Charter has been approved by Board and presented to Joint Audit Committee.	✓		
2.7	Set out the basis on which the HIA can give assurances to other organisations and the basis on which the HIA can place reliance on assurances from others.	The basis of assurances provided to other organisations is set out within the contract. Various sources of assurance have been taken into consideration in preparing the audit plan to ensure optimum audit coverage.	✓		
2.8	Ensure that comprehensive governance arrangements are in place, with supporting documents covering e.g. risk management, corporate planning, anti-fraud and corruption and whistleblowing.	Key governance documents include the Code of Corporate Governance, scheme of delegation, Anti-fraud and corruption strategy, policy and procedure. Risk management arrangements are in place and the corporate risk register for each organisation is reported to Joint Audit Committee.	✓		
2.9	Ensure that the annual internal audit opinion and report are issued in the name of the HIA.	Annual report of the Director of Audit (TIAA) contains the internal audit opinion for the Police & Crime Commissioner for Cumbria, the Chief Constable for Cumbria Constabulary and	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
		Cumbria Commissioner Fire and Rescue Authority. This report is presented to Joint Audit Committee by the Director of Audit (TIAA).			
2.10	Include awareness of governance in the competencies required by members of the Leadership Team.	Role profiles for the Chief Executive, CFO and deputy monitoring officer are based on the relevant professional standards and include governance responsibilities. Constabulary Chief Officers are trained on governance matters as part of their professional qualification.	✓		
2.11	Set out the framework of assurance that supports the annual governance report and identify internal audit's role within it. The HIA should not be responsible for preparing the report.	The framework of assurance that supports the annual governance statement is documented within the Statement itself. HIA is not responsible for preparing the AGS.	✓		
2.12	Ensure that the internal audit strategy is approved by the Audit Committee and endorsed by the Leadership Team.	Public Sector Internal Audit Standards (PSIAS) refer to the requirement for internal audit plans to include a statement of how internal audit service will be delivered. This is included within the audit plan.	✓		
Principle 3: The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.					
3.1	Designate a named individual as HIA in line with the principles in this Statement. The individual could be someone from another organisation where internal audit is contracted out or shared. Where this is the case then the roles of the HIA and the client manager must be clearly set out in the contract or agreement.	The Director of Audit (TIAA) is the designated HoIA for the PFCC / Chief Constable / CCFRA	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.2	Ensure that where the HIA is an employee that they are sufficiently senior and independent within the organisation's structure to allow them to carry out their role effectively and be able to provide credibly constructive challenge to the Management Team.	Not applicable.			
3.3	Ensure that where the HIA is an employee the HIA is line managed by a member of the Management Team. Where the HIA is not an employee then the reporting line must be clearly set out in the contract or agreement with the internal audit supplier.	Not applicable.			
3.4	Establish an Audit Committee in line with guidance and good practice.	There is a Joint OPFCC / Constabulary Audit Committee which is the recommended approach in the Financial Management Code of Practice for the Police Forces of England and Wales. The Joint Audit Committee undertakes on a biennial basis a self-assessment against the CIPFA practical guidance checklist and has assessed itself as performing appropriately, in the intervening years, the committee and officers carry out a 360' review of the work of the committee. The Joint Audit Committee is also responsible for scrutiny of Cumbria Commissioner Fire and Rescue Authority	✓		
3.5	Set out the HIA's relationship with the Audit Committee and its Chair, including the Committee's role (if any) in appointing the HIA.	The relationship is set out in the Internal Audit Charter.	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.6	Ensure that the organisation's governance arrangements allow the HIA: – to bring influence to bear on material decisions reflecting governance; – direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit; and – to attend meetings of the Leadership Team and Management Team where the HIA considers this to be appropriate.	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		
3.7	Set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in (significant) partner organisations.	This is defined within the Internal Audit Charter	✓		
3.8	Set out the HIA's responsibilities relating to partners including joint ventures and outsourced and shared services.	The HoIA responsibilities are defined within the Audit Charter in relation to the arrangement with TIAA.	✓		
Principle 4: The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.					
4.1	Provide the HIA with the resources, expertise and systems necessary to perform their role effectively.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		
4.2	Ensure that the Audit Committee sets out a performance framework for the HIA and their team and assesses performance and takes action as appropriate.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
4.3	Ensure that there is a regular external review of internal audit quality	Mandatory EQA of TIAA was undertaken in 2022 with a 'Generally Conforms' rating being given.	✓		
4.4	Ensure that where the HIA is from another organisation that they do not also provide the external audit service	TIAA does not provide the external audit service to the Police & Crime Commissioner for Cumbria or the Chief Constable for Cumbria Constabulary or Cumbria Commissioner Fire and Rescue Authority	✓		
Principle 5: The HIA in a public service organisation must be professionally qualified and suitably experienced					
5.1	Appoint a professionally qualified HIA whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood throughout the organisation.	HolA responsibilities are defined and make appropriate reference to the requirements of the 2019 CIPFA Statement.	✓		
5.2	Ensure that the HIA has the skills, knowledge, experience and resources to perform effectively in his or her role.	28 years of internal audit experience which has allowed him to lead auditing projects for private and public sector organisations, financial due diligence and operations for a large number of clients.	✓		

Joint Audit Committee



Title: Effectiveness of Governance Arrangements 2023/24

Date: 26 June 2024

Agenda Item No: 16a

Originating Officers: Chief Executive, PFCC Chief Finance Officer and Constabulary Chief Finance Officer

1. Introduction & Background

- 1.1 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner and Chief Constable are required to consider the findings of that review, approve the respective AGS and publish (which must include publication on the Commissioner's and Constabulary's respective websites) the Statements alongside the Statement of Accounts. The AGS are prepared in accordance with the CIPFA/SOLACE Good Governance framework that defines 'proper practices' for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement that makes those practices open and explicit.

- 1.2 The Police, Fire and Crime Commissioner approves a Code of Corporate Governance, 'The Code', setting out the corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2023/24 Code was subject to review by the Joint Audit Committee prior to approval by the Commissioner. It is the compliance with this Code by the Commissioner, together with an assessment of its effectiveness, which is reflected in the 2023/24 Annual Governance Statement.

- 1.3 The Chief Constable approves a Code of Corporate Governance, 'The Code', setting out the corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2023/24 Code was subject to review by the Joint Audit Committee prior to approval by the Chief Constable. It is the compliance with this Code by the Chief Constable, together with an assessment of its effectiveness, which is reflected in the 2023/24 Annual Governance Statement.

2. Governance Framework and Effectiveness

- 2.1 The annual review of the arrangements for governance and their effectiveness support the production of the Annual Governance Statement for the Police, Fire and Crime Commissioner. The review provides assurance on governance arrangements and the controls in place to achieve the organisational objectives. The review has been prepared by the Commissioner's Chief Executive, the Chief Finance Officer, the Constabulary Chief Finance Officer and OPFCC and Constabulary Senior Officers in accordance with the CIPFA delivering good governance in local government guidance note for Police 2016. The guidance supports the application of the CIPFA/SOLACE Good Governance Framework to Policing, recognising the specific structure and governance responsibilities arising from the 2011 Police Reform and Social Responsibility Act.
- 2.2 Within the OPFCC, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles as a benchmark of good practice as a when designing and monitoring governance. Those core principles and the arrangements that support them are set out in the 2023/24 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit Committee in May 2023. The development of the Annual Government Statement is an integral part of the review, setting out how the Code has been complied with over the course of the year. Where the review has identified areas where developments are planned or improvements can be made, the AGS sets out an action plan to deliver those changes. The statement also highlights areas where further assurance is gained, such as the work of internal audit and the reports of the external auditors. The Commissioner's Annual Governance Statement setting out the review of governance arrangements for 2023/24 and to the date of this meeting, is presented to the Joint Audit Committee for review, prior to being received by the Commissioner for final endorsement and publication alongside the Statement of Accounts.
- 2.3 Within the Constabulary, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. These have been used as a review checklist. The first stage of the process has been to ensure that the Chief Constable's Code of Corporate Governance adequately reflects all the requirements of the framework. The second stage of the process has been to ensure that the Governance Statement has evidence of the arrangements and practices in place to comply with the framework. Where the review has identified areas where developments are planned or it is identified that improvements can be made, the intended actions are outlined in the 'Areas for Further Development and Improvement' for each core principle.

The statement also highlights areas where further assurance is gained, such as the work of internal audit, the reports of the external auditors and the results of inspections carried out by His Majesty's Inspector of Constabularies, Fire and Rescue Services (HMICFRS). The Chief Constable's Governance Statement setting out the review of governance arrangements for 2023/24 and to the date of this meeting is presented to the Joint Audit Committee for review, prior to being received by the Chief Officer Group for final endorsement and publication alongside the Statement of Accounts.

- 2.4 Whilst the review of arrangements described above has been specific to the production of the Annual Governance Statement, this process is supported by wider reviews of the arrangements for governance that take place during the financial year. This includes cyclical review and updates to core elements of the governance framework. In addition, the Public Sector Internal Audit Standards and guidance from CIPFA in respect of Audit Committees forms the basis of further reviews of the overall arrangements for audit, with action plans being put in place where potential for improvement and development have been identified. This is supplemented by specific assessments on compliance by the Chief Finance Officer and Head of Internal Audit with the requirements of the CIPFA statement for these roles. The governance review is also supported by an annually developed comprehensive audit plan from internal and external audit and an opinion from the Head of Internal Audit on the arrangements for internal control and risk. Management assurances are obtained for all financial systems on an annual basis. These requirements, whilst challenging, have enabled an approach that has sought to ensure all arrangements take account of best practice, codes and guidance.

3. The Effectiveness of Internal Audit

- 3.1 A separate report reviewing the effectiveness of the arrangements for Audit is set out elsewhere on the agenda and includes a review of the effectiveness of the internal audit function and the effectiveness of the Joint Audit Committee. The report demonstrates the effectiveness of the arrangements for Audit against independent and objective criteria as a contribution to good governance. In doing so it concludes the process of providing the necessary assurances that the governance arrangements set out in the respective Codes of Corporate Governance are working as intended and are effective

4. The Code of Corporate Governance 2024/25

- 4.1 On an annual basis the respective Codes of Corporate Governance are reviewed and updated, setting out the framework for governance within the OPFCC and Constabulary. The 2024/25 Codes of Corporate Governance applies the standards set out in the Delivering Good Governance in Local Governance published by CIPFA in 2016, with particular reference to the guidance notes for policing bodies, which recognise the governance implications of the structural differences between policing and other areas of local government. The CIPFA good governance framework is the best practice standard for Public Sector governance. The 2016 governance framework is based on seven principles, as set out in the respective codes and has a much broader focus on delivering value for money, including outcomes and demonstrating effective performance, often working in partnership to achieve this in comparison with the previous code.

5. Recommendations

- 5.1 Members of the Joint Audit Committee are asked to:
- (i) Review the Codes of Corporate Governance 2024/25
 - (ii) Review the Annual Governance Statements 2023/24
 - (iii) Make any recommendations with regard to the respective Codes, Statements and arrangements for governance for consideration by the Commissioner and Chief Constable prior to publication alongside the financial statements
- 5.2 The Commissioner and Chief Constable are asked to:
- (i) Where applicable, consider the recommendations of the Joint Audit Committee, determining any actions and/or amendments to the respective Codes of Corporate Governance 2024/25 and Annual Governance Statements 2023/24.
 - (ii) Approve for signature, where applicable with amendments, the respective Annual Governance Statements for 2023/24 and to the date of this meeting, which will then accompany the respective Statements of Account for 2023/24.

6. Implications

(List and include views of all those consulted, whether they agree or disagree and why)

- 6.1 Financial – none identified
- 6.2 Risk - The Governance Statement and the underpinning reviews, including the Effectiveness of Internal Audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner discharges his respective responsibilities.
- 6.3 HR / Equality – none identified



Cumbria Office of the Police, Fire and Crime
Commissioner
Code of Corporate Governance 2024/25

Foreword

Welcome and thank you for taking the time to read the Police, Fire and Crime Commissioner for Cumbria's Code of Corporate Governance. I am pleased to introduce this Code, which sets out the Commissioner's commitment to continue to uphold the highest possible standards of good governance. This document clearly demonstrates the Commissioner's and the senior management team drive to ensure that this is in place. Good governance is about how the Commissioner will ensure that he is doing the right things, in the right way, for the communities he serves, in a timely, inclusive, open, honest and accountable way.

The Code provides clarity about how the Commissioner and Chief Constable will govern their organisations both jointly and separately, in accordance with their statutory responsibilities. It will do this by highlighting the key enablers for ensuring good governance. The Code sets out how the organisations will govern, using the seven good governance principles as the structure for setting out the statutory framework and local arrangements.

Robust governance enables the Commissioner to pursue his vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

Gill Shearer

Chief Executive and Monitoring Officer

Office of the Police, Fire and Crime Commissioner

Introduction

The Police Reform and Social Responsibility Act 2011 (PR&SRA) established Police and Crime Commissioners as elected officials with statutory functions and responsibilities for Policing and Crime within their area. Those responsibilities include: setting the strategic direction and objectives for policing and crime and disorder reduction in their area; maintaining the police force; and holding the Chief Constable to account. Police and Crime Commissioners also have wider responsibility for community safety, enhancing criminal justice and supporting victims.

The statutory and regulatory framework setting out the responsibilities, powers and duties of Police and Crime Commissioners is continually developing. The PR&SRA is supported by the Policing Protocol Order 2011, the Home Office Strategic Policing Requirement 2015 and the Home Office Financial Management Code of Practice 2018. The Anti-Social Behaviour, Crime and Policing Act 2014 has developed and conferred further powers in respect of the wider responsibilities of Police and Crime Commissioners. These powers have been extended through the Policing and Crime Act 2017.

The Police, Fire and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring that business is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Commissioner is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of his office.

In doing this, the Commissioner approves and adopts annually this Code of Corporate Governance, 'The Code'. The Code gives clarity to the way the Commissioner governs and sets out the frameworks that are in place to support the overall arrangements for the Cumbria Office of the Police, Fire and Crime Commissioner (COPFCC). The Code is based on the core principles of governance set out within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The Code is appended with a schematic that sets out diagrammatically all the key elements of the governance framework.

On an annual basis the Commissioner will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

The Code of Corporate Governance

This code of corporate governance sets out how the Police, Fire and Crime Commissioner will govern. It is based on the seven good governance core principles highlighted by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 and supported by the Nolan Principles of Public Life. This Code uses those principles of governance as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

The seven good governance principles are:

- ✦ Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- ✦ Principle B: Ensuring openness and comprehensive stakeholder engagement
- ✦ Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits
- ✦ Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- ✦ Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- ✦ Principle F: Managing risks and performance through robust internal control and strong public financial management
- ✦ Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

NOLAN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS: *Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.*

INTEGRITY: *Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.*

OBJECTIVITY: *In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.*

ACCOUNTABILITY: *Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.*

OPENNESS: *Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.*

HONESTY: *Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.*

LEADERSHIP: *Holders of public office should promote and support these principles by leadership and example.*

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Police and Crime Commissioners are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Ethics and Integrity

The arrangements for governance within the Office of the Police, Fire and Crime Commissioner are based on a culture of ethics, integrity and acting in the public interest. This is demonstrated and communicated through several policies and codes that set out the standards of conduct and personal behaviour expected in the Commissioner's office. Specifically:

- A Code of Conduct commits to the Nolan Principles of Public Life. The Code sets out Commitments with regard to how people will be treated, the use of resources, disclosure and conflicts of interest, disclosure of information and transparency.
- A Code of Ethics developed by the Association of Police and Crime Commissioners (APCC) has also been adopted by the Commissioner. It sets out how the Commissioner has agreed to

Business Code of Conduct: Staff shall:

Maintain the highest possible standards of probity in all commercial relationships;

Reject business practice which might reasonably be deemed improper and never use authority for personal gain;

Enhance the proficiency and stature of the organisation by acquiring and maintaining technical knowledge and the highest standards of behaviour;

Ensure the highest possible standards of professional competence, including technical and commercial knowledge;

Optimise the use of resources to provide the maximum benefit to the organisation.

abide by the seven standards of conduct recognised as the Nolan Principles.

INTEGRITY: *Holders of public office should not place themselves under any financial or other obligation to outside the individuals organisations that might seek to influence them in the performance of their official duties.*

This Ethical Framework allows transparency in all areas of work of the Police, Fire and Crime Commissioner. These principles encompass the Commissioner's work locally and whilst representing Cumbria in national forums. The principles are listed in the Code of Ethics with examples of how these are achieved.

★ The Commissioner's arrangements for anti-fraud and corruption make clear the duty everyone has with regard to their own conduct and those of others. The arrangements incorporate an anti-fraud and corruption policy and plan covering the culture expected within the organisation and provide contact information for confidential reporting (whistleblowing).

★ Anti-fraud and corruption procedures cover arrangements for integrity in respect of gifts and hospitality, completion of a register of interests, supplier contact and declarations of related party transactions. These ensure staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships. Staff are reminded on a monthly basis of the need to make declarations.

★ The Office of the Police, Fire and Crime Commissioner is responsible for investigating complaints about the Chief Constable, any appointed Deputy Commissioner, the Office of Cumbria Police, Fire and Crime Commissioner's own staff and Independent Custody Visitors. A formal process exists for dealing with complaints. The arrangements are clearly set out, including the role of the Police, Fire and Crime Panel, on the 'contact us' section within the Commissioner's website. The protocol for managing complaints is set out in the Commissioner's Complaints Policy and reinforces the commitment to upholding the highest ethical standards.

★ Complaints against the Police, Fire & Crime Commissioner are referred by the Commissioner's Monitoring Officer to Westmorland & Furness Council's Monitoring Officer on behalf of the Police, Fire and Crime Panel who investigates the

complaints and then seeks to either resolve them locally with the complainant or refers to the Independent Office of Police Conduct.

★ A Business Code of Conduct supports the Procurement Regulations, re-enforcing the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity.

★ Financial Regulations make arrangements for the proper administration of financial affairs. They also seek to reinforce the standards of conduct in public life, particularly the need for openness, accountability and integrity.

★ Grant regulations are based on a framework that provides minimum standards and terms and conditions for the grant award process that seek to ensure grants are awarded within the public interest.

★ The Commissioner and all staff are required to sign up to an anti-discrimination code that sets out values and standards with regard to the prevention of any kind of discrimination. They also adhere to a Staff Code of Conduct.

All policies and codes are reviewed on a cyclical basis to ensure they are operating effectively. Independent external assurance is provided through the work of an Ethics and Integrity Panel and Joint Audit Committee. The purpose of the Ethics and Integrity Panel is to promote and influence professional ethics in all aspects of policing and within both organisations. It provides scrutiny and review in respect of the arrangements for codes of conduct, integrity, and complaints. It also provides assurance to the public

that any issues or concerns are highlighted and monitored.

The Joint Audit Committee provides scrutiny and review in respect of the Commissioner's arrangements for anti-fraud and corruption, financial, procurement and grant regulations. Agendas and papers are available to the public on the Commissioner's website to aid transparency.

The leadership values for the organisation have been developed by our staff to support good governance and advocate high standards of integrity and ethical behaviour. They are set out in our Corporate Plan.

All staff within the OPFCC have been appointed following open and transparent appointment processes. Following appointment, staff commit to the various codes of conduct and ethical standards that are in place for the OPFCC. All staff also undertake a structured induction process arranged by the Governance Manager.

Respecting the Rule of Law

The Chief Executive is the Commissioner's Monitoring Officer with responsibility for ensuring that the Commissioner and staff of the Office of the Police, Fire and Crime Commissioner do not contravene any rule of law or engage in any activity that constitutes maladministration or injustice.

The responsibilities of the Chief Executive are codified within legislation, within the Commissioner's scheme of delegation and within the documents comprising the Commissioner's wider governance framework.

The Chief Executive is responsible to the Commissioner for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The Chief Executive is supported by an internal legal team and will instruct external legal advisers where there are significant legal complexities or legal risk. The office structure includes an arrangement for a designated Deputy Chief Executive and a post of a Deputy Monitoring Officer to ensure continuity in the delivery of this role in the absence of the Chief Executive.

Our Values

We are a single team with a culture of trust and confidence

We develop the capacity and capability of our office to be effective and recognise high performance

We have empowered staff who are high performing, professional and have high levels of satisfaction in their roles

We embrace and deliver change, achieve national recognition for what we do and are exemplars of best practice

We hold ourselves to account for what we deliver, measuring our outcomes, customer satisfaction and value for money, striving for continuous improvement

We promote our values and demonstrate the values of good governance through upholding high standards of conduct and behaviour

Principle B: Ensuring openness and comprehensive stakeholder engagement

Police, Fire and Crime Commissioners and their Offices are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders 2011, 2012, 2013 & 2021 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public and wider stakeholders. This includes information in respect of the Commissioner, his staff, income and expenditure, property, decisions, policies and the independent custody visiting scheme. The Commissioner's Monitoring Officer has overall responsibility for ensuring compliance with the Orders and Scheme.

To ensure transparency of decision making, decisions are recorded and published on the Commissioner's website for public scrutiny. The Police, Fire and Crime Panel may call in any decisions for further public scrutiny.

The Commissioner adopts rigorous standards in his decision-making and all decisions are taken solely in the public interest. This is achieved by adherence to a decision-making policy that sets out the parameters and the application of a set of principles that guide decision making. The approach within the policy adheres to the Good Governance

Standard for Public Services and the Good Administrative Practice 2.

Reports for decision are based on a template that ensures the consequences of any recommendations are clearly explained and that there is clear reasoning and evidence for decisions. This includes relevant financial, legal, human resources, equality, procurement, IT and risk management advice.

Decision Making Policy: Principles of Decision Making

Decision-making will be well informed

The decision-making process will be open and transparent

To have 'due regard' within the decision-making process

Be rigorous and transparent about how the decisions are taken

All decisions of significant public interest will be recorded and published

The PCC will uphold the highest standards of integrity and honesty when taking decisions, as set out in the Nolan Principles

Engaging Comprehensively with Institutional Stakeholders

The Police, Fire and Crime Plan recognises the importance of stakeholder engagement and collaborative working in developing and delivering priorities for the future direction of policing, crime reduction, and supporting victims. The process for development of the Plan includes consultation with the Police, Fire and Crime Panel, wider partners and the Constabulary.

Consultation processes support the development of objectives and outcomes prior to the formal approval and publication of the Plan on the Commissioner's website.

The Plan recognises that in preventing crime and supporting victims a commitment to collaborative working is needed from a range of organisations involved in policing, community safety and criminal justice. The Plan commits to utilising the existing partnership structures across the County to do this wherever possible. This enables the Commissioner and partners to build commitment to shared priorities and to exercise oversight of the delivery of shared outcomes.

As part of these arrangements the Commissioner has signed up to the Cumbria Compact, an agreement and set of principles that govern effective relationships between public and third sector organisations.

Grant agreements govern the funding arrangements with partners and the third sector and set out the purpose, objectives and shared outcomes which that funding is planned to deliver.

Joint boards, collaborative procurement and third sector partnerships are central

to the Commissioning Strategy that seeks to efficiently and effectively deliver the Police, Fire and Crime Plan. The underlying Commissioning Plan uses commissioning approaches and a grant framework that enable partners to determine interventions that will be appropriate and effective in delivering outcomes.

Engaging Stakeholders Effectively including Citizens and Service Users

A Public Engagement Strategy sets out how the Commissioner will make arrangements for obtaining the views of the community on policing, and for obtaining the views of victims of crime.

The strategy aims to ensure clear channels of communication are in place with all sections of the community and other stakeholders. As part of the Public Engagement Strategy, the Commissioner undertakes formal consultation with the public, partners and other stakeholders in respect of the Police, Fire and Crime Plan and the budget.

The OPFCC is instrumental in giving the people of Cumbria the ability to communicate with the Commissioner and plays a key role in ensuring public opinion can influence the Commissioner's decision making. The Office ensures a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria.

The office plays a critical role in ensuring that two-way communication with communities take place and that the Commissioner is publicly available to speak to communities and individuals.

The OPFCC has responsibility for keeping people informed, ensuring that activities and decisions are transparent and that effective, transparent and accessible arrangements are in place for providing feedback. This includes the statutory requirement of producing and publishing an Annual Report setting out what has been achieved in a 12-month period.

The OPFCC also supports the Commissioner around public affairs, if necessary, highlighting the impacts on policing and people in Cumbria.

A complaints process and quality of service procedure provides clarity over the arrangements to respond to the breadth of concerns raised by local people. If trends are identified these are used to improve customer service from the Constabulary and influence the decisions of the Police, Fire and Crime Commissioner.

Decision Making Policy: Principles of Decision Making

Decision-making will be well informed

The decision-making process will be open and transparent

To have 'due regard' within the decision-making process

Be rigorous and transparent about how the decisions are taken

All decisions of significant public interest will be recorded and published

The PCC will uphold the highest standards of integrity and honesty when taking decisions, as set out in the Nolan Principles

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of the Police, Fire and Crime Commissioners' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Defining Outcomes

The Police Reform and Social Responsibility Act (PRSR) 2011 and the Policing Protocol Order set out the purpose of the Police and Crime Commissioner, conferring statutory duties and responsibilities. These include the requirement to issue a Police, Fire and Crime Plan. The Plan sets out the vision and strategic direction for policing and reducing crime for the local area. It outlines police and crime objectives, priorities and outcomes for policing and victims that the Commissioner will focus on in carrying out his purpose.

An Accountability Framework has been set to support the objectives within the Police, Fire and Crime Plan. This incorporates a system of reporting against objectives within the Police, Fire and Crime Plan and national Crime and Policing measures which is embedded within a robust accountability and governance structure. The performance framework and HMICFRS inspection and value for money reports support the Commissioner in holding the Chief Constable to account for the performance of the force and its efficiency and effectiveness.

The Commissioner's Police, Fire and Crime Plan can be found on our website at: www.cumbria-pcc.gov.uk

The Police, Fire and Crime Plan is developed alongside a Medium-Term Financial Strategy that ensures funding is aligned to the resources needed to deliver priorities and outcomes. The forecast supports the Commissioner in setting a robust budget and in his purpose of maintaining the force for the Cumbria police area.

A Commissioning Strategy and framework supports the delivery of the Commissioner's wider duties and responsibilities and the objectives and outcomes within the Police, Fire and Crime Plan. The strategy sets out how the Commissioner will work with partners, including community and voluntary sector groups, to deliver activity and interventions that will support victims, improve community safety, reduce crime and enhance criminal justice. The strategy is underpinned by a commissioned services budget and grants programme.

Sustainable economic, social and environmental benefits

A process is in place to support policy and strategy development. Oversight of the central policy record, including compliance with procedure and equality impact assessments, is managed by the Executive Team. This ensures that the sustainability of policies and strategies and the wider benefits and interrelationships across the business are fully understood.

When developing strategies, policies or business plans the Office of the Police, Fire and Crime Commissioner will undertake an impact assessment on such documents prior to their development. The outcomes of these assessments will inform development work and be taken into consideration when policies and strategies are approved. In this way, our policies and strategies provide a framework to support decision making.

The process for making decisions, particularly those that involve expenditure, includes an assessment of the longer-term impact of proposals to ensure sustainability. Decisions on human resource planning, the most significant factor influencing the delivery of sustainable economic, social and environmental benefits, take account of the longer-term financial outlook alongside projections of future turnover. This enables workforce planning and recruitment in a way that supports the economic management of training and supervision requirements and maximises the benefits to the business.

All decision reports include a section which allows the author to identify any equality issues. These will be taken into account by the Commissioner when considering the decision.

To manage risk and ensure transparency of interests in decision making, the Commissioner and officers are required to make declarations where there are or may be perceived to be conflicts of interest. The role of the Monitoring Officer and the Commissioner's Oath of Office further supports decisions being made in the wider interest of the people of Cumbria, rather than representing any particular political interests.

The Police, Fire and Crime Plan and the policy and strategy documents that support it are developed to cover a four-year rolling timeframe and take into account feedback from public consultation and engagement.

All of these documents and the outcomes from consultation are published and are publicly available on the Commissioner's website.

Information is published in a variety of mediums. The OPFCC website has the functionality to assist in the access to information held. The OPFCC would look to assist with translation of information or send information to a third party who can assist them. The COPFCC website has the ability to translate into the main languages.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Police, Fire and Crime Commissioners achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice and Commissioners have to make sure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes are optimised

Determining Interventions

The Commissioner sets the strategic direction for Policing and wider interventions within the Police, Fire and Crime Plan. The Commissioner's decision-making policy adopts a set of principles to ensure all decision making is well informed, that options are rigorously considered and information is provided on potential risks.

The Constabulary is the primary provider of policing services and the recipient of the substantial proportion of funding from the Commissioner to deliver the Police, Fire and Crime Plan. Achieving best value through the delivery of an effective policing strategy is a condition of the arrangements for funding between the Commissioner and the Constabulary.

Decisions are made annually on the level of resources and how they should be directed as part of the Commissioner's budget setting process.

The performance, outcomes and costs of the Constabulary are monitored through a framework that includes external comparators (HMICFRS Value for Money Profiles), Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an annual Value for Money Report from the External Auditors. Recommendations from PEEL inspections are used to review decisions in year on resources and determine whether intervention are needed to respond to inspection findings.

Grant and Procurement Regulations set out a framework for commissioning and procurement activity that supports the achievement of best value and practical interventions to support Police, Fire and Crime Plan outcomes within wider commissioned services. A review of value for money arrangements is reported annually to the Joint Audit Committee, focused on the Constabulary's activities. This provides external oversight of staffing and wider financial resources committed to fulfilling legal and regulatory requirements of the service.

Medium Term Financial Strategy Objectives

To deliver a robust and balanced medium term financial plan and annual budget supported by an in-year reporting framework that monitors its delivery

To ensure arrangements for funding between the Commissioner and Constabulary deliver value for money and support the priorities of the Police and Crime Plan

To ensure capital expenditure plans are robustly scrutinised, fully funded for a minimum of four years and are supported by capital strategies that meet the needs of the business

To maintain a risk assessed level or reserves to meet unplanned expenditure and to provide revenue budget smoothing for intermittent costs

To ensure treasury management activities provide for the security of the Commissioner's funds whilst meeting the case management needs of the Commissioner and Constabulary

To provide a framework for financial governance that ensures the proper administration of the Commissioner's financial affairs

contract management arrangements are in place to monitor and review service quality.

The Medium-Term Financial Strategy sets out the financial plans for revenue and capital expenditure. An annual funding arrangement for the Chief Constable codifies the amounts and conditions of funding based on a financial proposal from the Constabulary. It sets out how the budget will be monitored including financial information and reporting requirements. Financial reporting provides a control to assess the extent to which planning assumptions for the budget have been matched by actual activity and expenditure in year. Further controls over the management of income and expenditure are detailed in the Commissioner's financial regulations. Key financial performance indicators for example prudential indicators, are set as part of the budget process, and monitored on a quarterly basis to ensure they are being met.

The Medium-Term Financial Strategy sets out revenue forecasts of income and expenditure and the key financial assumptions and policies on which the forecasts are based. This supports a strategic approach to operational planning, savings requirements and decision making in support of the objectives within the Police, Fire and Crime Plan. It also ensures that the financial liabilities, risks and the level of provision and reserves within the budget are fully understood. The budget includes a 10-year capital programme aligned to plans for ICT, the estate and fleet, ensuring resources are balanced in the medium and longer term to meet the requirements of the business.

Financial, operational and commissioning plans are developed taking into account the feedback from

Planning Interventions

A Commissioning Strategy and joint Procurement Regulations set out how services will be planned, procured and delivered. **This will be reviewed during 2024 to include guidance from the new Procurement Act 2023.** The Safer Cumbria Partnership provides a flexible and supportive mechanism through which services can be developed and delivered with shared risk. Grant and

the public and wider stakeholders. The Engagement Strategy sets out how the Commissioner will engage with a wide range of people and partners encompassing and including diversity within the County. The Commissioner in his role of consulting with the public uses the guiding principles of we asked, you said, we did as many engagement activities personally involve the Commissioner. To formally support the role of two-way engagement a six-monthly paper is presented to the Commissioner outlining trends from the various forms of engagement and this information is used as an integral part in the process of any key decisions. Further communication tools are used to ensure target audiences are kept up to date of developments and key decisions for the Commissioner.

Optimising Achievement of Intended Outcomes

The Medium-Term Financial Forecast integrates the budget and funding arrangements for the Constabulary with the Commissioner's directly managed budgets. The totality of estimated funding forms the basis for considerations regarding the trade-off between resources for commissioning and resources for policing to optimise outcomes within the Police, Fire and Crime Plan. Strategic priorities within the Plan support decision making on the respective policing and commissioning strategies. This determines for example, the number of police officers, the balance between people resources verses equipment and the balance between supporting victim's verses crime prevention activity.

The budget process is based on a proposal from the Constabulary. It takes a zero-based approach, working closely with the business to forecast

operational requirements over 5 years for revenue expenditure and 10 years for capital expenditure. This includes a series of 'star chambers' providing Chief Officers with the forum through which budget holders can be challenged. Through the budget process targets and plans are developed for savings and consideration is given to growth bids to resource new and changing requirements.

The Medium-Term Financial Strategy includes information on national financial settlements for policing and what is known about settlements in future years. It also sets out the key financial risks that could impact on funding and expenditure nationally and locally. Sensitivity analysis provides information on the potential impact of changes to assumptions. Collectively this supports decisions on resources, services, performance and outcomes and ensures the business has a robust understanding of risks to the affordability of future plans. The Strategy incorporates information on plans for savings and the impact of funding changes for the number of police officers, PCSO's and police staff. This supports an on-going dialogue and monitoring between the Commissioner and Constabulary in respect of the necessary business change and its impact on outcomes and performance.

Through our Commissioning Strategy we engage and consult with partner and provider agencies on support and service provision gaps, this ensures that commissioning objectives and outcomes align with the needs of the local community as well as creating an opportunity for providers to innovate. Commissioning to local based providers ensures the economic, social and environmental well-being of the wider Community. Awarding of Contracts or Grant Agreements are based on the

social outcomes and measures which meet local priorities and needs as opposed to financial gains and benefits.

on the APACCE model to ensure the right skills, experience and qualifications for the role.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Police, Fire and Crime Commissioners need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Commissioners must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Both the individuals involved and the environment in which Commissioners operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities.

Developing the entity's capacity

Legislation provides that the Commissioner must appoint a Chief Executive and a Chief Finance Officer (statutory officers). The Chief Executive is the Commissioner's Head of Staff with responsibility for overall management of the Commissioner's office. The Chief Finance Officer (CFO) operates on a shared basis acting as CFO for both the Commissioner and Cumbria Commissioner Fire and Rescue Authority. Both the Chief Executive and Chief Finance Officer have statutory responsibilities with regards to determining the requirements in respect of staffing resources.

The Chief Executive is a member of the Association of Police and Crime Chief Executives (APACCE) and operates within the APACCE statement on the role of the Chief Executive and Monitoring Officers for Police and Crime Commissioners. The Chief Executive's job profile is based

The role and functions of the Chief Finance Officer to support the Commissioner's mandate is set out within the Home Office Financial Management Code of Practice and by the Chartered Institute of Public Finance and Accountancy (CIPFA), the CIPFA statement. The job profile for this role is based on the CIPFA Statement. Compliance with the statement is self-assessed on an annual basis and reviewed by the Joint Audit Committee. Professional body subscriptions ensure the Chief Finance Officer has access to up-to-date Codes of Practice, guidance and professional standards.

The structure and arrangements for staffing ensures the Chief Executive has management of overall staffing as Head of Paid Service with responsibility for effective succession planning and resilience on matters of business within a small team.

A framework for the development and review of the corporate plan and underlying business plans ensures action plans and performance targets are delivered to support continuous improvement.

The costs of the Constabulary are benchmarked annually with reports presented for scrutiny to the Joint Audit Committee. Comparisons to most similar group policing areas are used to inform the budget savings programme and reduce costs.

Procurement regulations are developed jointly with the Constabulary and supported by a procurement strategy. The regulations incorporate procurement policy and procedures that aim to support the understanding and skills of all staff engaged in the procurement process. The procurement strategy sets out how the function will develop to deliver best value from procurement activity. The procurement regulations are supported by a set of grant regulations governing commissioning activity through a grant-based process.

Developing the entity's leadership

The key functions and roles of the Commissioner, the Chief Executive/Monitoring Office and Chief Finance Officer are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). These functions and roles define the responsibilities for leadership and are codified in the Commissioner's Scheme of Delegation and wider documents within the Corporate Governance Framework.

The Chief Executive is the Commissioner's lead advisor. Key responsibilities include working with the Commissioner to enable delivery

Key functions and role of the Commissioner

Sets strategic direction & objectives of the force, issues the Police and Crime Plan (the Plan) & an annual report

Holds the Chief Constable to account for the exercise of his/her functions and force performance; Monitors complaints.

Receives all funding, decides the budget and precept; allocates funding to maintain and efficient and effective police force

Provides the link between the police and communities; publishes information on Commissioner and force performance

against his vision, strategy and identified priorities and facilitating the accurate and appropriate scrutiny of the Constabulary's activities. They are also the Commissioner's statutory Monitoring Officer, providing support to ensure the Commissioner's functions are carried out and has specific legal, financial and governance duties in addition to those which derive from statutory responsibilities. The Chief Executive operates in accordance with professional standards and the legislative and fiduciary responsibilities of the statutory office.

The Chief Finance Officer is the lead financial advisor to the Commissioner and has statutory responsibility to ensure that the financial affairs of the Commissioner are properly administered. The CFO provides all financial advice, provides a statutory report on the robustness of the budget

and ensures systems of internal financial control are effective.

The Commissioner's Scheme of Delegation is part of a wider governance framework that further details specific decision making and wider responsibilities of key officers in relation to areas of governance and ensure all staff have a shared understanding of the roles, responsibilities and decision-making authority within the Commissioner's Office. All governance documents are regularly reviewed and updated as roles develop to respond to changing legislation, regulations and other new requirements.

A member/officer protocol further sets out the roles of political office holders (the Commissioner) and non-political office holders (staff employees) to provide clarification on respective responsibilities and expectations around how relationships are anticipated to work. This is supported by arrangements for the declaration of interests to ensure the Commissioner, members and staff are free from relationships that would materially interfere with decisions making and their roles.

Members of the Joint Audit Committee are recruited for their specific skills and experience to fulfil the role of the Committee. Role profiles include a person specification that requires applicants to demonstrate a sound understanding and relevant professional experience. The Committee has clear terms of reference and membership that is consistent with the requirements of the Home Office Financial Management Code of Practice, and CIPFA guidance. Development sessions, access to relevant publications and CIPFA/Grant Thornton external workshops support members continued development.

Members of the Ethics and Integrity Panel are recruited for their specific experience and skills to fulfil the role of the Panel. Applicants are required to demonstrate how they meet the criteria within the role profile, provide their knowledge, skills and life experiences to enable the Panel to achieve scrutiny against its terms of reference and annual work programme.

The Cumbria ICV Scheme comprises of four panels of volunteer Custody Visitors. Every new volunteer is required to undertake induction training, followed by an accompanied observation visit; thereafter, new visitors are trained "on the job" by attending visits in the company of a more experienced colleague for the first six months. On-going ICV training is provided at the regular panel meetings and annual local and regional conferences.

In 2016 the OPFCC became a member of the Independent Custody Visitors Association (ICVA) to which it pays an annual subscription. ICVA is a Home Office funded organisation set up to promote and support the effective provision of custody visiting nationally. ICVA works closely with government and criminal justice organisations providing advice on best practice for independent custody visiting schemes nationally; training; and publicity to Police and Crime Commissioners and custody visitors.

The Police, Fire and Crime Commissioner subscribes as a member of the Association of Police and Crime Commissioners (APCC). The APCC delivers daily written briefings received by the Commissioner and office staff, covering press and parliamentary reporting on those areas within the Commissioner's responsibilities to ensure the Office is kept updated on

current developments. They also subscribe to the Association of Police and Crime Commissioner Chief Executives (APACCE). They provide professional support and development to its members taking a leading role nationally and working closely with the Home Office, APCC and the National Association of Police Chief Constables (NPCC).

The APCC and APACCE deliver national events to ensure Commissioners and their Chief Executives remain informed and have the opportunity to discuss significant issues and develop collective approaches. There are also bi-monthly regional meetings of Chief Executives and quarterly regional meetings of Commissioners and Chief Executives. The Chief Executive/Monitoring Officer leads for the Commissioner on ensuring that appropriate policies and procedures are adopted and followed to ensure the COPFCC complies with relevant statutes and regulations and has the capacity to deliver across these requirements.

The CFO subscribes to the Police and Crime Commissioners' Treasurers' Society (PaCCTS, supporting continuous development and ensuring the CFO maintains a breadth of understanding on policing finance. Further capacity and expertise is commissioned to support specialist services for treasury management, taxation and insurance brokerage.

Arrangements for staff performance development reviews, provide the opportunity to discuss and review individual performance and training and development needs.

Developing the capability of individuals within the entity

The Commissioner has adopted a number of joint HR policies with the Constabulary in addition to operating within a suite of COPFCC specific policies that provide a framework for all issues related to employee management, terms and conditions. This includes policies on how staff and staff associations will be engaged in any change processes. There is a general principle for on-going consultation and engagement during any areas of business change, creating an environment where staff can perform well and where ideas and suggestions are welcomed.

Personnel policies aim to promote a motivated and competent workforce whilst supporting the health and well-being of staff. They include arrangements for work-life balance through a scheme of flexible working and facilitate access to wider benefits e.g. special leave at times of specific personal need.

Business is carried out supported by policies and procedures that support the full range of human resource management responsibilities and all policies are subject to cyclical review in accordance with the Commissioner's policy framework. This supports continuous improvement, ensuring updated guidance is available for staff on how to carry out their roles and the wider responsibilities they should take into account.

All OPFCC staff have clearly defined role descriptions and reporting lines based on the roles and the functions for which they are accountable, to ensure service delivery responsibilities are clear and can be monitored. Individual capabilities, performance and development requirements are

assessed annually through a review process to agree the support, training and development staff need to carry out their duties and responsibilities.

Professional staff undertake continued professional development in line with the requirements of their professional bodies. The budget setting process provides for training and development budgets to support mandatory and discretionary training and development requirements.

Principle F: Managing risks and performance through robust internal control and strong public financial management

Police and Crime Commissioners need to ensure that the entities and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Commissioner's Risk Management Strategy sets out the overall arrangements for managing risk including the arrangements for holding to account the Chief Constable in respect of those risks that fall within his functions. The Strategy establishes how risk is embedded throughout the various elements of corporate governance of the COPFCC, whether operating solely or jointly with the Constabulary. The Strategy incorporates a clear framework of objectives, designates roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks, and supporting decision making in respect of mitigating action.

The strategy and risk registers are regularly reviewed to ensure a clear alignment between risk management activity and the organisation's objectives. Reporting formats ensure arrangements are dynamic and support the early identification of strategic and operational risks. Identified risks are logged on a risk register with clear ownership and are reviewed cyclically based on a score that denotes the

severity and impact of the risk should it occur. Every project run by the COPFCC has a separate risk register. All decision and report forms include a section for the author to complete in which to identify any risks or potential risks. To ensure effective ownership and monitoring of risks, the Office of the Police, Fire and Crime Commissioner provides risk management training to all staff.

The arrangements for risk management are subject to on-going monitoring and review to ensure their continued effectiveness. This comprises review by internal audit and review by the Joint Audit Committee. The strategic risk register is presented to the Committee on a four monthly basis. The Committee also receives a report from the Chief Executive annually reporting on the effectiveness of arrangements for managing risk. Updates to the Risk Strategy are provided on a 3-year cyclical basis.

Managing performance

The Commissioner holds Public Accountability Conferences, which facilitate the arrangements for monitoring service delivery and holding the Chief Constable and Chief Fire Officer to account. This is supported by

regular one to one briefings between the Commissioner, Chief Constable and Chief Fire Officer at a senior officer level Executive Board. Senior Officers within the OPFCC attend strategic Constabulary and Fire meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

The Police, Fire and Crime Panel is the statutory body that provides the public accountability checks and balances in relation to the performance of the Commissioner and scrutiny of any decision made. The Panel receives cyclical information and reports on service delivery plans and progress towards outcomes. The Panel is consulted on the development of the Police, Fire and Crime Plan and budget, with a power of veto over the Commissioner's precept. The panel receives an Annual Report setting out what has been achieved in respect of delivery of the Police, Fire and Crime Plan objectives, and a financial outturn report comparing actual expenditure against the budget and including summary financial statements.

***Police, Fire and Crime Panel
Functions***

Functions include reviewing the draft police and crime plan, public scrutiny of the annual report and the power to veto over the level of the Commissioner's proposed precept

Robust internal control

The Commissioner is responsible for reviewing the effectiveness of his governance framework including the system of internal control. This work is informed by the work of Chief Officers

and Senior Managers who undertake an overarching review of key controls and governance arrangements in support of the key principles in this Code.

Senior Managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. This is further supported by an annual fraud risk assessment completed by the Chief Finance Officer and reviewed by the external auditors. Arrangements for anti-fraud and corruption are subject to cyclical internal audit review.

An independent internal audit service is commissioned through TIAA Ltd. Internal audit develops and delivers a risk based annual audit plan of work that reviews internal controls. This supports an annual opinion from the Chief Internal Auditor on the overall adequacy and effectiveness of the framework of governance, risk management and control.

An independent Joint Audit Committee assures cyclical internal reviews of key governance documents (e.g. financial regulations, arrangements for anti-fraud and corruption and the risk management strategy) at its November meeting and receives annual reports reviewing the effectiveness of arrangements for risk, governance and internal control in June and September. The Joint Audit Committee receive a copy of all internal and external audit reports, can table reports for discussion and monitor the implementation of audit recommendations. The Committee undertakes an annual self-assessment to ensure on-going compliance with the CIPFA framework for Police Audit Committees.

Managing Data

The Office of the Police, Fire and

Crime Commissioner operates within the parameters of legislation, such as the Data Protection Act. It ensures that all data, including personal data, is appropriately stored and shared where necessary.

Data is held in accordance with the COPFCC Retention Schedule, removed or destroyed appropriately and access to information is restricted where appropriate to relevant members of staff. Data will not be held for longer than is necessary. Appropriate security measures are taken for both electronic and physical data. All staff are aware of their responsibilities when handling and storing both electronic and physical data and the need to comply with General Data Protection Regulations.

The OPFCC has a Joint Data Protection Officer with Cumbria Constabulary who provides expert advice and support.

Strong public financial management

Arrangements for financial management support for the Commissioner in achieving outcomes and delivering strong operational and financial performance by ensuring that resources are used in accordance with approved plans for service delivery and investment.

The arrangements for financial management are codified within a suite of financial governance documents and comply with the relevant CIPFA Codes of Practice and guidance.

Financial management controls ensure expenditure is only committed in accordance with the approved

budget and the purpose for which approvals have been given. Financial monitoring supports the early identification of variances between actual expenditure and income, supporting timely decision making on remedial action.

A funding arrangement between the Commissioner and Constabulary sets out the consents and arrangements for financial management between the Commissioner and Chief Constable. This ensures funding within the Constabulary is directed toward the achievement of the Policing Strategy and priority outcomes within the Police, Fire and Crime Plan.

Financial regulations set out the role and responsibilities of Chief Officers and senior staff for financial management and governance. They include financial management standards to be adhered to by all staff across the organisation and the wider framework of controls including the arrangements for the statement of accounts.

Financial risks and mitigations are set out within the Medium-Term Financial Strategy and are managed within the Commissioner's overall framework for managing risk. The Chief Finance Officer takes ownership of all financial risks and reports to the Joint Audit Committee on the management of strategic financial risks. Arrangements for financial management are cyclically reviewed by the internal auditors for assurance and form part of the arrangements reviewed by the external auditors in forming their conclusions on the financial statements and value for money.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

The Commissioner's annual report is the primary communication through which the public can access and understand the performance and activities of the Commissioner and his Office. Design work for the report is commissioned from external media and communication professionals which alongside the written style aims to support transparency and public accessibility of the report.

All public documents are published on the COPFCC website and are available in accessible formats. Further options can be offered on request. The intention is to ensure that all documents are written in such a way as to make them accessible to readers that may not have a detailed knowledge of the subject matter, though with some complex issues this is not always possible. The publication of key documents, such as the Police, Fire and Crime Plan, is supported by a media release to raise awareness of the document and its purpose.

Arrangements for financial reporting aim to ensure the accessibility of financial information for readers and users of financial reports. On complex matters accessible summary statement. The financial of communication, for example consultation on budget, precept and

services, professional support has been procedure to ensure a robust public understanding of complex issues.

Implementing good practices in reporting

The Office publishes an annual report, scrutinised by the Police, Fire and Crime Panel, to communicate the Commissioner's activities, achievements and performance and that of the Chief Constable and the force. The annual report presents the performance outcomes achieved against an agreed framework of targets and measures.

The Commissioner is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting. Compliance with the Code of Practice ensures the comparability of financial information within the statements with other similar entities and their publication in accordance with statutory timeframes. The financial statements include a comprehensive income and expenditure statement, which is aligned to in year financial reporting and monitoring. A narrative statement by the Chief Finance Officer sets out the overall financial and business performance for the year within an accessible summary statement. The

financial statements include the external auditors report setting out the overall opinion. A separate annual report details the external auditor's conclusions on the Commissioner's arrangements for value for money.

The Commissioner's overall arrangements for governance are reviewed annually against this Code of Corporate Governance with a report made on how it has been complied with. This 'Annual Governance Statement (AGS)' is subject to review by the Joint Audit Committee. The AGS includes an action plan setting out the work that will be undertaken over the following year to support continuous improvement in line with the principles of this Code and the CIPFA good governance framework.

The Commissioner and the Joint Audit Committee receive annually a report reviewing the governance arrangements for internal audit against the requirements of the Public Sector Internal Audit Standard (PSIAS).

Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police Fire and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary, to report key matters arising from audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief and Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

The audit findings report is published in the financial statements and presented

to the Commissioner and Joint Audit Committee for review. The Joint Audit Committee monitors the implementation of recommendations arising from the audit and have the expertise to challenge the external audit approach, supporting assurance of its effectiveness. Further accountability is provided through the arrangements for internal audit. Internal audit is delivered through a contract with TIAA Ltd and in accordance with an Internal Audit Charter that ensures compliance with the PSIAS. An annual review of the effectiveness of the internal audit service, including the arrangements for the Joint Audit Committee, is undertaken annually by the Chief Finance Officer against CIPFA best practice standards. The report is published on the Commissioner's website to support assurances on internal control.

The arrangements for accountability further incorporate challenge, reviews and inspections from HMICFRS. Whilst these are primarily aimed at Constabulary performance, elements of specific reviews include jointly delivered activities and specifically commissioned reports that cover governance across both organisations. Recommendations are reported to and monitored by the Commissioner and Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on some specific areas of activity, such as complaint handling, custody detention, misconduct and ethical issues. The Panel has carried out a series of thematic inspections into specific areas of Constabulary activity. They are able to look objectively at these areas and provide valuable independent scrutiny and feedback to the Constabulary on their findings.

The arrangements in this document set out our framework for governance in accordance with CIPFA's Good Governance Principles and guidance. Annex A to this Code sets out our governance schematic, summarising the arrangements we have in place internally and sources of external guidance and support. Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.

We welcome your views on the Commissioner's Code of Corporate Governance.

You can do this by using the contact information below:

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The Chief Constable for Cumbria Constabulary

Code of Corporate Governance 2024/25

Introduction

The statutory responsibilities of the Chief Constable ‘to maintain the King’s Peace’ are outlined in various Police Acts. The Police Reform and Social Responsibility Act 2011 (PR&SRA), which introduced Police and Crime Commissioners, re-enforced the operational independence of the Chief Constable and clarified their role in supporting the delivery of the Commissioner’s Police and Crime Plan.

The PR&SRA also established the Chief Constable of Cumbria Constabulary (the Constabulary) as a separate corporate sole. Accordingly, the Chief Constable is responsible for ensuring that business of the Constabulary is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of their office.

In doing this, the Chief Constable approves and adopts annually this Code of Corporate Governance, ‘The Code’. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks that are in place to support the overall arrangements for Cumbria Constabulary. The Code is based on the core principles of governance set out within the CIPFA/SOLACE good governance standard for public services which has ‘proper practices’ status.

On an annual basis the Chief Constable will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

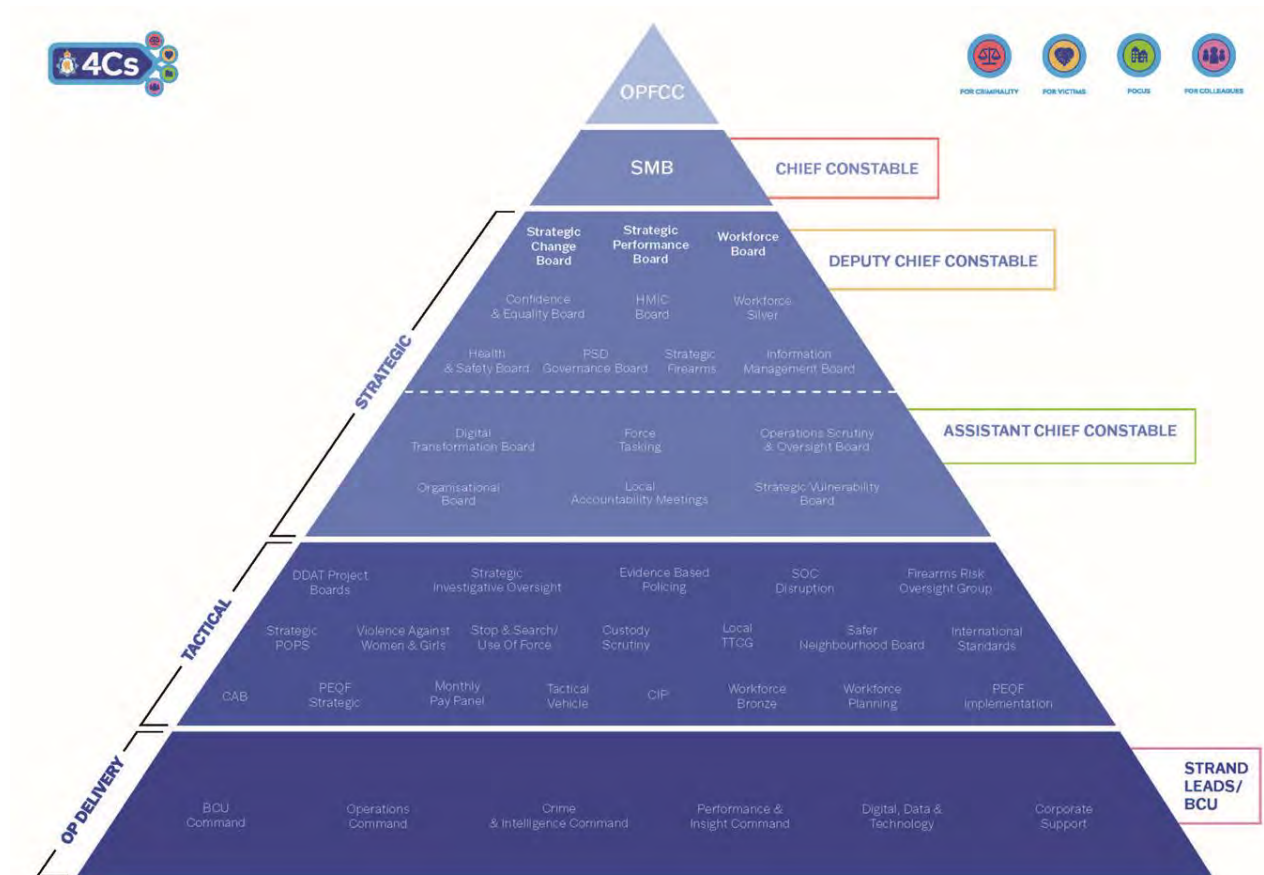
The Code of Corporate Governance

This code of corporate governance sets out how the Chief Constable will govern. It is based on the seven good governance principles highlighted by the good governance standards for public service. This code uses those principles as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

Seven Good Governance Principles		
A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.	Pages 4-6
B	Ensuring openness and comprehensive stakeholder engagement.	Pages 7-9
C	Defining outcomes in terms of sustainable, economic, social and environmental benefits.	Pages 10-12
D	Determining the interventions necessary to optimise the achievement of intended outcomes.	Pages 13-16
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it.	Pages 17-21
F	Managing risks and performance through robust internal control and strong public financial management.	Pages 22-27
G	Implementing good practices in transparency, reporting and audit to deliver effective accountability.	Pages 28-29

Corporate Governance Arrangements

The following diagrams depict the Constabulary's Governance Structure through which the Chief Constable discharges their duties and ensures delivery against the seven principles above.



The Chief Constable drives the strategy of the Force through effective governance arrangements for both operational and organisational priorities. All meetings are clearly defined within a terms of reference and exceptions and final decisions are highlighted to the Chief Constable directly through the Strategic Management Board .

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

Chief Constables are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Ethics and Integrity

The Chief Constable and Chief Officer Group recognise that to operate legitimately it is essential that the Constabulary is able to demonstrate the highest standards of integrity in all its activities.

Officers and staff employed by the Constabulary are expected to adhere to the highest standards of conduct and personal behaviour. The requirements of officers are set out in the Police (Conduct) Regulations. The requirements of Police staff are set out in the Police Staff Council Standards of Professional Behaviour document.

The Constabulary has adopted and provided training on the Code of Ethics produced by the College of Policing and all officers and staff are required to abide by its provisions.

The Constabulary has an Anti-fraud and Corruption Policy and Procedures, which set out clear definitions of fraud and corruption. The policy embodies the values of the Code of Ethics based on the 7 Nolan Principles for Public Life and makes clear the duty of everyone with regard to their own actions and conduct and those of others to protect the organisation against fraudulent and corrupt acts. The procedure includes guidance for integrity in respect of gifts and hospitality, completion of a register of interests and declarations of related party transactions. These ensure that staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships.

Ethics and integrity issues are specifically covered in the Constabulary's Performance Development Review process (PDR) , in which all officers and staff are required to participate.

The Home Office Financial Management Code of Practice requires the Chief Constable to ensure that governance principles are embedded within the way the organisation operates. This is achieved through the Chief Constable's arrangements for corporate governance, which embody the principles of openness, accountability and integrity in the conduct of the Constabulary's business

The Joint Financial Regulations set out the internal framework and procedures for financial regulation and administration. They set out the arrangements for the proper administration of financial affairs ensuring these are conducted properly and in compliance with all necessary requirements. They also seek to re-enforce the standards of conduct in public life, particularly the need for openness, accountability and integrity. The Financial Regulations also re-enforce the anti-fraud and corruption policy, covering the culture expected within the organisation, responsibilities and measures in place to prevent fraud and corruption and how it will be detected and investigated.

The Joint Procurement Regulations, re-enforce the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity and interactions with commercial suppliers. They provide a guide to staff and suppliers in respect of the principles that will be followed in the conduct of business and the processes we expect staff to comply with when buying goods and services. Provisions within the tendering process re-enforce the requirement for suppliers to act in an ethical manner.

The Constabulary maintains arrangements for confidential reporting (whistleblowing) and guidance for managers with regard to how any reporting will be responded to. These are contained in the Anti-Fraud and Corruption Policy, which is supported by a regularly publicised internal and external confidential phone line and e-mail reporting system on which individuals can leave anonymous information. The Constabulary also subscribes to and publicises 'Public Concern at Work' (PCaW), an independent authority on public interest whistleblowing to allow employees the facility to report externally to the Constabulary if required.

The Police, Fire and Crime Commissioner and Chief Constable have established an Ethics and Integrity Panel to ensure that arrangements for integrity, standards, conduct and behaviour are subject to independent external scrutiny. As part of its role the Panel reviews performance across agreed indicators of integrity, including public complaints. The Panel's findings are reported annually to the Commissioner's Public Accountability Conference to ensure good practice is recognised and encouraged, while any potential areas requiring improvement can be identified and dealt with accordingly to enhance performance.

The Joint Audit Committee operates within Standing Orders for the regulation of its business. The orders include expectations in respect of the conduct of members and how any conflicts of interest should be managed. Members of the Committee are independent and will scrutinise and monitor the operation and effectiveness of the arrangements for governance, including arrangements for anti-fraud and corruption.

Respecting the Rule of Law

The Chief Constable recognises that in fulfilling their duty to 'Maintain the King's Peace' it is essential that the Constabulary as an organisation is able to demonstrate respect for the law.

The Chief Constable is committed to operating an environment where open debate and transparent governance is the norm, allowing senior officers to carry out their responsibilities in delivering the Constabulary's objectives.

The Director of Legal Services, who is a qualified solicitor, provides advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

As part of their training police officers receive specific training on the law and its applicability to policing services.

The Constabulary has a Standards, Insight and Performance Command, which includes a Professional Standards function (PSD), whose role is to promote proper standards of conduct and monitor compliance with codes. The function actively liaises with management teams and other groups with the aim of maintaining high standards of conduct and produces regular reports, which set out details of non-compliance with standards and codes.

The function has its own intranet site to facilitate demonstration of best practice and produces a quarterly newsletter (The Standard) highlighting areas of concern, guidance, learning and signposts officers and staff to those that can provide welfare / support. The Professional Standards function has an anti-corruption unit whose role is to investigate information and intelligence received concerning the conduct of officers and members of police staff.

The vetting unit within PSD is also responsible for the initial and continued monitoring of Officer's and Staff's suitability to perform their duties. This includes a variety of financial and intelligence checks as per the requirements of the national vetting approved professional practice (APP) as set by the College of Policing.

The Professional Standards function also oversees all complaints, ensuring compliance with Police Reform Act 2002 and the Police (Complaints and Misconduct) Regulations 2020. These complaints are reported to and audited periodically by the Office of the Police and Crime Commissioner. The Chief Constable also has a procedure in place to receive and investigate complaints made to it about the conduct of National Police Chiefs Council (NPCC) Officers (with the exception of the Chief Constable who is accountable to the Commissioner) under the relevant conduct regulations.

Whilst the day-to-day monitoring of public complaints and employee's adherence to the regulations and standards are monitored within PSD, the Deputy Chief Constable also holds a monthly Professional Standards Governance Board meeting for regular Executive oversight.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

Constabularies are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

All decision making operates within the specific legislative and regulatory frameworks that confer on the Chief Constable duties, powers and responsibility. The significant elements of the statutory framework for decision making comprise:

- Various Police Acts, which outline the responsibilities of the Chief Constable and provide clarity on their operational independence.
- The Police Reform and Social Responsibility Act 2011 (PR&SRA) providing the legal framework for decision-making.
- The Policing Protocol Order 2011 setting out the framework within which the PFCC & Chief Constable should work and requiring all parties to abide by the Nolan Principles.
- The Home Office Financial Management Code of Practice for the Police Service embedding the principles of good governance into the way the Chief Constable operates.

Challenge and scrutiny contribute to good governance by being part of accountable decision making, policy making and review. The implementation of a robust decision making process ensures that the right decisions are taken for the right reason at the right time. The Chief Constable adopts rigorous standards of probity, regularity and transparency in decision making and all decisions are taken solely in the public interest and to maintain the King's peace.

The Constabulary has a Chief Officer Group, which has responsibility for strategic decision making and is supported by subsidiary boards as outlined above on page 3. Decisions of the Chief Officer Group and strategic boards are recorded and made available to key internal stakeholders. All significant strategic decisions are referred to the Chief Officer Group. A forward plan and standing items ensure that all significant areas of Constabulary business are considered on a regular and planned basis. Reports for decisions are prepared on a standard template, which ensures that the implications of all decisions are clearly understood. This includes a requirement to acquire relevant financial, legal, human resources, equality, procurement, ICT and risk

management advice. The Director of Legal Services, in conjunction with the Constabulary Chief Finance Officer has responsibility for the lawfulness of Chief Officer Group decisions.

Items of Constabulary business falling under the remit of the Police, Fire and Crime Commissioner or of a strategic nature are referred to the Commissioner from the Chief Officer Group. Decisions for financial investment are subject to a fully developed business case that provides a clear justification for the expenditure. The Commissioner's decision making policy sets out the decision making process and how decisions will be recorded and published to ensure transparency of all decisions taken. A Code of Conduct provides advice with regard to potential conflict and declarations of interest.

The Constabulary's wider governance framework details specific responsibilities of key officers in relation to areas of governance. The framework includes financial regulations and rules, procurement regulations, anti-fraud and corruption policies, a scheme of delegation and codes of conduct. These documents ensure all officers and staff have a shared understanding of their roles, responsibilities and decision making authority within the organisation.

The Constabulary has also agreed a media protocol with the Commissioner, setting out who is responsible for communicating information and clearly identifying whether there is a single lead organisation, a joint responsibility or a supporting responsibility.

The Chief Constable complies with guidance provided by the Information Commissioner in respect of an information publication scheme. This ensures key information to ensure public accountability is available through the Constabulary's website.

Engaging Effectively with Institutional Stakeholders

The Police and Crime Plan sets out a Pan-Cumbrian vision. The vision recognises that, in preventing crime, commitment is needed from a range of organisations involved in policing, community safety and criminal justice. The Constabulary works in partnership with a number of public, private and third sector partners to do this. The Chief Constable reports details of actual and planned collaborative ventures to the Commissioner on a regular basis.

The financial and procurement regulations, together with the Constabulary's financial rules provide for the regulation of partnership arrangements and to ensure that the purpose of such partnerships is evaluated and risks assessed before the Constabulary agrees to participate.

Significant partnership working arrangements are supported by memorandums of understanding, strategic plans and operating protocols which clearly state the respective responsibilities expectations of each partner.

Engaging stakeholders effectively, including citizens and service users

The Constabulary has a Community Engagement and Consultation Strategy, which is reported through the Operations Board. This includes a consultation action plan, which co-ordinates all on-going consultation activities and is reviewed and refreshed on an annual basis to continually improve consultation arrangements.

The Constabulary engages with local communities through the work of its Neighbourhood Policing Teams through the Local Focus Hubs and operating Engagement Plans, which use a range of methods that are specific to urban and rural community needs. The plans ensure that community priorities, concerns and areas for improvement are identified and dealt with.

The Constabulary has a marketing and communications strategy aimed at establishing clear channels of communication and engagement with all sections of the community. This includes alternatives to traditional communication methods including the force website (via the national single on-line home platform) to provide key information and online services to the public. Social media and pro-active media coverage of events are used to provide accurate messages, advice, appeals and re-assurance and engage with the local communities, as well another channel to report incidents and, to receive direct community feedback to the force and Neighbourhood Policing Teams.

The Strategic Independent Advisory Group (IAG) meets regularly to discuss emerging issues of strategy and policy both nationally and locally and to support, scrutinise and challenge the Constabulary on how it conducts its policing activity.

The Constabulary meets its requirements under the Equality Act 2010 by setting equality objectives every four years and publishing equality information via its website every three months.

The Constabulary surveys victims of crime and anti-social behaviour which contribute to ensuring that the Victims' Code of Practice is complied with and to use the feedback to improve the experience of victims and the services provided. Service recovery is part of this process.

Local crime data is published at a community level via the Constabulary's website and nationally via police.uk to increase the transparency of crime and performance data.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

The long-term nature and impact of many of Chief Constables' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should further the purpose of Police and Crime Commissioners, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Defining Outcomes

The Chief Constable determines the strategic direction and objectives for the Constabulary. This supports the Police, Fire and Crime Commissioner in developing the Police and Crime Plan. The Commissioner approves policing objectives, which are incorporated into the plan, which is available on the Commissioners website at www.cumbria.pcc.gov.uk

In developing the Constabulary's vision and strategic priorities the Chief Constable takes into consideration their statutory responsibilities for maintaining the King's Peace, the Home Secretary's Strategic Policing Requirement, the Constabulary's Strategic Assessment, based on operational intelligence, and the views of a range of stakeholders including the community, staff and partners. Performance outcomes, operational intelligence, strategic risks, the Force Management Statement and the results of audits and inspections are also taken into consideration when setting strategic priorities.

The Constabulary has developed a Plan on a Page, which highlights its operational priorities for the forthcoming year in delivering the mission to of 'Keeping Cumbria Safe'. This mission consists of four pillars known as the '4Cs'. They are:

- Contempt for criminality
- Compassion for victims
- Communities focus
- Care for colleagues

The 4Cs plan on a page outlines how the 4Cs will be delivered, it also outlines key support activities, its policing style and leadership standards. The presentation of the Plan on a Page provides a concise and easily understood overview designed to focus officers and staff on the Chief Constable's mission.

The Constabulary's medium term financial forecasts supports both the Commissioner's medium term financial strategy and the Chief Constable's policing vision by aligning resources with policing priorities over a five year time period, which ensures that a sustainable approach to service delivery is adopted.

Sustainable economic, social and environmental benefits

A wide range of information and stakeholder opinions taken into consideration in developing the Chief Constable's policing vision. This ensures that balanced and comprehensive consideration is given to all aspects of the potential impact of policing policy decisions on the local community.

All decisions by the Chief Constable are taken in the public interest. To manage risk and ensure transparency employees are required to make declarations where there are, or may be perceived to be, a conflict of interest.

The Constabulary adopts a medium term outlook aligned to the medium term financial planning period when developing business plans, ensuring that the sustainability of service provision is considered as a key element of the business planning process. Due to their long term impact capital expenditure plans are developed over a ten year forecast period.

It is recognised that the Constabulary's officers and staff are its greatest asset, and that effective human resource planning is the most significant factor influencing the delivery of sustainable economic, social, and environmental benefits. The Constabulary's People Strategy encompasses a range of strategic themes to ensure that the Constabulary nurtures, cares for and gets the best from its workforce. In addition, the People Strategy supports the effective planning, deployment, and training of staffing resources.

Themes include:

- Well-being
- Workforce Planning
- Learning & Development
- Resourcing, succession and talent management
- Reward & recognition
- Performance management
- Supporting change & engagement
- Equality & diversity
- Health & Safety.

The Constabulary complies with the Equalities Act 2010. In doing so all policies, strategic decisions, functions and practices are assessed against the general and specific duties of the Act with the aim of ensuring that we evaluate, document and foster good relations and advance equality of opportunity.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Chief Constables achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of interventions is a critically important strategic choice and Chief Constables have to make to ensure they achieve their intended outcomes. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Planning Interventions

The Constabulary develops a work programme to deliver its priorities. The work programme is based on:

- The Strategic Assessment (a document which sets out the Chief Constable's operational priorities based upon performance and intelligence)
- The regional strategic threat and risk assessment
- The results of PEEL & Thematic Inspections by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).
- The Futures programme, which sets out how the Constabulary plans to deliver savings to balance its budget through effective understanding of demand, efficiencies, income generation and investment.
- Business Strategies, which describe what and how the Constabulary will deliver essential support functions including Digital, Data & Technology, HR, training, fleet, estates and commercial.
- The Workforce Plan, which describes how the Constabulary will provide the officers and staff required to deliver operational and other policing services.
- The Force Management Statement, which determines resources required to meet current and future demand based on an extensive analysis of operational demand
- The views of the public and other stakeholders.

The work programme supports and informs the Police and Crime Plan and is underpinned by a Medium Term Financial Forecast, which ensures that funding is aligned to the resources required to deliver policing priorities over a sustainable period.

The Constabulary reviews its vision and strategic activities annually to ensure that they continue to support the Police and Crime Plan and the Constabulary's priorities. To support this process strategic and financial planning

within the Constabulary are co-ordinated to ensure that the Commissioner's reporting requirements and decision making processes form part of the overall planning cycle of the Constabulary and support the development of the Commissioner's wider Medium Term Financial Strategy.

The Constabulary's monitoring processes enable emerging issues and threats to the achievement of objectives to be quickly identified and appropriate remedial action taken.

Key performance measures are set to support the objectives within the Police and Crime Plan and the Constabulary's own priorities. This is supported by a comprehensive performance management framework, which is developed jointly with the Commissioner. The performance framework supports the Commissioner in holding the Chief Constable to account for the performance of the Constabulary and is also used to direct and manage activity within the Constabulary through the work programme.

The principles of risk management are fully embedded within the strategy development planning and performance monitoring processes linked to the achievement of organisational objectives. Where specific risks are identified they are integrated with the Constabulary's overall risk management processes.

The Constabulary reviews its governance arrangements on a regular basis to reflect development in the Police and Crime Plan and to support delivery of its own vision and priorities, adjusting as necessary.

Determining Interventions

The funding agreement between the Commissioner and Constabulary sets out the consents and arrangements for governance between the Commissioner and the Chief Constable, including specific consents in respect of financial management of the Constabulary budget.

The Constabulary has a Chief Officer Group, which is its strategic decision making body and this is supported by a clearly defined board structure. There are established terms of reference and clear reporting lines to the Chief Officer Group. Reports are presented to Boards on a standard template, which includes details of options evaluation and consultation with all affected business areas to ensure that decisions are robust and the implications fully understood.

Task and Finish Groups and Steering Groups are set up to ensure that specific priorities are delivered. Members of these groups include police staff and officers from all ranks and level, representing decision makers and practitioners. The groups report into the permanent governance framework to ensure effective and co-ordinated decision making.

The decision making authority and duties to be carried out by individual officers on behalf of the Chief Constable are set out in the Chief Constable's Scheme of Delegation, budget management responsibilities and budget protocols.

In the operational environment the Constabulary utilises the National Decision Making Model (developed by the NPCC Ethics Portfolio and National Risk Co-ordination Group) supported by the THRIVESC (threat, harm, risk, investigative opportunity, vulnerability engagement, safeguarding and ethical crime recording) principles when determining actions. This is a risk assessment framework and decision making process which is used by all police forces across the country. It provides a logical, evidence based approach to making policing decisions and is used by all police officers in their daily work. Further guidance and support to operational decision making is provided through operational policies and standard operating procedures.

The National Intelligence Model (NIM) is a business model for law enforcement and it takes an intelligence-led approach to policing. The tasking and co-ordination process within NIM provides police managers with a decision-making mechanism to manage their business both strategically (national, regional, and Constabulary level) and tactically (basic command unit level (BCU)). Pro-active leadership is an essential requirement of the tasking and co-ordinating process. Management decisions are based on a full understanding of the problems faced and enable managers to prioritise the deployment of resources at their disposal.

The day-to-day allocation of resources across operational policing is directed by a daily force-wide pacesetter meeting which is chaired by the Deputy Chief Constable and is fed from the daily management meetings held within Commands. These forums operate under the 'THRIVE' principles and soft boundaries to ensure flexibility to respond to priorities across the whole force area.

Performance, outcomes and costs are monitored and benchmarked through a framework which includes external comparators based on HMICFRS Value for Money Profiles, Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an Annual Value for Money Conclusion from the External Auditors. The results of these inspections are used to inform and plan both medium and longer term resource allocation processes principally through the Change Programme and more immediate interventions in response to inspection findings.

Optimising achievement of intended outcomes

The Constabulary's Medium Term Financial Planning process is fully integrated with the Commissioner's Medium Term Financial Strategy and wider business planning within the Constabulary. Consistent planning assumptions particularly in relation to the estimation of overall funding are utilised to ensure that the development of business strategies takes place in the context of the resources available and support the development of the Commissioner's wider Medium Term Financial Strategy.

The Constabulary prepares a detailed budget proposal for the Commissioner. The proposal is based upon a zero based budget approach, working closely with the business and functional managers to forecast operational requirements over 5 years for revenue budgets and 10 years for capital expenditure.

The Futures Programme, which sits across all workstreams within the Force Strategy is critical to the delivery of a balanced and sustainable budget and is subject to detailed financial scrutiny as part of the budget planning process.

The final budget proposal is developed through an iterative process of on-going dialogue between the Commissioner and Chief Constable in producing the Medium Term Financial Strategy, which takes into consideration:

- Estimates of funding both through government grant settlements and council tax.
- Service priorities and delivery plans.
- Financial and business risks.
- Futures Programme savings.
- The impact on numbers of Officers, PCSOs and staff.

Ultimately, the Medium-Term Financial Planning process seeks to align resources to strategic priorities, ensure that decisions on resources, services, performance and expected outcomes are based on a robust understanding of risks to and affordability of future plans.

Principle E: Developing the entity's capacity including the capability of its leadership and the individuals within it.

Constabularies need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Chief Constables must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Because both individuals and the environment in which Chief Constables operate will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities.

Developing the Entity's capacity

The Force Management Statement is reviewed annually and establishes the resources required across all functions based on current demand and identified future demand trends. The process is the cornerstone of annual resource allocation and identifies the numbers and type of resource required for the short and medium term. The results inform workforce and training planning.

The Constabulary's services are subject to independent review by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and by internal audit, which is provided by TIAA. A Standards, Insight and Performance Command has been established and re-enforces the work of external inspectorates through a programme of self-assessments and internal inspections, which ensure that both internally identified service improvements and recommendations from external reviews are acted upon. The Constabulary has developed and agreed a Futures programme which aims to secure maximum value from the resources available to it. The programme utilises HMICFRS Value for Money profiles and Police Objective Analysis data, to benchmark resources allocations across all functions in relation to other forces. The conclusions of this work are reported to the Chief Officer Group and the Joint Audit Committee and are used as a basis for identifying areas with the potential to deliver savings through the Futures Programme.

The Constabulary is open to the idea of collaboration with other forces and organisations as a means of delivering more efficient services. Collaborative opportunities which deliver benefits to Cumbria are actively pursued.

From 1st April 2023 the Chief Constable has had a separate Constabulary Chief Finance Officer (CFO) whereas previously the role was shared with the PFCC. The Chief Constable's Chief Finance Officer (CFO) is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA). The CFO operates within the guidance set out in the CIPFA Statement on the Role of the Chief Finance Officer of the Constabulary.

Procurement regulations are developed jointly with the Commissioner and supported by a commercial strategy. The regulations incorporate procurement policy and procedures that aim to ensure best value in the use of public money. The regulations also promote an open and transparent approach to procurement and the highest standards of integrity and ethical behaviour for all those involved.

Developing the Entity's Leadership

The key functions and roles of the Chief Constable and the Police, Fire and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PR&SRA) and the Policing Protocol Order 2011 (PPO). The PRSA and the PPO also set out the function and roles of statutory officers.

The Constabulary's Statutory Officers are required to complete the National Police Chief's Council (NPCC) Police Executive leadership Programme before they are permitted to undertake Chief Officer roles on a permanent basis. This course is designed to ensure that senior officers are equipped with the requisite leadership skills and competencies to undertake senior officer roles.

Other senior officers and staff posts have clear and accurate job descriptions and are recruited to on the basis of relevant knowledge, experience and qualifications.

The Constabulary fully utilises the College of Policing leadership programmes to develop its senior officers and staff. The Constabulary ensures that senior uniformed officers and detectives maintain their national accreditation to provide strategic command for major and critical incidents and serious investigations.

The Chief Constable is statutorily required to appoint a Chief Finance Officer (CFO). The CFO's responsibilities and job profile are based on the Home Office Financial Management Code of Practice and the CIPFA Statement on the Role of the CFO. The CFO is the financial advisor to the Chief Constable and has statutory responsibility to ensure that the financial affairs of the Chief Constable are properly administered, having regard to their probity, legality and appropriate standards. The CFO provides all financial advice and ensures systems of internal financial control are effective.

The Chief Constable is supported by the Director of Legal Services, who is a qualified solicitor, member of the Law Society and member of the Solicitor's Regulatory Authority. The Director of Legal Services has responsibility for advising the Chief Constable on legal matters. The Director of Legal Services is able to scrutinise the legal implications of all strategic decisions.

Members of the Joint Audit Committee and Ethics and Integrity Panel are recruited for the specific skills and experience requirements to fulfil their respective roles. These bodies have clear terms of reference and membership which are consistent with best practice. Members are supported in their professional development through provision of seminars prior to meetings, access to relevant publications and external training.

The Constabulary has a leadership development programme which aims to ensure that managers at all levels within the organisation are equipped with the knowledge and skills required to lead. This leadership and skills programme provides bespoke training for aspiring Sergeants and Inspectors to give them the best platform to perform those critical roles. Police staff supervisors are also able to access elements of this training. A series of development workshops are also delivered for experienced supervisors to help deliver CPD and key training.

A toolkit of development options exists such as mentoring and 360 degree feedback to support current and aspiring leaders.

Developing the Capability of Individuals within the entity.

The Constabulary has a range of human resources (HR) policies which provide a framework to ensure that officers and staff are treated in a fair and transparent way in accordance with employment legislation. A Workforce Silver Group meets on a weekly basis to consider staffing changes. Part of the terms of reference of this group is to ensure that promotions and appointments processes are equitable. Final approval of this is provided the Deputy Chief Constable at a weekly Force Resource meeting.

All HR policies are reviewed on a periodic basis to ensure that they remain fit for purpose and support officers and staff in working effectively.

The Constabulary has a well-defined organisational structure with clear reporting lines. All officers and staff within the Constabulary have job profiles, which define their roles and include the policing professional framework.

There are national pay scales for police officers and police staff. Terms and conditions of employment are approved nationally for Police Officers, via Police Regulations and locally for police staff, in conjunction with employee representatives. The Constabulary operates an approved job evaluation scheme.

All Constabulary posts are recruited to on the basis of accurate role profiles. The profiles specify appropriate essential and desirable skills, experience and qualifications to ensure that employees are able to deliver their responsibilities effectively. Membership of relevant professional bodies ensure access to up to date Codes of Practice, guidance and professional standards in all areas of business.

The Constabulary is committed to the principles of 'equal opportunities' in relation to the recruitment of officers and staff, accordingly promotion and appointments are undertaken in an open and transparent way in accordance with HR policies.

Staff Associations are represented at the Constabulary's main governance boards, which ensures that they are part of the decision making processes. The Constabulary and Commissioner have adopted joint HR policies to provide a framework for all issues related to employee management and terms and conditions. This includes policies on how staff and staff associations will be engaged in any change process. Trade unions and staff associations are consulted during any reviews of HR policies. There is a general principle of on-going consultation and engagement during any business change, which encourages employees to contribute ideas and suggestions to improve performance.

The Constabulary is committed to ensuring that the capacity and capability of its officers and staff are developed to enable them to operate effectively through the People Strategy.

Police Officer and Police Community Support Officer recruits are provided with rigorous initial training on operational policing and the values and standards of conduct expected of them.

The Constabulary's PDR processes for officer and staff enable training and development requirements to be identified and managed, which are aligned to the role or agreed objectives and actions.

The Constabulary has an approved training plan, which is updated on a regular basis and aims to address the development needs of officers and staff. The training programme also seeks to provide refresher courses, which ensure that specialist skills are maintained in accordance with current national standards.

Areas of corporate training and development need are addressed by a range of training solutions including e-learning, CPD, classroom and assessed qualifications, which can be accessed by all officers and staff.

A Performance Development Review (PDR) process has been refreshed to reflect the expectations within the Force strategy. The PDR is based around the national competency and values framework and takes account of performance, well-being and learning requirements. It outlines that all leaders have a responsibility to develop and support our workforce in a way that champions continuous improvement, establishes a strong ethical and professional culture and also promotes health and wellbeing.

The Constabulary recognises the importance of supporting the health and well-being of all employees in contributing to an effective workforce. As part of the People Strategy, all HR policies take account of employee welfare for example provision, where possible for flexible working for staff and officers. The Health and Safety department provide on-going monitoring and advice in relation to safety within the workplace. The Constabulary maintains an occupational health function, which provides advice and support to managers and staff in relation to specific psychological and physiotherapy issues.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

Chief Constables need to ensure that the entities and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Constabulary's risk management policy sets out the overall arrangements for managing risk within the Constabulary and is based on good practice identified by the Institute of Risk Management. The policy incorporates a clear framework of objectives, designated roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks to support decision making in respect of mitigating action. Identified risks are logged on a risk register with clear ownership and reviewed regularly as a standing item at strategic and management meetings. Individual project boards, departments and commands each maintain risk registers, which are updated on a quarterly basis and integrated with the corporate risk management process. Specific risks can be escalated to a strategic risk register for consideration by the Chief Officer Group.

Arrangements for risk management are subject to review by the Joint Audit Committee. The Constabulary's Strategic Risk Register is presented to and updated by Chief Officers three times per year. The Strategic Risk Register is then presented to the Joint Audit Committee twice a year.

The Constabulary maintains comprehensive business continuity plans for all service areas, which aim to ensure that critical activities are maintained in a range of adverse scenarios.

Managing performance

Clear lines of accountability and processes are in place within the Constabulary to monitor and manage delivery of operational and business objectives including:

- A board structure linked to the delivery of strategic priorities with clear terms of reference / areas of responsibility.

- Chief Officer's holding managers to account for delivery of the work programme in Strategic Performance Board.
- Performance management figures are published on dashboards available to all Constabulary officers and staff, and the Commissioner, and are updated daily. These figures are subject to statistical analysis to identify areas where significant change/demand is occurring.
- Regular meetings between Chief Officers and their senior management to discuss progress on the work programme.
- A Daily Pacesetter Meeting which ensures that tactical level operational resources are continuously prioritised and directed towards meeting force objectives.
- Six monthly performance reports which are presented to the Chief Officer Group and the Commissioner's Public Accountability Conference.
- Thematic performance reports which are presented to the Chief Officer Group, Strategic Business Board and the Commissioner's Public Accountability Conference and published on the Commissioner's website.
- An individual Officer Performance Dashboard has been developed and implemented. This enables sergeants to quickly view their officers' workload and form the basis of regular one to one performance meetings, improving supervision and productivity.
- His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) also continuously monitors Constabulary performance against other forces and carries out an annual overarching Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection of the Constabulary together with thematic inspections agreed with the Home Secretary. Action plans are developed in response to inspections and are subject to regular review.
- User Satisfaction Performance measures are included in the Performance Management Framework. The Constabulary also pursues strategies to engage effectively with service users including crime surveys and community meetings, with the aim of better meeting the needs of users. A procedure for complaints enables the public to raise concerns about services.
- The Constabulary has a Standards, Insight and Performance Command (SIP) with the aim of providing assurance that operational systems and processes are operating effectively to deliver a high quality policing service.
- A Cumbria Constabulary Improvement Plan (CCIP) which collates all improvement actions from internal and external sources. The plan is managed by the Business Improvement Unit (within SIP), which requests and coordinates progress updates from action owners and reports results to senior management.
- A funding arrangement is in place between the Police, Fire and Crime Commissioner and the Constabulary, which clearly defines the purpose of the funding and sets out information and monitoring requirements to ensure funding is targeted on activities that support the priorities and outcomes within the Police and Crime Plan.

Reports are produced on a standard template with the aim of providing appropriate information to decision makers including evaluation of options, consideration of risks and consultation from specialist support functions to ensure that the full implications of decisions are understood.

The Police and Crime Plan recognises the importance of partnership working between the Chief Constable and the Commissioner to develop the future direction of policing policy and strategy that takes account of public priorities. A Strategic Business Board structure comprising the Deputy Chief Constable, Assistant Chief Constable(s), Directors, the Commissioner's Chief Executive, the PFCCs Chief Finance Officer and the Constabulary Chief Finance Officer supports joint working and facilitates the arrangements for accountability and performance monitoring. The board provides a mechanism through which the Chief Constable provides briefings on matters or investigations over which the PCC may need to provide public assurance.

The Constabulary's Futures Programme is critical to the delivery of an effective policing service at a time of scarce resource. All change proposals are developed in accordance with principles set out in the Constabulary Change Management policy, which includes comprehensive consultation with all stakeholders and scrutiny through the Force governance boards. All changes are subject to post implementation review.

Robust internal control

The Chief Constable is responsible for reviewing the governance framework and including the system of internal control. This work is informed by the work of Chief Officers and senior managers who undertake an over-arching review of key controls and governance arrangements in support of the key principles in this code.

The Constabulary's arrangements for risk management, internal control and anti-fraud and corruption are reviewed on a cyclical basis through the wider arrangements for assurance of the governance framework.

Senior managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. An annual fraud risk assessment is undertaken as part of the accounts closure process by the Constabulary Chief Finance Officer and reviewed by external auditors.

A joint internal audit service is commissioned in conjunction with the Commissioner, which is provided by TIAA. This provides assurance in relation to the Constabulary's internal control environment, arrangements for risk management and governance. The internal audit plan is developed on a risk basis following consultation with stakeholders and covers all areas of operation. The Director of Audit provides an annual overall opinion of the adequacy and effectiveness robustness of the internal control framework.

A Joint Audit Committee operates in line with Chartered Institute of Public Finance and Accountancy Code of Practice and the Home Office Financial Management Code of Practice. In line with the Home Office Code, the Committee fulfils the functions of an Audit Committee for both the Commissioner and the Chief Constable. From April 2023, this role has been expanded to cover similar responsibilities in respect of Cumbria Commissioner Fire and Rescue Authority. As part its terms of reference the committee reviews:

- The Constabulary's key governance documents on a cyclical basis.
- The Constabulary's risk management arrangements.
- Annual reviews of the effectiveness of arrangements for risk, governance and internal control.
- internal and external audit reports and updates on progress in implementing audit recommendations.

The committee undertakes an annual self-assessment to ensure on-going compliance with the CIPFA framework for Police Audit Committees.

Managing Data

The Constabulary has adopted an Information Management Strategy which has the principal objectives of ensuring that information is managed:

- within a framework for identifying, considering and owning information and information risk.
- consistently across the organisation.
- to support policing objectives by providing reliable information at the point of need.
- in compliance with relevant legislation concerning the handling and use of data. For example General Data Protection Regulations. In particular data will only be collected or held for either 'lawful policing purposes' as defined by the Management of Police Information (MOPI) Code of Practice (2005) or to support administrative functions.
- Providing guidance to personnel on the correct use of data, sharing it lawfully and protecting it from compromise.

The Constabulary maintains appropriate physical and digital safeguards to protect data from unauthorised access and misuse. An Information Security Board meets regularly to respond to emerging issues and threats in relation to the management and sharing of data.

The accuracy of police data is critical to the achievement of policing objectives and maintaining public confidence. To ensure that data is managed in an accurate and timely manner, the Constabulary maintains a number of specialist units including:

- a Crime Management Support Unit whose role is to ensure that crimes are recorded in compliance with National Crime Reporting Standards and, incidents in compliance with National Standards of Incident Recording.

- officers and staff in a criminal justice unit whose role is to support the criminal justice process and to ensure the timely and effective progression of criminal cases through the criminal justice system meeting the evidential requirements of both magistrates and crown courts.
- an Information Management Officer and Team who ensure that performance data is collated and reported on a consistent basis.
- a Central Services Department which manages transactional data on behalf of a number of support functions.

Strong public financial management

Arrangements for financial management support the Chief Constable in achieving objectives and delivering strong operational and financial performance. The arrangements for financial management are codified within a suite of financial governance documents, which comply with CIPFA Codes of Practice and ensure that all officers and staff are aware of their responsibilities in this regard.

The governance documents include a funding arrangement between the Commissioner and Constabulary, which sets out the financial consents and responsibilities for financial management between the Commissioner and Chief Constable. This ensures that funding provided to the Chief Constable is directed towards the policing strategy and priorities set out in the Police and Crime Plan.

The Constabulary's budget and medium term financial position provide a framework for all Constabulary decisions. The Constabulary Chief Finance Officer is a member of the Chief Officer Group ensuring that the financial position and risks are clearly understood and support the operational decision making process.

The Constabulary and Commissioner have a shared financial services team which provides a full spectrum of financial management services to both organisations including budget planning, budget monitoring, preparation of the statutory financial statements and treasury management. There is financial representation at all decision making and project boards and report templates incorporate the financial implications of proposals.

The management of all Constabulary budgets (including capital projects) are assigned to named budget-holders, who are required to formally accept their responsibilities including any arrangements for sub-delegation. These responsibilities require regular monitoring and reporting of financial information, enabling early identification of variances. Each budget-holder receives support from a designated member of the financial services team.

The financial services team works closely with both operational and support functions to ensure that business planning and financial planning processes, such as workforce planning and the preparation of strategies are fully integrated.

All financial systems and process are subject to risk based cyclical review by internal audit to provide assurance that financial controls are operating effectively, which also forms part of the arrangements reviewed by external audit in forming their conclusions on the financial statements and value for money.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

In all communications to the public the Constabulary seeks to ensure that the content and reporting style are as clear and easily understandable as possible. A number of different forms of media are often utilised to maximise public engagement.

The Constabulary's website, Facebook and Twitter accounts aim to provide key information to the public in a readily accessible format.

The Constabulary is committed to open and transparent governance and complies with the Freedom of Information Act 2000. A dedicated function within the Constabulary's Information Management function aims to ensure that requests for information under the Act are responded to promptly, proportionately and accurately.

The Constabulary complies with the Government's transparency agenda in respect of publishing details of all expenditure over £500.

Implementing good practices in reporting

The principal means by which the Chief Constable formally reports to the public is through the Commissioner's Annual Report, which incorporates activities, performance and achievements of the Constabulary. The annual report presents outcomes achieved against an agreed framework of targets and measures.

The Constabulary publishes an Annual Governance Statement (AGS) alongside its Statement of Accounts. This document outlines the measures in place to ensure compliance with its Code of Corporate Governance. The AGS also incorporates an action plan of work which will be undertaken in the following financial year to enhance its governance arrangements. The AGS is subject to scrutiny by the Joint Audit Committee prior to publication.

The Constabulary is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of single entity accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and are subject to external audit.

The Constabulary's financial statements include a narrative statement, which provides an overview of financial and organisational performance in a concise and easily understandable format.

Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police, Fire and Crime Commissioner for Cumbria and the Chief Constable of Cumbria Constabulary to report key matters arising from the audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. These are presented in the External Auditor's Annual Report. The external auditor's opinion on the financial statements is presented in the Independent Auditor's Report published in the financial statements. The Joint Audit Committee monitors the implementation of recommendations arising from the audit.

The Constabulary has joint arrangements for internal audit in place in conjunction with the Commissioner. This service is provided by TIAA central to this function is an annual risk based audit plan, which complies with the Public Sector Internal Audit Standard. The Director of Audit reports to the Joint Audit Committee on their findings, including recommendations for improvements. The Committee monitors the implementation of audit recommendations. Internal Audit makes an annual assessment and reports on the overall internal control environment and arrangements for risk management.

The Constabulary is subject to review by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), who produced themed reviews and an annual overall assessment of Police Efficiency, Effectiveness and Legitimacy (PEEL). HMICFRS reports are reviewed by the Joint Audit Committee. Action plans are developed to respond to HMICFRS recommendations. Where appropriate the Constabulary engages peer reviews of specific activities or functions to provide additional assurance. The Constabulary's Standards, Insight and Performance Command monitors the implementation of recommendations, which are also reported to the Commissioner's Public Accountability Conference and the Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on specific areas of activity, such as complaints handling and ethical issues.



Police, Fire and Crime Commissioner for Cumbria

Annual Governance Statement – Good Governance Principles 2023-24

Introduction and Scope of Responsibilities

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at www.cumbria-pcc.gov.uk

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2023/24 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2023/24 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner's governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.

- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Chief Internal Auditor, as set out in his annual report.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance on Audit Committees for Police.

The following Annual Governance Statement demonstrates how the Commissioner has complied with the governance framework set out within the Code, to meet of each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
A1: Behaving with Integrity and demonstrating strong commitment to ethical values.				
We ensure that members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation		<ul style="list-style-type: none"> ▪ All staff sign up to a Code of Conduct. This is included in any staff induction pack and all staff are required to read and sign up to it. ▪ Members of the Ethics and Integrity Panel, the Joint Audit Committee and volunteers all sign a Code of Conduct as part of their appointment and induction process. ▪ The OPFCC has a Performance Development Review (PDR) process for all staff. Included within the four monthly reviews is an integrity element which must be completed. 		
We take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)		<ul style="list-style-type: none"> ▪ The Chief Executive as Monitoring Officer has the lead responsibility for setting the organisations culture and standards. 		
We lead by example and use standard operating principles or values as a framework for decision making and other actions.		<ul style="list-style-type: none"> ▪ The OPFCC has a robust decision-making process for itself, the Constabulary and Fire Authority. ▪ PFCC and Staff registers of interests are referred to when making decisions or declarations of interest. ▪ Meetings are conducted utilising the Nolan Principles. ▪ The Ethics & Integrity Panel carry out the role of a 'standards committee' across all three organisations. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ▪ Compliance with the Scheme of Delegation and codes of conduct are a fundamental part of decision making. 		
	<p>We demonstrate how we communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<ul style="list-style-type: none"> ▪ Anti-Fraud & Corruption arrangements were last reviewed in 2023. They include mechanisms for confidential reporting and whistleblowing. The updated arrangements were presented to the Joint Audit Committee who concluded that the arrangements were effective. ▪ The OPFCC reports on the effectiveness of these arrangements on an annual basis to the Joint Audit Committee. ▪ All staff annually complete a register of interests. The PFCC and Exec Team's interests are published on the OPFCC website. ▪ The PFCC and staff complete a monthly gifts and hospitality register which is published on the OPFCC website. ▪ A Confidential Reporting (Whistleblowing) Policy is published on the OPFCC website and is reviewed on a three-year cyclical basis. ▪ The OPFCC website has information on how members of the public can make complaints regarding different staff, officers, members and volunteers. Any complaints relating to the PFCC are referred to the Police, Fire and Crime Panel and information published on our website. ▪ Minutes of meetings are published which illustrate where any declarations of interest have been made. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
A2: Demonstrating strong commitment to ethical values				
Seeking to establish, monitor and maintain the organisation's ethical standards and performance		<ul style="list-style-type: none"> ▪ The Ethics and Integrity Panel promotes ethical values within the OPFCC, Constabulary and Fire Service. In respect of the arrangements for standards, ethics and integrity, no complaints have been received against the Commissioner or members of his office. ▪ During 2023/24 the Panel have carried out dip sample processes and thematic inspections for a number of different areas of business within policing and fire including, adherence with the Code of Ethics and Code of Conduct, public complaints, police misconduct and staff misconduct cases, grievances, civil claims, VAWG; incidents of Stop & Search, Use of Force and Custody Detention all of which were found to support high standards of ethics and integrity. ▪ From 1 February 2020 the OPFCC has been responsible for reviews of public complaints. It appointed an independent reviewing officer to carry out the reviews assessing the complaint handling and whether the outcome provided was reasonable and proportionate, thereby providing an openness and transparency to the process. During 2023 the OPFCC received 45 requests for a review with 24% being upheld. ▪ The Ethics and Integrity Panel continues to monitor and reports on some specific areas of activity, such as complaint handling, misconduct cases, stop and search, custody detention in relation to ethical issues. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation		<ul style="list-style-type: none"> As part of the OPFCC's extended team meeting programme, integrity is discussed on a six-monthly basis Ethical awareness is included within induction training for staff, members and volunteers. 		
Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values		<ul style="list-style-type: none"> As part of the staff PDR process, there is a section relating to integrity which included ethical values. Staff recruitment is carried out in line with a recruitment and selection policy which includes ethical principles and values. The OPFCC has a Procurement Policy and procedures. 		
Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation		<ul style="list-style-type: none"> The process of commissioning services and awarding of grants present a potentially high risk with regards to integrity. Grant Regulations are in place to ensure that grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money. The Grant Regulations were reviewed in 2023 and the conclusions were reported to the Joint Audit Committee in November 2023. The new Procurement Act 2023 will change the way public procurement is regulated in the UK. The Act is due to go live in October 2024. 	Work to be carried out to update the Grant Regulations in line with the new Procurement Act regulations.	
A3	Respecting the rule of law			
We ensure staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations		<ul style="list-style-type: none"> The Commissioner provides funding to the Constabulary's Legal Services Department, who then deliver legal support to the OPFCC on legal matters. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We create conditions to ensure that statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none"> ▪ During the year formal reviews have been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) and the Joint Audit Committee against the respective CIPFA statements, which concluded there was full compliance. ▪ Compliance with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government is reported through the annual governance statement which accompanies the annual statement of accounts. ▪ Officers within the OPFCC receive updates on changes in legislation through their professional bodies, APACCE, PACTS, CIPFA the APCC and from the government. 		
	We strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholder	<ul style="list-style-type: none"> ▪ Legal advice is provided to the OPFCC by the Constabulary's Legal Services Department. If necessary legal advice can be sought from other legal bodies. ▪ Legal considerations are included in all reports. 		
	We deal with breaches of legal and regulatory provisions effectively.	<ul style="list-style-type: none"> ▪ The Chief Executive performs the role of Monitoring Officer. They ensure that the Commissioner and OPFCC carry out their roles in line with legislation. 		
	We ensure corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> ▪ Anti-Fraud & Corruption arrangements were last reviewed in 2023 and presented to the Joint Audit Committee who concluded that the arrangements were effective. ▪ Annually the OPFCC reports to the committee on the effectiveness of the arrangements. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
Ensuring corruption and misuse of power are dealt with effectively		<ul style="list-style-type: none">▪ Anti-Fraud & Corruption and a Confidential Reporting are included in regular training provided to both officers and the Joint Audit Committee.▪ Internal Audit deliver a review of anti-fraud arrangements against best practice.		

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
B1	Openness			
We ensure there is an open culture through demonstrating, documenting and communicating the organisation's commitment to openness		<ul style="list-style-type: none"> ▪ The OPFCC publishes information on its website in line with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and 2018 and guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures all aspects of key information are made public. ▪ Examples of information published are – <ul style="list-style-type: none"> ○ agendas and reports of public meetings, ○ guidance on the Commissioner's funds, ○ freedom of information requests, ○ financial information and details of key decisions. ▪ The OPFCC produces an Annual Report of the Commissioner's activities and achievements in the previous 12 months. ▪ The OPFCC has an established process for receiving and responding to Freedom of Information Requests in line with specified timescales. An approved publication scheme is maintained on the OPFCC website. 		
We make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.		<ul style="list-style-type: none"> ▪ The OPFCC has a robust decision-making policy and it publishes key decisions. These can be viewed on the OPFCC website. ▪ To promote openness and transparency, all Public Accountability Conferences are advertised to allow 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>members of the press and public to attend with all minutes arising from them being published subsequently.</p>		
<p>We provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders.</p>		<ul style="list-style-type: none"> ▪ A pro-forma decision template has been developed for the OPFCC to use. There is a requirement to include all information, rationales, risks and legal issues. ▪ Minutes from meetings illustrate discussions and rationales for decisions made. ▪ There are agreed timescales for the publication of information (including minutes and decisions). 		
<p>We use formal and informal consultation and engagement to determine the most appropriate and effective interventions or courses of action.</p>		<ul style="list-style-type: none"> ▪ Engagement over the last five years has been comprehensive and flexible, developing to meet the changing needs of how people like to communicate and especially the impact of social media. ▪ The OPFCC has a three year Engagement and Communication Strategy (2021/24) which continues to be a living/working document. 	<p>Work to be carried out on a new Communication and Engagement Strategy during 2024</p>	
B2	Engaging comprehensively with institutional stakeholders			
<p>Effectively engage with stakeholders to develop formal and informal partnerships to allow recourses to be used efficiently</p>		<ul style="list-style-type: none"> ▪ The Commissioner is actively engaged with a wide range of bodies to encourage a multi-agency approach to matters within his remit. For example, he chairs the Safer Cumbria Partnership Board, which is the Criminal Justice Board for Cumbria, the Combating Drugs Partnership, the strategic board for delivery of the Serious Violence Duty and the Contest (Counter Terrorism) Board for the county and he also chairs the Blue Light Executive Board. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ▪ During 2023/24 the Commissioner has continued to lead a range of partnership working initiatives to deliver his Commissioning Strategy and ensure arrangements are in place for victim support services. In the last year he has secured £1.4m of additional funding mainly for Victims Services and Safer Streets. As the conduit for the nationally provided Serious Violence Duty Funding allocation, and in his role as Chair of the Safer Cumbria Partnership, the Commissioner has worked with the Duty Responsible Authorities to an agreed allocation of the funds to meet the specific needs identified for Cumbria. 		
We develop formal and informal partnerships to allow for resources to be used efficiently and outcomes achieved more effectively.		<ul style="list-style-type: none"> ▪ The Policing Protocol Order highlights the accountability of the Police, Fire and Crime Commissioner to local people. ▪ This responsibility is delivered through the OPFCC to ensure a wide range of engagement approaches so that the Commissioner actively listens, considered and effectively uses the view of the people of Cumbria to influence decisions. ▪ Commissioning undertaken with third sector partners and other public sector partners to achieve the statutory objectives of the Commissioner. 		
We ensure that partnerships are based on trust, shared commitment to change, a culture that promotes and accepts challenge and the added value of partnership working is explicit.		<ul style="list-style-type: none"> • The OPFCC Commissioning Strategy sets out the principles & framework used to commission services & achieve the objectives within the police & crime plan. The Commissioner sets strategic direction of policing & reflects the community safety priorities for Cumbria. • The Commissioner enhances delivery of criminal justice via the LCJB & provides support services to 	The Commissioning Strategy will be reviewed & updated in line with the availability of the new police, fire and crime plan 2024 - 2028. It is currently pending to include the guidance of the NEW procurement Act 2023 & ensure the strategy is compliant.	

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>help victims to cope & recover from the consequences of crime.</p> <ul style="list-style-type: none"> The Police & Crime plan is informed by members of the public together with the views of partner organisations to ensure we work together in delivery of shared priorities. 		
B3	Engaging stakeholders effectively including citizens and service users			
We are clear on the types of issues we will consult with or involve stakeholders or service users to ensure service provision is contributing towards the achievement of intended outcomes.		<ul style="list-style-type: none"> The PFCC leads the Safer Cumbria model which provides strategic input into key strategies and plans that support the joint delivery of priority outcomes critical to Cumbria. The OPFCC publishes the outcomes of public consultation on its website. During 2023-2024 engagement included 4 ICV custody visits, 9 visits to Commissioned Victims Services, 15 meetings with public groups and large events, 18 Property Fund visits, 4 Newsletters, attended 3 Pride events, joined the Force on 9 Days of Action/Operations, went on 11 patrols with CBOs, 5 Road policing 8 Rural Crime and 4 Cyber Crime operations, visited 12 Fire Stations and attended 5 On-Call Appreciation events. The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept for 2024/25 by 17p a week for a Band A property. 60% of the respondents (427) agreed with raising council tax. The Commissioner also launched public consultation on the proposal to increase the fire part of the council tax precept for 2024/25 by 3p a week for a Band A property. 74% of the respondents (125) agreed with raising council tax. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> The OPFCC logs all quality-of-service issues that are raised with the Commissioner, these are tracked and escalated with the Chief Constable where appropriate. This feedback is also used by the Constabulary to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. 		
	We ensure that communication methods are effective and that we are clear about our roles with regard to community engagement.	<ul style="list-style-type: none"> The OPFCC has a Communication and Engagement Strategy, which is due to be reviewed during 2024. 	Communication and Engagement Strategy to be reviewed and updated during 2024	
	We collect and evaluate the views and experiences of communities, service users and organisations	<ul style="list-style-type: none"> The OPFCC logs all quality-of-service issues that are raised with the Commissioner, these are tracked and escalated with the Chief Constable or the Chief Fire Officer where appropriate. This feedback is also used by the Constabulary or Fire Service to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. Reports to the Ethics & Integrity Panel and the Executive Boards which enables the Commissioner and Executive Team to have oversight and scrutiny. 		
	We implement effective feedback mechanisms to demonstrate how views have been taken into account, whilst balancing competing demands.	<ul style="list-style-type: none"> All correspondence sent to the Commissioner receives an individual and tailored response. This feedback is also used by the Constabulary or Fire Service to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We take into account the interests of future generations of taxpayers and service users.	<ul style="list-style-type: none"> ▪ Information is published on the OPFCC website and engagement takes place during the year to seek the views of different communities. ▪ A six-monthly report is presented to the Ethics & Integrity Panel on the difference that has been made due to public correspondence. ▪ A 5-year Medium Term Financial Forecast is produced along with a longer-term Capital investment strategy to account for and consider future events that would impact on taxpayers and service users. ▪ Budget consultation is undertaken annually and is open to all interested parties to respond to. ▪ The PFCC holds the Chief Constable and Chief Fire Officer to account at Executive Board meetings and during Public Accountability Conferences to ensure value for money from service provision. 		

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
C1	Defining outcomes			
We have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions		<ul style="list-style-type: none"> A Police and Crime Plan, drawing on the results of a public consultation and a strategic analysis of crime and community safety trends, emerging issues and partner agency feedback is prepared for each Commissioner's term of office. A new Police, Fire and Crime Plan will be launched in October 2024, detailing the new Commissioner's priorities for his term in office. 	A new Police and Crime Plan is being developed following the new Commissioner taking up his role in May 2024.	
We specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer		<ul style="list-style-type: none"> The OPFCC has an established process for receiving and responding to Freedom of Information Requests in line with specified timescales. An approved publication scheme is maintained on the OPFCC's website. The OPFCC publishes its Police and Crime/Fire Plans with an annual report identifying achievements throughout the year. 		
We deliver defined outcomes on a sustainable basis within the resources that will be available		<ul style="list-style-type: none"> The Commissioner has Public Accountability Conferences which illustrate performance and budget progression. The Commissioner has established new internal accountability boards to help drive and monitor the efficiency and effectiveness of the Constabulary and Fire Authority. It is the forum whereby the Commissioner can maintain 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>oversight of the totality of policing in Cumbria. It enables senior officers from the OPFCC and Constabulary to work together to review key issues affecting the Service, identify solutions to any challenges/issues, including how resources can be used.</p> <ul style="list-style-type: none"> ▪ During 2023/24 thematic reports provided assurance on the Constabulary's response to serious violence, bringing offenders to justice and achieving positive outcomes for victims. In addition, reports were also received covering financial monitoring, crime data and police culture. ▪ Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspections further support the Commissioner in identifying areas which are working well and which would benefit from improvement, which supports him in holding the Chief Constable to account for performance of the force. All reports are publicly available. ▪ Regular news and social media posts inform communities. ▪ During 2023/24, the Police, Fire and Crime Panel has continued to facilitate effective scrutiny of delivery of the plan's objectives through quarterly meetings. Thematic reports are presented to the Panel and follow terms of reference agreed in advance with the Panel Chair. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
We identify and manage risks to the achievement of outcomes.		<ul style="list-style-type: none"> ▪ Performance is reported through quarterly Public Accountability Conferences and regular internal reporting to Executive Boards. ▪ The OPFCC also undertakes a continuous review of its risk management responsibilities by ensuring that it maintains an up-to-date Operation Risk Register and Strategic Risk Register. 		
C2	Sustainable economic, social and environmental benefits			
We consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking service provision decisions		<ul style="list-style-type: none"> ▪ Capital Investment Strategy in place, focused on future use, with links to the Medium-Term Financial Forecast and compliant with the Prudential Code. This has been revised to ensure compliance with the new requirements linking capital investment decisions with the Prudential Code and TM investment decisions). ▪ Equality Impact Assessments are carried out on all policies and procedures. ▪ Risk management processes are in place and reviewed regularly. 		
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints		<ul style="list-style-type: none"> ▪ Scheme of Delegation provides the basis for decision-making. ▪ The OPFCC publishes on it's website: <ul style="list-style-type: none"> ○ Committee/Panel agendas and reports ○ Minutes of meetings ○ OPFCC decisions ▪ Advice is sought from Finance and Legal Services before any decision is made. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> ▪ The OPFCC has a Communication and Engagement Strategy which details the various protocols for consultation. ▪ To support procurement and commissioning activity, the OPFCC & Constabulary have in place Joint Procurement Regulations and a Social Value Policy, incorporating a modern slavery statement. ▪ Decisions are required to be on a pro-forma to ensure that all issues are identified and risk assessed. 	The Communication and Engagement Strategy will be updated during 2024.	
	We ensure that there is fair access to services	<ul style="list-style-type: none"> ▪ The Partnerships and Commissioning Manager ensures that the services commissioned are consistent with the PFCC's objectives as set out in the Police and Crime Plan. During 2023/24 the Commissioner has committed funding to projects and initiatives aimed at reducing offending and reoffending and supporting victims of crime. A significant proportion of that funding has been committed to supporting victims of domestic abuse and sexual violence during the pandemic. By working with partners the OPFCC ensures that services are available to as many groups as possible. ▪ The OPFCC sits on county wide boards and groups which gives it the ability for it to influence positively. ▪ Equality Impact Assessments where required are completed and published alongside consultation exercises 		

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
D1	Determining interventions			
We ensure that decision makers receive objective and rigorous analysis, including achieved & intended outcomes and their associated risks.	<ul style="list-style-type: none"> ▪ Scheme of Delegation and Corporate Governance Framework provide the basis for decision making. ▪ All reports and decisions records have consideration of legal, financial, HR, equality, risk and procurement issues. 			
We consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required to prioritise competing demands.	<ul style="list-style-type: none"> ▪ The OPFCC has a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to the priorities (mid-year review of MTFP will take into account any revisions to priorities). ▪ There is an annual budget consultation involving the public, local businesses, staff and the Trade Unions. Further stakeholder engagement with the public is achieved through social media messaging and promotion of specific consultations and surveys. The OPFCC also engages with its institutional stakeholders. 			
D2:	Planning interventions			
We establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets. Ensuring that they are flexible and agile to adapt delivery outputs and changing circumstances.	<ul style="list-style-type: none"> ▪ Funding arrangement and Corporate Governance Framework including Scheme of Delegation provide the basis for decision making. ▪ OPFCC Administers internal Executive Boards for both Police and Fire, and Executive Team Gold 			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>Meetings are chaired by the Commissioner to make decisions.</p>		
	<p>We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.</p>	<p>During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police and Crime. Projects have included:</p> <ul style="list-style-type: none"> ▪ Development of assertive outreach in known hot spot areas working with Remedi & The Well Communities to address issues of ASB and the impact upon individuals and communities. ▪ The commissioner has provided funding towards the Rural Crime Team, Op' Lantern to increase capacity, awareness and sharing best practice through multi-agency working. ▪ The commissioner funded Get Safe Online to raise awareness and reduce vulnerability towards online crime and fraud. ▪ New projects were developed in support of victims of DA in partnership with the constabulary & Cumbria Gateway Ltd to provide supported accommodation to perpetrators of DA for a short period of 28 days to remove the threat of violence from the family home while ensuring a support plan is in place. ▪ Works closely with the new Community Safety Partnerships in each of the new Local Authority areas, Cumberland Council and Westmorland and Furness Council. ▪ The OPFCC works closely with the new Community Safety Partnerships in each of the new Local Authority areas, Cumberland Council and Westmorland & Furness Council. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ▪ The Partnership and Commissioning Manager attends the Cumberland, W&F CSP DA/SV Groups, the Cumberland W&F DHLUC subgroup of the CSP DA groups in relation to supported accommodation & extended partnership working. Also attending the Drug Harms Prevention Group a sub group of the combatting Drugs Partnership. ▪ They are also a member of both Cumberland, W&F Youth Justice Boards, Deputy Chair of the Female Justice Partnership. 		
We consider and monitor risks facing each partner when working collaboratively including shared risks.		<ul style="list-style-type: none"> ▪ The OPFCC identifies risks with partners, through contract management and project management processes. There is an escalation process to the operational and strategic risks registers which are monitored by the OPFCC Executive Team. 		
We have established performance indicators to identify how the performance of services and projects is to be measured.		<ul style="list-style-type: none"> ▪ The Commissioner has established new internal accountability boards to help drive and monitor the efficiency and effectiveness of the Constabulary. It is the forum whereby the Commissioner can maintain oversight of the totality of policing in Cumbria. It enables senior officers from the OPFCC and Constabulary to work together to review key issues affecting the Service, identify solutions to any challenges/issues, including how resources can be used. ▪ During the course of 2023/24 the Commissioner continued to hold the Chief Constable to account through his Public Accountability Conferences. Through this forum, the Commissioner received 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>Constabulary assurance covering a range of areas of performance.</p> <ul style="list-style-type: none"> ▪ In the February meeting, the Commissioner approved the budget for Cumbria Constabulary ▪ The Commissioner has held regular one-to-one meetings with the Chief Constable and Chief Fire Officer. These internal meetings allow the Commissioner, Chief Constable and Chief Fire Officer to discuss strategic issues, focus on finance, national considerations, HMICFR and anything else that is relevant to the successful delivery of policing in Cumbria. This forum allows for full and frank conversations in a confidential environment. 		
<p>We inform medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</p>		<ul style="list-style-type: none"> ▪ There is a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to the priorities (annual review of MTFP will take into account any revised corporate priorities). ▪ There is an annual budget consultation involving the public, local businesses, staff and the trade Unions. Further stakeholder engagement with the public is achieved through social media messaging and promotion of specific consultations and surveys. The OPFCC also engages with its institutional stakeholders through the strategic partnerships with local authorities, health, fire, police, public agencies and the business sector. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> ▪ The budget for 2023/24 has been balanced, however savings will be required from 2025/26 onwards. ▪ Against this background, modelling of a range of financial scenarios through the Medium-Term Financial Planning process, undertaken jointly by the OPFCC and Constabulary, have continued to inform wider business planning and develop savings proposals, as a means of balancing the budget over the medium term. ▪ The Commissioning Strategy sets out the processes by which the Commissioner will identify and fund services to support his priorities. For each service commissioned, whether through the giving of a grant or a contractual relationship, specific outcomes and measurable indicators are included which define how the impact can be assessed. 	<p>The Commissioning Strategy will be reviewed & updated in line with the availability of the new police, fire and crime plan 2024 - 2028. It is currently pending to include the guidance of the NEW procurement Act 2023 & ensure the strategy is compliant.</p>	
D3	Optimising Achievement of Intended Outcomes			
We ensure that the services we commission achieve social value		<ul style="list-style-type: none"> ▪ The Violence Against Women and Girls Scrutiny Panel was set up as part of a local and national strategy to reduce violence against women and girls. Whilst commissioned by the Office of the Police, Fire and Crime Commissioner, it is fully supported by Cumbria Constabulary and set within the context of their work to transform the way they deal with violence against women and girls. The Panel is chaired and attended by the volunteer members of Cumbria Victims Charitable Trust with attendance by members of Cumbria Constabulary 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>and the Office of the Police, Fire and Crime Commissioner.</p> <ul style="list-style-type: none"> ▪ The panel scrutinises various subject areas which centre around how the constabulary deals with cases of violence against women and girls. All feedback from the meeting is submitted to the Central Repository for Scrutiny within the Constabulary so to guide Officers on good or bad working practices and to improve on the service provided. ▪ The panel works to ensure the voice of the victim is heard and provides challenge where it appears not to have been considered. ▪ The meetings are held quarterly at headquarters and feature a Subject Matter Expert presentation at each meeting to assist in creating better awareness around the subject for the panel. 		
		<ul style="list-style-type: none"> ▪ Safer Cumbria's Quality Assessment Framework (QAF) has been developed to ensure victims and witnesses of crime get the services, support and help they need from the Criminal Justice System (CJS). This also provides evidence of the compliance of the code for those agencies who have a statutory responsibility. ▪ A key part of this goal is increasing compliance with the Victims Code which outlines the statutory rights for victims and witnesses. If these are fully implemented this would ensure victims and witnesses are treated fairly and with respect, as well as being kept informed. It will also enable them to be able to access any special measures and 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>support services they are entitled to and support them to be heard in the Criminal Justice Process.</p> <ul style="list-style-type: none"> ▪ This assessment is conducted on an annual basis by the Office of Police Fire and Crime Commissioner with involvement by all agencies within the CJS. The report once completed is presented to the Safer Cumbria Board and any learning from the report will then be actioned and measured moving forward. 		
We ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is " <i>the additional benefit to the communityover and above the direct purchasing of goods, services and outcomes</i> ".		<ul style="list-style-type: none"> ▪ The OPFCC has a Procurement and Commissioning Strategy that ensures best value is achieved (supported by the financial regulations and contract standing orders) whilst ensuring obligations to stakeholders are achieved through the setting out of clear social, economic and environmental responsibilities. 		
We ensure the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.		<ul style="list-style-type: none"> ▪ The OPFCC has a Medium-Term Financial Planning process (MTFP) which integrates budget and corporate planning to match resources to organisational priorities. 		

Core Principle E: Develop the capacity and capability of OPFCC Staff to be effective and to deliver services effectively

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
E1: Developing the OPFCC's capacity				
We review our operations, performance and use of assets on a regular basis to ensure their continued effectiveness.	<ul style="list-style-type: none"> ▪ The Executive Team and Executive Team Gold meetings review OPFCC activities and accountability of both Cumbria Constabulary and Cumbria Fire and Rescue Service. ▪ Performance against the Police, Fire and Crime Plan is reported through Public Accountability Conferences. ▪ The Police, Fire and Crime Panel hold the Commissioner to account at meetings throughout the year. ▪ Strategies and policies are regularly reviewed and updated, particularly as part of the budget setting process where Estates, Fleet, DDAT/ICT and Procurement strategies are all updated to inform the process. 			
We recognise the benefits of partnership and collaborative working where added value can be achieved.	<ul style="list-style-type: none"> ▪ The OPFCC carries out partnership working and collaboration across the county and on a regional or national basis through S22 agreements. 			
We develop and maintain an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> ▪ The key functions and roles of the Commissioner and the Chief Constable are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA). ▪ This also sets out the function and roles of statutory officers, namely the Monitoring Officer (Chief Executive) and the Chief Finance Officer (s.151). The monitoring officer has specific legal, financial and governance duties in addition to a statutory responsibility for the lawfulness of decision making. The functions and roles set out in legislation and 			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>guidance are codified in the Commissioner’s Scheme of Delegation.</p> <ul style="list-style-type: none"> ▪ The Chief Finance Officer continues to have oversight of the OPFCC, Constabulary and Fire finances. ▪ A new Head of Estates post has been established from 1 February 2024 to enable the realisation and rationalisation of the Commissioners estate in both policing and fire. ▪ The Commissioner’s Police, Fire and Crime Plans identify the objectives to be achieved. ▪ The Corporate Plan provides a focus to the OPFCC on providing the highest level of support and professional advice to the PFCC in delivering their statutory functions. ▪ OPFCC staff training plan identifies new and cyclical training required for all staff. Staff PDRs identify individual training requirements. 		
E2	Developing the capability of OPFCC’s leadership			
<p>We develop the capabilities of senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.</p>		<ul style="list-style-type: none"> ▪ The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE). ▪ The Chief Finance officer continues to receive support from the Police and Crime Commissioner’s Treasurer’s Society (PaCCTS) and the associated technical information service. ▪ The Chief Finance Officer and the wider Finance Team have continued to actively participate in the ‘Achieving Financial Excellence in Policing’ programme developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) ▪ Regular Performance Development Reviews (PDR) reviews are carried out with all OPFCC Staff. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We ensure the Commissioner and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of Commissioners objectives	<ul style="list-style-type: none"> The roles and responsibilities are set out in the Corporate Governance Framework which is published on the OPFCC website. Job descriptions for all staff outline individual roles and responsibilities. 		
E3	Developing the capability of staff within the OPFCC			
	We develop the capability of staff within the OPFCC	<ul style="list-style-type: none"> All new members of staff undergo an induction process and receive support from line managers to develop during their first six months. 		
		<ul style="list-style-type: none"> A comprehensive OPFCC Training Plan has been developed. This sets out the overall training plan for the office and cascades into individual responsibilities. 		
		<ul style="list-style-type: none"> Annual Performance Development Reviews (PDR) for all staff, monitored on a four monthly-basis with 1-2-1 meetings held in between. 		
		<ul style="list-style-type: none"> Weekly team and tasking meetings for the whole OPFCC were introduced in 2023/24 to ensure transparency and communication across the whole team. 		
		<ul style="list-style-type: none"> Monthly extended team meetings are held for all staff. They are planned across the year with focused themes throughout. 		
	We hold staff to account through regular performance reviews which take into account training or develop needs	<ul style="list-style-type: none"> All staff have four-monthly PDRs with their line manager where they discuss performance and training needs, setting any development plans required. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> Interim 1-2-1 meetings are held to support staff in their PDR achievements. 		
	We ensure that there are arrangements to maintain the health and wellbeing of the workforce, both physical and mental wellbeing.	<ul style="list-style-type: none"> The OPFCC has a number of policies and procedures to support members of staff with their health and wellbeing. These include the Fair Passport process and desk station assessments. As part of the PDR process there is a section where health and wellbeing is discussed. Access to the Constabulary's Occupational Health Department and approved services for both staff and members. 		
E4	Developing the capability of members and volunteers appointed by the OPFCC			
	We develop the capability of appointed members and volunteers to assist them in performing their roles.	<ul style="list-style-type: none"> Development sessions for the Joint Audit Committee members were held over the year. A formal review of the Committee's effectiveness was carried out and published as part of the meeting papers in September 2023. 	A formal 360 degree review will take place in June 2024.	
		<ul style="list-style-type: none"> Throughout the year volunteer independent custody visitors received induction training upon appointment, continued ICVA bitesize training; and via attendance at conferences and training events. 		
		<ul style="list-style-type: none"> Throughout the year the Ethics and Integrity Panel carrying out a diverse range of thematic sessions. Prior to each of these they are provided with information to assist them understand the business area and officers/staff at the session provide further information. The Panel membership has a diverse range of backgrounds, skills and knowledge which assists with the different business areas. 		

Core Principle F: Managing risks and performance through robust internal control and strong public financial management

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
F1	Managing Risk			
We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.		<ul style="list-style-type: none"> ▪ The OPFCC has a Risk Management Strategy which is reviewed on a three-year cyclical basis and was last reviewed in 2023. ▪ This was presented to the Joint Audit Committee in November 2023 who gave their approval. 		
We implement robust and integrated risk management arrangements ensuring that they are work effectively.		<ul style="list-style-type: none"> ▪ OPFCC Strategic, Operational and Project risks are reviewed by staff on a quarterly basis. Updates are then reported to the Executive Team for oversight and scrutiny. ▪ Each OPFCC funded project has a risk register which is updated on a monthly basis. Any risks which score highly are also placed on the OPFCC risk registers for monitoring purposes. ▪ OPFCC strategic risk management is reported to the Joint Audit Committee on a six-monthly basis 		
We ensure that responsibilities for managing individual risks are clearly allocated.		<ul style="list-style-type: none"> ▪ Each risk register format has an area to identify the risk holder and the overall risk manager for that area of business. 		
F2	Managing Performance			
We ensure we monitor service delivery effectively by securing reports (including		<ul style="list-style-type: none"> ▪ The Chief Constable is held to account for delivery of policing objectives through the Commissioner's Public Accountability 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	financial information) on service delivery, plans and progress towards outcome achievement.	<p>Conferences (PACs). The dates for these meetings are agreed 12 months in advance.</p> <ul style="list-style-type: none"> ▪ During 2023/24 thematic reports provided assurance on the Constabulary's response to serious violence, bringing offenders to justice and achieving positive outcomes for victims. In addition, reports were also received covering financial monitoring, crime data and police culture. ▪ At the Public Accountability Conference in Feb, the Commissioner approved the budget for policing. ▪ The Public Accountability Conference arrangements will be reviewed to ensure they provide the Commissioner with the right level of assurance and scrutiny on how well the Constabulary is performing. ▪ Regular budget monitoring is reported to Executive Team Gold to demonstrate that budgets are being spent correctly. The quarterly reports are also scrutinised by the Police, Fire and Crime Panel. 		
		<ul style="list-style-type: none"> ▪ The Commissioner has established new internal accountability boards to help drive and monitor the efficiency and effectiveness of the Constabulary and the Fire Authority. 		
		<ul style="list-style-type: none"> ▪ All HMICFRS inspections (local, regional and national) and other regulatory reports will be reviewed and monitored through new internal accountability boards. 		
		<ul style="list-style-type: none"> ▪ The Commissioner holds regular one-to-one meetings with the Chief Constable and the Chief Fire Officer. 		
F2	Robust Internal Control			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	We evaluate and monitor the Corporate Governance Framework, risk management and internal control on a regular basis	<ul style="list-style-type: none"> ▪ A number of areas of the corporate governance framework have been subject to cyclical review and update. This process is supported by the professional advice of the Joint Audit Committee. ▪ The Committee has considered and provided scrutiny of the Commissioner's Code of Corporate Governance, the Internal Audit Charter, the PFCC Scheme of Delegation, the PFCC's Arrangements for Anti-Fraud and Corruption activities, the Treasury Management Strategy, Statement of Accounts and Annual Governance Statement. 		
	We ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> ▪ Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan. The full audit plan of audits which were scored for assessment for 2023/24 has been delivered. This has allowed the Head of Internal audit to provide 'Reasonable Assurance' on the PFCC's arrangements for risk management, governance and internal control. ▪ Overall, of the fourteen audits completed in 2023/24 covering the activities of the OPFCC and Constabulary, 93% provided either substantial or reasonable assurance. Management have put in place to address all audit recommendations. 		
	We ensure effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> ▪ Robust arrangements for Anti-Fraud and Corruption are in place. These were presented to the Joint Audit Committee in November 2023 and approved. ▪ The OPFCC provides an annual report to the Joint Audit Committee on the effectiveness of these arrangements. ▪ The Constabulary on behalf of the OPFCC participates in the annual National Fraud initiative, completing a fraud risk assessment each financial year. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
F3	Managing Data			
	We ensure there are effective arrangements for the safe collection, storage, use and sharing of data.	<ul style="list-style-type: none"> ▪ We have a Data Protection policy and guidance to support staff in receipting, storing and deleting data as appropriate. ▪ On a six-monthly basis the OPFCC Governance Manager will provide refresher training/information at an Extended Team meeting to support staff. ▪ The OPFCC has a joint Data Protection Officer with Cumbria Constabulary. Any identified data breaches notified to, or within, the OPCC are highlighted to the Joint DPO to assess and advise of any course of action to be taken. 		
	Where information is shared with other organisations we ensure there are effective arrangements for data sharing in place.	<ul style="list-style-type: none"> ▪ The OPFCC has a number of information sharing agreements with partner agencies. ▪ For suppliers we have Data Processing Contracts, Confidentiality Agreements and conduct Data Protection Impact Assessments. ▪ Members of the Ethics and Integrity Panel and our volunteers all sign confidentiality agreements to cover any information they are made aware of as part of their respective roles. 		
F4	Strong Public Financial Management			
	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.	<ul style="list-style-type: none"> ▪ The OPFCC has a duty to comply the key principles contained within the revised CIPFA statement of the 'Role of the Chief Financial Officer in Local Government' and the OPFCC continues to comply with 5 key principles of the CIPFA statement. ▪ The OPFCC Chief Finance Officer (S151 Officer) is a qualified accountant and is a key member of the Executive Team and as such, has direct access to the Chief Executive. The Chief Finance Officer is supported by a capable and resourced finance team in the Constabulary, who support the proper administration of the OPFCC financial affairs, 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<p>including leading the promotion and delivery of good financial management to safeguard public money at all times; to ensure the effective, efficient and economic use of resources; and to ensure that the short and long term implications of all material business decisions are fully considered and aligned to the Medium Term Financial Plan.</p> <ul style="list-style-type: none"> ▪ The main controls for financial management are set out in the Corporate Governance Framework – these are the Budget and Policy Framework and the Financial Regulations. These cover the arrangements for Financial Management, Financial Planning, Risk Management and Control of Resources, Financial Systems and Procedures and External arrangements. The OPFCC also complies with the Prudential Framework for Local Authority Finance. 		
We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.		<ul style="list-style-type: none"> ▪ Financial implications and impact on service delivery is reported monthly through Executive Team Gold meetings and quarterly to Police, Fire and Crime Panel. 		
		<ul style="list-style-type: none"> ▪ During 2023/24 the finance team have continued to participate in the Achieving Financial Excellence in Policing programme promoted by the Chartered Institute of Public Finance and Accountancy. Work has continued to implement the action plan following a self-assessment of all aspects of financial management. 		
		<ul style="list-style-type: none"> ▪ The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken, the Constabulary largely meets the requirements of the code.		

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
G1	Implementing good practice in transparency			
We report at least annually on performance, value for money and the stewardship of its resources.	<ul style="list-style-type: none"> ▪ The Commissioner is committed to good transparency. Every opportunity is taken to demonstrate the good work that the Commissioner is involved with especially around the support to third-parties and commissioned services. This is further reinforced by publishing information from across the OPFCC using different formats to allow people to access information in range of forms. The Commissioner's website remains the central place for all information to be accessed. ▪ Throughout the year the Commissioner has published regular financial monitoring information in a short and succinct format that aims to increase the transparency and accessibility of financial information. Further to this, the statutory financial statements for 2022/23, published in January 2024, include the Chief Finance Officers' Narrative Report. The Narrative report incorporates a more accessible summary of the statements and financial and performance information, alongside a business review. ▪ An Annual Report is published in the autumn of each year. 	Annual Report to be developed and published in autumn 2024.		
We ensure robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the	<ul style="list-style-type: none"> ▪ Annual governance statement prepared annually including opinion by internal audit service on controls in place. 			

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
	<p>results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p>	<ul style="list-style-type: none"> ▪ Annual Governance Statement presented to and approved by Joint Audit committee, which includes (if necessary) an action plan to address any significant control weaknesses. ▪ Annual governance statement prepared annually including opinion by internal audit service on controls in place. Annual Governance Statement presented to and approved by the Joint Audit Committee. Formally signed off by the Commissioner, Chief Executive and S151 Officer 		
G2	Implementing good practices in reporting			
	<p>We provide assurance on the work carried out by the Commissioner.</p>	<ul style="list-style-type: none"> ▪ The Commissioner’s activities, performance and achievements have been published in an annual report, which can be found on the Commissioner’s website at www.cumbria-pcc.gov.uk. It highlights the commissioner’s key achievements during his eighth year in office, including: <ul style="list-style-type: none"> ○ Continuation of funding for many community projects and support services to tackle the key priorities in the Police and Crime Plan and maintain vital services for victims. ○ Setting the policing budget for 2023/24, maintaining the additional 45 police officers secured over the Commissioner’s term of office and are on schedule to recruit all 168 extra officers under the Government’s Operation Uplift Programme to recruit an additional 20,000 officers nationally by March 2024. ○ Improved youth engagement through the work of the Mini Police and Cadets. ○ Prioritised and supported work to address the top public concerns raised with him namely, police visibility, safer driving, cyber-crime, drugs and rural crime. 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		<ul style="list-style-type: none"> An updated Code of Corporate Governance has been prepared for 2023/24 in line with the 2016 CIPFA/Solace Good Governance Framework for Local Government. 		
		<ul style="list-style-type: none"> A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2023/24. 		
We report on our performance, value for money and stewardship of our resources.		<ul style="list-style-type: none"> An annual report is published which details the work carried out and achieved by the Commissioner during the year. This is published on the OPFCC website and supports the other elements of performance information also contained on the website. 	The Annual Report will be published in the autumn.	
		<ul style="list-style-type: none"> The annual statement of accounts are presented to the Joint Audit Committee for scrutiny and are subsequently published on the OPFCC's website 	The draft statement of accounts are being presented to the Joint Audit Committee meeting on 26 June 2024.	
G3	Assurance and effective accountability			
We ensure that recommendations for corrective action made by external audit are acted upon.		<ul style="list-style-type: none"> The Constabulary's unaudited financial statements for 2022/23 were released in June 2023, with the final version published in January 2024. The External Auditor's Annual Report gave an unqualified audit opinion. In relation to value for money in the External Auditor concluded that the Constabulary has appropriate arrangements in place to manage the risks it faces in respect of its financial resilience and that they had not identified any significant weaknesses in the Constabulary's arrangements for financial sustainability, governance and improving 		

Details	How We Meet these Principles	Evidence	Improvements/Updates	RAG
		economy, efficiency and effectiveness. One recommendation was made in relation to reporting of savings.		
We ensure an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.		<ul style="list-style-type: none"> ▪ A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2023/24. 		
		<ul style="list-style-type: none"> ▪ Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS are monitored by the Joint Audit Committee. 		



The Chief Constable of Cumbria Constabulary

Annual Governance Statement 2023/24

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Chief Constable of Cumbria Constabulary (the Chief Constable) is responsible for ensuring business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. They are responsible for putting in place proper arrangements for the governance of affairs and facilitating the exercise of functions, which includes arrangements for the management of risk.

The key elements of the system and processes that comprise the Chief Constable's governance arrangements are detailed in this document. The elements are based on the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework, the standard against which all local government bodies, including police, should assess themselves.

The Chief Constable has approved and adopted a Code of Corporate Governance 'The Code'. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks to support the overall arrangements that are in place for fulfilling the Chief Constable's functions. This Annual Governance Statement explains how the Chief Constable has complied with The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an annual governance statement including an action plan of planned future improvements for governance arrangements, which must accompany the Chief Constable's statement of accounts.

THE REVIEW OF EFFECTIVENESS

The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers within the Constabulary who have responsibility for the development and maintenance of the governance environment. The review comprises:

- A cyclical detailed review of the key documents within the Chief Constable's governance framework e.g. Financial Regulations.
- An overarching review of the governance arrangements in place to support each core principle within the CIPFA Solace guidance.
- A review of what has happened during the past year to evidence how the Code has been complied with, which is articulated in the Annual Governance Statement.
- A review of the effectiveness of the arrangements for internal audit against the Public Sector Internal Audit Standards and the Internal Audit Charter.
- Formal reviews of the role of the Chief Constable's Chief Finance Officer and the Head of Internal Audit (HIA) against the respective CIPFA statements, which demonstrated full compliance. A review of the effectiveness of the Joint Audit Committee against CIPFA guidance.

Signed:	Signed:
Signature removed for the purpose of publication on the website	Signature removed for the purpose of publication on the website
Robert Carden Chief Constable	Michelle Bellis Constabulary Chief Finance Officer
14 June 2024	14 June 2024

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

During 2023/24 the Constabulary continued to take a pro-active approach to communicating and promoting the highest standards of integrity in all elements of its business. Work has continued to embed and develop ethical behaviour based on:

- The Constabulary's Corporate Values
- The College of Policing Code of Ethics
- Preventing the abuse of authority for sexual gain.
- The Constabulary's Anti-Fraud and Corruption Policy and Procedures.

These arrangements are supported by the Director of Legal Services, who is a qualified solicitor and acts as the Chief Constable's 'Monitoring Officer', providing advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

The Constabulary's Professional Standards Department is central to the maintenance of high standards of conduct and behaviour within the Constabulary and its priorities are shaped by a Strategic Assessment of threats and risks, which reflects the Regional Strategic Threat Assessment.

The People Control Strategy is broken down into four main areas as follows:

- People - employee vulnerability (associations, financial matters, wellbeing), abuse of position for sexual purposes and vetting.
- Areas - security and areas we work
- Standards - disclosure of information / confidentiality and discreditable conduct.
- Systems - misuse of force systems and social media.

Regular internal meetings are held to deliver these priorities, based on a framework of:

Pursue

- Intelligence development relating to officers and staff behaviour towards vulnerable members of the community.
- Creation of operational packages for adoption by Anti-Corruption Unit (ACU) relating to the four priority areas.
- Implementation of with-cause drug testing of officers in response to intelligence

Prevent

- Integrity interviews with officers or staff where concerns are raised relating to behaviour that does not meet the threshold for misconduct.
- Force Reputational Panels in response to developed intelligence identifying vulnerable associations.
- Review and collation of force policy linked to corruption

Prepare

- Training, advice, engagement and guidance provided to HQ and local based courses on priorities linked to standards of professional behaviour.
- Attendance and input at Digital Policing Board to futureproof new ICT systems and force software systems.

Protect

- Meetings held with the Business Improvement Unit to seek improvement in terms of officers use and deployment of Body Worn Video (BWV)
- Engaging with partners regarding Abuse of Position for a Sexual Purpose/Sexual Harassment and highlighting the reporting mechanisms relating to employee behaviour should they have concerns

The Professional Standards Department operate a preventative approach designed to ensure all officers and staff are aware of their responsibilities and potential consequences if their conduct falls below required professional standards. This includes the issue of a quarterly newsletter (The Standard), which provides guidance on matters of integrity and reports the issues raised and outcomes of misconduct hearings. During 2023/24 the quarterly issues have covered the following topics:

- our biggest corruption risks (sexual misconduct and confidentiality of data),
- vetting updates,
- sexual harassment in the workplace,
- positional asphyxia,
- The benefits of BWV when dealing with public complaints
- Social media accounts
- Do you need to update vetting?
- Sex work national police guidance
- Driving standards
- off duty conducts
- strip searching juveniles
- welfare officer programme
- new code of ethics
- learning from misconduct hearing outcomes

This preventative approach is further underpinned through the use of a Prevent and Diversion Officer. The role promotes an organisational culture of reflection, improvement and learning.

The key areas of vulnerability remain as:

- Abuse of Position for a sexual purpose/ Sexual misconduct (APSP)
- Disclosure of Information
- Neighbour/ Associate Issues
- Drugs misuse.

APSP also includes additional national requirements associated with Violence Against Woman and Girls.

In relation to complaints, the Constabulary remains committed to delivering effective customer service. The process has been enhanced through the recruitment of Initial Complaint Handlers ensuring effective resolution through Service Recovery on relevant cases when appropriate. The remaining cases are then investigated. Complaints can also be dealt with “there and then” by local management, but are still logged to ensure compliance with reporting requirements .

The Constabulary has adopted a digitalised solution, to manage the Reflective Practice Review Process (RPRP). This follows recommendations for improvement from an internal audit of RPRP in late 2020/21. A key functionality of this system enables the abstraction of individual and organisational learning which links in with the role of the Prevent and Diversion Officer.

A revised solution is currently being designed, with key stakeholders, to link reflective practice to the PDR system and allow the abstraction of individual and team level data to link into the role of the Prevention and Diversion Officer, learning and development and the force feedback register to increase accountability and support the development of our staff.

The Constabulary demonstrates a progressive attitude towards learning / mistakes. A key element of any PSD investigation is to highlight any actions which could prevent similar mistakes being repeated. To this end, following every investigation the lead officer, with the assistance of the Prevent and Diversion Officer, carries out a rigorous assessment to determine key actions and lessons learned, with wider Force wide learning, examples of possible actions are:

- Mistakes/sub-optimal conduct – Practice Requires Improvement (PRI), via RPRP.
- Systemic breakdown – change in policy/ reminder to all staff via a PASS newsletter.
- Serious Misconduct (defined as misconduct that would justify a Written Warning or above) - Official misconduct proceedings.

In the interests of openness and transparency, police officer gross misconduct hearings are held in public. Six public hearings took place in 2023/24, as a result of which five police officers were dismissed without notice and one case was withdrawn. In addition, there was a hearing in respect of a former police officer where the outcome was that he would have been dismissed. All police officer hearings are presided over by a legally qualified chair or Chief Constable (where appropriate). The outcomes of misconduct hearings are publicised on the Constabulary website in accordance with the Police (Conduct) Regulations 2020.

The Ethics and Integrity Panel continue to provide independent oversight for the OPFCC and Constabulary in relation to standards, ethics and integrity. The Panel also reviews 'Quality of Service and Policing Issues' raised by members of the public including public complaints, internal grievances, police misconduct and staff misconduct cases. The Panel's work is reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny. Whilst the Panel's conclusions provide assurance regarding high standards of ethics and integrity, where applicable, recommendations to enhance or improve the level of service provided by the Constabulary have been made.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

Openness

To support transparency and ensure that the Chief Constable's vision is clearly communicated, the Chief Officer Group continue to hold strategy days for senior management and online virtual road shows across the county, for all officers and staff. This has been supported by a range of communications media across the force. The Constabulary continues to use and develop Yammer, which is an internal social media platform to increase the potential and effectiveness of internal engagement. The platform enables interactions across the whole organisation - such as channels and a mechanism to provide feedback and questions to senior management - Ask the Force and One Change. There are channels for wellbeing support, staff support groups, staff notice board and specialist interest groups, which cover a wide range of areas such as specific projects, such as roll-out of new technology or change in processes. The force proactively use Stream – an internal video channel to support communications, these are used for a range of things such as the Chief Constable's fortnightly VLOG, weekly local management briefings, briefings for specific operations and events such as Appleby Fair as well as to support campaigns, learning and development across the force.

Engaging Effectively with Institutional Stakeholders

The Constabulary works closely with the OFPCC through formal mechanisms (such as Public Accountability Conferences and Strategic Business Board Board meetings) and informally through one to one meetings with senior staff from both organisations.

The Constabulary continues to work with partners, both at a strategic and tactical level, as this can deliver a more effective policing service to the public and meet the aims of the Commissioner's Police and Crime Plan. Examples include:

- the Local Resilience Forum (major incident planning)
- the Cumbria Road Safety Partnership
- the Safer Cumbria Board
- the Cumbria Safeguarding Children's Partnership (CSCP)
- Community Safety Partnerships (CSP), there are now 2 CSPs Cumberland CSP and Westmorland & Furness CSP
- The Cumbria Addictions Board (countering alcohol and drug abuse)
- Work with the Lake District National Park Authority and other district and county partners to support visitor management within the county
- Further development of links with criminal justice and mental health agencies and other blue-light partners. This now includes the Right Care Right Person initiative around mental health.
- Local Focus Hubs in each area, where the Constabulary works closely with a range of local agencies to prevent and solve problems at the earliest opportunity. These are ongoing but now sit under the two new CSPs.
- Scoping collaboration with Cumbria Fire and Rescue Service.

In accordance with the Joint Financial Regulations and Rules, arrangements are in place to ensure that for significant partnerships and joint working relationships there is appropriate governance including, a legal power to engage, appropriate approval by the Chief Constable and Commissioner, clear objectives, documentation of financial and other resource commitments and risk assessment.

Engaging stakeholders effectively, including community and service users

The Constabulary has a Community Engagement and Consultation Strategy, which co-ordinates all on-going consultation activities and is refreshed on an annual basis to understand the needs of our communities. Throughout the year the Constabulary consulted with the public to understand their policing priorities, how confident they felt, how they would like to be engaged with, and their areas of concern. These informed the development of the Constabulary's and Commissioner's plans to tackle crime and anti-social behaviour.

The Constabulary has a well embedded and effective marketing and communications approach which establishes clear channels of communication with all sections of the community.

Newsletters and alerts are effective communication tools to keep people informed and updated in our communities. The current number of subscribers to our newsletter and alert service has increased to almost 46,500.

The Constabulary has a range of regular newsletters targeting specific themes or local communities. Themes include rural crime, fraud, and recruitment.

Neighbourhood policing teams provide monthly updates to subscribers on what they are doing to tackle crime and ASB in their area, provide the latest advice and information, as well as the latest performance statistics.

The Constabulary's digital presence has grown, and across social media the force has almost 405,000 followers. The force has several central social media accounts (Facebook, X, Instagram, and LinkedIn), managed by the force's Marketing & Communications department. Neighbourhood Policing Teams and other specialist teams (such as Roads Policing Unit and the Dogs Section) have their own selected social media accounts, supported by Marketing & Communications.

Whilst the recommended channels to report crime online are via the website (Single Online Home), the force can respond to urgent crimes reported via direct message on social media. This is managed by our Digital Desk, which is monitored by the Command and Control Room out of hours and the Constabulary's Marketing and Communications department during office hours.

Engagement with the public is pivotal to the work of neighbourhood policing teams. This is achieved through Community Engagement Plans, which detail contact with all stakeholders particularly those that are under-represented communities or with protected characteristics. The Community Engagement Strategy, and supporting toolkit, includes our key principles of consultation and engagement, which are:

- Officers, staff, and volunteers being responsible for and having a targeted, visible presence in neighbourhoods.
- A clearly defined and transparent purpose for engagement activities.

- Regular formal and informal contact with communities.
- Working with partners, such as sharing opportunities for engagement.
- Making information available about local crime and policing issues to communities.
- Engagement that recognises and is tailored to the needs and challenges of different communities.
- Using engagement to identify local priorities and inform problem-solving.
- Officers, staff, and volunteers providing feedback and being accountable to communities.
- Officers, staff, and volunteers supporting communities, where appropriate, to be more active in the policing of their local areas.
- Promote proactive work via their respective local social media account and respond to concerns raised by the public.
- Officers, staff, and volunteers working closely with the Constabulary's Marketing and Communications department to engage with members of the media to highlight work conducted to tackle local issues.
- Specific types of engagement are set out in our minimum standards of engagement.
- Senior leaders will ensure support for officers in attendance at suitable training or CPD activities.

The Constabulary has a Diversity, Equality and Inclusion Strategy, which seeks to support the workforce and to work with partners and the community to provide an effective policing service for a diverse community. There are a number of ways that we can engage with communities including:

- Encouragement for Neighbourhood Policing Teams to engage with local businesses from diverse backgrounds, especially around significant dates e.g. Chinese New Year
- On-line events to promote inclusion for recruitment, women in policing, positive action, LGBTQ, Disability.
- On-line events to highlight areas of concern e.g. Domestic Violence
- Advertising significant dates via social media and in local communities
- Engaging with different Community Groups e.g. Anti-Racism Cumbria, Multicultural Cumbria etc and encouraging them to work with us
- Increasing the Diversity of the Strategic Independent Advisory Group
- Supporting the delivery of the Race Action Plan, including training to all senior leaders from Anti-Racist Cumbria.

The Constabulary has also been active in trying to promote diversity in the recruitment of officers and staff and to provide support for existing employees from diverse backgrounds. Specific actions have included:

- Putting a dedicated positive action team in place to support the forces vision to attract, recruit and retain staff and officers from under- represented groups. A number of recruitment events have been held, which have attracted officers from outside the area and we have increased our under represented officers by 2.74%
- Established an Inclusion hub. This is a central repository that staff can access to support them with any wellbeing challenges or to seek help from any of staff support groups. This includes officers who can provide lived experience advice.
- As part of Operation Uplift the Constabulary is first in the country in relation to the percentage of female officers recruited at 44% this was recognised by HMICFRS in our peel inspection.
- Gender pay gap data is regularly reported and reviewed.

The Constabulary uses Community Impact Assessments to identify issues that may affect a community's confidence in the ability of the police to respond effectively to their needs, thereby enhancing the police response, particularly after major incidents.

Internally, frequent bulletins from the Chief Constable, Deputy Chief Constable and Assistant Chief Constable(s) have communicated important messages to the workforce via a variety of methods including face to face briefings, online events, blogs, vlogs, email, newsletters and the intranet and Yammer . This includes key information on standards and performance, wellbeing, new legislation, our policing approach, practical advice and guidance on changes to working practices, advice and guidance to keep safe, and our role to help to achieve the Chief's vision to provide an excellent policing service.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

Defining Outcomes

For 2023/24, the Chief Constable determined the strategic direction for the Constabulary, which is 'To Deliver an Outstanding Police Service to Keep Cumbria Safe'. Following consultation with a range of stakeholders, demand and resource analysis, performance results, recommendations from independent inspections and audits and a review of the organisation's strategic risks, the Chief Constable developed the core operational objectives, known as the 4C'S, of:

- Contempt for criminality
- Compassion for victims
- Community focus
- Care for colleagues



The Commissioner approved these key objectives and incorporated them into the Police & Crime Plan to complement its aims.

The Plan on a Page shows how everyone in the organisation contributes to the overall aim of Delivering an Outstanding Police Service to Keep Cumbria Safe and improves knowledge and understanding pay by linking strategic objectives to operational and business daily activity on the ground and maintaining performance and re-enforcing our values.

Sustainable economic, social and environmental benefits

During 2023/24, work continued to deliver the Chief Constable's Vision which complements the Constabulary's priorities, builds on achievements to date and provides a roadmap to transform policing to meet the challenges of delivering an effective service for communities.

Business planning and governance boards have been re-organised and improved as part of the Forces work to redesign and implement its strategic objectives. The current governance arrangements were devised through consideration of national best practice and HMICFRS recommendations, and delivered to address identified gaps.

During 2023/24 the Commissioner incorporated the Constabulary's budget proposals into his 2024/25 budget in the context of a medium term financial forecast (MTFF) covering five years to 2028/29.

The 2024/25 policing grant settlement included additional grant to cover pay inflation, Uplift officer costs , and also provided Commissioners with a degree of flexibility to levy increased council tax. Following a public consultation exercise, the Commissioner approved the 2024/25 budget in February 2024 based on a council tax increase of £12.96 for a band D property (4.36%). The funding provided to the Constabulary will allow existing services to be maintained and the increased number of police officers recruited as part of Operation Uplift to be retained for a further year. In consultation with the Commissioner, once trained, the additional officers will be deployed by the Chief Constable to areas, which will support the Police and Crime

Plan's principal objective of Keeping Cumbria Safe. The budget has also supported investment in a new records management system, analytical capability and resource co-ordination, which are seen as critical to deliver the Chief Constable's strategic objectives.

2024/25 represents the final year of the Government's 3 year Comprehensive Spending Review. This, in combination with an imminent general election, embedded inflation, existing financial risks in relation to the cost of implementing the Emergency Services Network, pension cost pressures and the impact of the review of the Police Funding Formula make the Constabulary's future financial outlook uncertain. The budget for 2024/25 has been balanced, however savings will be required in future.

Against this background, modelling of a range of financial scenarios through the Medium Term Financial Planning process, undertaken jointly by the OPFCC and Constabulary, has continued to inform wider business planning. An on-going theme of each of the strategic objective work-streams is to develop savings options and realise business benefits, particularly in areas where investment in new technology has been made, as a means of balancing the budget over the medium term.

During 2023/24, existing strategies in relation to people, DDAT, fleet, estates and procurement have been progressed and reported to the Commissioner.

A critical priority for the Data, Digital and Technology (DDaT) Command in 2023/24 has been the continued development of the digital infrastructure, which has enabled the Constabulary to operate efficiently and effectively when a considerable proportion of the workforce now work in an agile way (working remotely and in the office). This has included a programme which improved mobility options for all frontline officers and staff through investment and roll out of laptops this has transformed the ability for officers and staff to access data and information, supporting mobility and flexibility for services to the public. This has increased officer and staff wellbeing, productivity and service delivery. There is further work ongoing to enhance our mobility through the expansion of our Wider Area Network (WAN) and our use of Axon products like body and vehicle cameras, which are procured and will be delivered in 2024/25.

A wide range of digital projects have continued and delivered during 2023/24 including the further development of our Command-and-Control System to improve public contact, and support a high performing business area at the forefront of our service. This includes the delivery of a new and highly innovative CCTV system, that has enhanced safety across the county. We have delivered a redesigned Constabulary Intranet, as well as a new Digital Firearms Licensing System, as well as a new redaction tool (Riven), that saves officers significant productivity time.

The future vision for major elements of the DDAT Strategy includes the replacement of infrastructure, and we completed a programme to modernise and upgrade to our converged infrastructure, with networks to follow in 2024/25.

Another key part of the strategy is how we manage data and information, and the constabulary has delivered and implemented a change programme, which has modernised its information management functions, delivering improved performance.

The Constabulary is working in partnership with Mark 43 to develop a replacement for the current records management, property, and case and custody systems, which will allow for information to seamlessly flow from one module to another, whereas these were previously disparate systems. Mark43 also provides efficiencies by reducing double keying for officers and staff. Police Digital Service and the Home Office are supporting this programme. This is due to go live with the Community Safety Platform Module in late 2024.

We continue to work on and support National programmes including Single online Home and LEDs where we have been early adopters of some modules like property in 2023/24. We have delivered Agency and Partner Management Information System (APMIS) for recording disruptions, DCS(Despatch Communication Servers), Ileap and Airbox Phase 1.

Recognising that digital, data and technology is central to all aspects of Policing, the Constabulary continues to develop a Digital Leadership Programme which has been delivered to all managers and supervisors across the organisation with the aim of ensuring that the benefits offered by technology are recognised and embedded within working practice. This programme is being developed in partnership with the College of Policing and Police Digital Service nationally and shared with other forces.

In relation to Estates, the priority in the last year has been the development of business cases to look at options for undertaking further refurbishment and improvements to a police station in Penrith and providing a new dog kennelling facility at a site in Carlisle. The Penrith police station work is being undertaken support the new policing model, an operating model changed to align to the local government boundary changes within the county. With the increase in officer numbers there has been an increase in demand across all areas of the estate discipline. The team has completed considerable work to accommodate the increase, including addressing capacity issues in locker rooms, storage, and office areas. The facilities team have seen a considerable increase in demand, specifically at the Headquarters site which is now operating at or near capacity following the return to work of officers and staff previously working at home during the pandemic together with the increased officers undertaking training.

Work was completed on the longer-term future intention of the West Estate, including a decision to begin negotiations to purchase the PFI in Workington at the end of the contract in 2026. The OPFCC Head of Estates is working closely with the governments infrastructure and projects authority to manage the contract expiry and post contract transition. Following a HMICFRS custody inspection the team worked with operational colleagues to manage and address the findings. All of the findings have been completed except one around improving the panic alarm system at the Workington. Demands on front line maintenance is high and the team continue to see the pressures of managing the supply chain, specifically around estates costs and in particular costs within some of the specialist disciplines and capital work.

The fleet replacement programme continues to be maintained despite significant challenges around supply and conversion of vehicles. The continued approach of in-house conversions has been maintained to good effect. During the current year, the fleet manager has introduced vehicle telematics. A detailed review of the fleet is ongoing, this will inform the future capital programme and address any gaps in fleet resources.

The People Strategy has been written for the period 2021-2025. During 2023/24 significant effort within the HR Department was directed to recruit and maintain the Constabulary's target of additional officers as part of Operation Uplift. Work is now underway to retain the additional 186 officers from the programme. The Constabulary also received funding for an additional 8 officers, maintaining this number of 1,393 headcount (1,359 FTE). Recruitment and retention of police officers continues to be monitored monthly at a national level. Work continues in relation to Positive Action to increase representation within the force, this has resulted in an increase in diversity, including ethnicity.

New retention measures have also been introduced which involves the introduction of "Stay Conversations", a new Exit Interview format and improved metrics to measure attrition in a more detailed manner.

Work continues to improve the accuracy of workforce establishment data, in order to assist in future aspirations around strategic workforce planning. This has involved the re-purposing of the workforce governance structure and processes. Change management, absence management and dynamic development of all HR policies also remain a priority for the department.

As a result of the implementation of an internal force restructure, HR continues to be involved to ensure the establishment is accurate and up to date including :

- Regular review of ICT recruitment system with regular updates to ensure continuous improvement.
- Review of the HR process bronze/ silver and weekly Force Resourcing Meeting. This includes scrutiny of all moves and vacancies at a Chief Officer level. This is a much more rigorous and accountable process, resulting in increased demand for the HR Department, but ensures a more efficient and effective Targeted Operating Model is in place to improve service delivery.
- Development of a Strategic Workforce Plan.
- Promotion process work continues with Inspector boards anticipated in July
- There has been an increase in relation to performance and capability processes for student officers. HR work closely with management to ensure full support is provided and the policy is adhered to.
- Leadership development is a priority for the force and HR are involved with developing a Leadership approach, linking into the wider College of Policing Leadership program.
- Policies continue to be regularly reviewed and updated through the Workforce Board.
- Pay Progression Standards for officers is now fully implemented.
- Cumbria now host the Regional Chronicle Collaboration.
- Pension remedy work continues.
- Embedding of Fair Passport to support wellbeing.
- The Constabulary achieved Disability Confident Leaders status and work continues to maintain this.
- The Constabulary has recently been awarded the Silver Armed Forces Covenant award.
- Established Pay Panel process to ensure fairness and a consistent approach
- Review of Police Staff Terms & Conditions - due to transfer to national imminently
- A pilot scheme has been undertaken to assess if the use of the National Competency and Values framework in police staff application forms has a positive impact or inhibits the attraction of candidates
- The Constabulary have implemented the full national recruitment process for Officers, PCSOs and SCs. The Constabulary are also one of the pilot forces for Home Visits.

Occupational Health has continued to play a significant role in maintaining the health and wellbeing of officers and staff. Key activities have included:

- Following successful completion of OH Foundation Standards, the Occupational Health Team is now focussed on completion of the Enhanced Standards and the commitment to translate this across to the industry wide SEQOHS Standards.
- OH is leading the tactical team who will deliver the next level of the Better Health at Work Award – Continuing Excellence. Evidence will be submitted in August prior to an on-site assessment on Sep 13th 2024.
- Occupational Health continues to provide input in training of recruits, leadership courses, specialist roles e.g., AFO, Dispatch, CID. Additional bespoke stress and resilience training in support of the Force Futures Plan has been developed and delivery is underway.
- The Wiser Mind programme has been adapted to provide input into response officer development days; focussing on practical techniques to process trauma and build resilience. This is backed up with fortnightly drop in practice sessions, available to all officers and staff. The drop in sessions are being revised to offer specific techniques for maintaining resilience through change.
- A new Trauma Informed Supervision Training Programme is being implemented with the support of Dr Noreen Tehrani; this aims to equip crime supervisors to have effective 1:1 and group sessions with their staff so they can successfully demobilise, diffuse, identify red flags and develop skills to mitigate accumulative trauma impact whilst cases are ongoing using an evidence-based model.
- Financial well-being processes are in place with emergency financial assistance loans introduced in 2023/24.

Core Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.

Planning Interventions

The Chief Officer Group is the Constabulary's strategic decision making forum. The Chief Officer Team meet twice weekly to review progress against plans, resolve emerging issue, carry out strategic planning activity and review force performance measures. All decisions support delivery of the Chief Constable's vision and requirement to deliver the objectives contained in the Police and Crime Plan. Actions and decisions are recorded, and the Chief Constable is held to account by the Police Fire and Crime Commissioner (PFCC) for the delivery of Police and Crime Plan priorities and objectives. To improve communication and transparency all COG decisions are published on a decision log, which is made available to key stakeholders. The Chief Constable also attends the budget setting meeting of the Police, Fire and Crime Panel to provide context to Commissioner's precept proposal.

The Chief Officer Group is supported by several other boards, which are aligned to the Chief's vision, this includes a Strategic Management Board, Workforce Board, Strategic Change Board, and the Strategic Performance Board which is responsible for scrutiny and performance management. All have terms of reference.

Determining Interventions & Optimising Outcomes

The Constabulary has reconfigured its performance framework and governance meetings as part of the work to change its strategic priorities. This was completed in consultation with senior leaders, staff support associations, and the Office of the Police, Fire and Crime Commissioner (OPFCC). The performance and governance arrangements establish a set of measures and targets to support delivery of the Police and Crime Plan and is the mechanism used by the Commissioner to hold the Chief Constable to account. Progress against these measures is reported to the Commissioner every six months at the Public Accountability Conference.

Performance for all crime types is reported to Chief Officer Group on a weekly basis and is monitored through the Strategic Performance Board (at the strategic level), and through Local Accountability Meetings held within Commands. Key actions are recorded and tracked, and key messaging is agreed within the Strategic Performance Board which helps focus and prioritise local activity to improve performance. This messaging is delivered through the performance meeting structure, and within briefings as part of our visible leadership strategy.

The PFCC Public Accountability Conference receives a twice yearly detailed presentation around the Constabulary Performance against a set of local and national measures. Other thematic reports in 2023/24 have focused on the Constabulary's response to the Casey Review (Culture & Integrity); how the Constabulary is responding to the Serious Violence Duty (this is a statutory duty); Outcomes for Victims. We also received a presentation from the Cyber and Digital Crime Unit detailing how it deals with cyber crime.

In the operational environment, on a monthly basis, senior police officers carry out a full assessment of operational risk, harm and threat to communities and an assessment of performance changes and their root causes. This encompasses consideration of vulnerable people, repeat offenders, vulnerable missing from home, significant domestic abuse, prison issues, organised crime groups, threats to life, crime and anti-social behaviour trends. Action has been taken and resources tasked to deal with the operational issues raised.

Officers in each BCU hold a Daily Management Meeting which identifies and prioritises the threat, risk, and harm associated with reported crimes, incidents, and intelligence within the previous 24 hours, and allocates resource to mitigate those threats accordingly. A supporting force-wide Pacesetter meeting chaired by the Deputy Chief Constable ensures that resources are directed to meet strategic priorities across the county, and some key performance measures are monitored.

As part of the Constabulary's work on managing demand, the principles of THRIVESC (threat, harm, risk, investigative opportunity, vulnerability, engagement, safeguarding, and ethical crime recording) are now well embedded within the communications room when grading calls for service. Acting within the framework of the National Decision Making Model, this informs decisions as to:

- Whether to deploy officers to incidents.
- The types of officers to deploy, including specialist resources.
- A proportionate, reasonable and effective response.
- Whether to resolve the call in the control room at the first point of contact.
- Refer to partner agencies.

The Constabulary has improved its standards of investigation through the development and implementation of our Investigative Principles work. This provides a clear framework which defines our required minimum standards for all investigations at every stage, and compliance against which is tracked and monitored through the performance and governance arrangements.

Core Principle E: Developing entity's capacity including the capability of its leadership and the individuals within it.

Developing the Entity's capacity & leadership

The key functions and roles of the Chief Constable and the Police Fire and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). The Chief Constable's statutory responsibilities for maintaining the King's Peace are set out in various Police Acts. Both the Chief Constable and Commissioner are statutorily required to employ a Chief Finance Officer.

As a result of the retirement of the Joint Chief Finance Officer at the end of March 2023, and in view of the Commissioner taking responsibility for Fire from 01/04/23, the decision was taken to replace this joint role with two separate Chief Finance Officers, one for the PFCC and Fire and the other for the Constabulary.

The Constabulary has used HMICFRS Value for Money profiles and Police Objective Analysis to inform its Futures Programme and applied zero based budgeting, with robust financial challenge to budget holders, to secure maximum value from the resources available. Although there are difficulties in ensuring true comparisons benchmarking data is used to challenge and inform decision making.

Developing the Capability of Individuals within the entity

The Constabulary's annual training plan for mandatory training delivered by the L&D department is developed each year for finalisation by March in conjunction with operational leadership teams and training leads. For 2023/24 the approach has been expanded to include undertaking an operational skills audit and a training needs analysis within crime command with a view to further implementing this within the uniformed sections of the BCU's. The learning panel also allows for the development and dissemination of new mandated training for both force wide and niche audience through a variety of methods, including development days and e-learning. Flexibility in the training plan is key to meet unexpected or new training demands. Planning has now been extended where possible to an 18-month timeframe. This was originally undertaken jointly with the Resource Coordination Group, latterly the Resource Coordination Teams. In the latter half of 2024, the Resource Coordination Group will resume this responsibility, to ensure the effective, efficient, and sustainable approach to resource co-ordination.

Development for leaders across all ranks and grades is delivered through a combination of classroom based training events, ongoing CPD and stand-alone workshops. It is recognised that leadership is not confined by rank or role and the development of leadership skills in an ongoing process.

L&D run a two-week development programme designed specifically for new and acting Sergeants with a focus on operational leadership and leading people, running three times each year. There is also a one-week development programme for new and acting Inspectors exploring operational leadership and people leadership, running twice each year. Officers are eligible to attend the relevant programme as soon as they become eligible for an acting role. All delegates leave the programme with a development plan to apply their new skills in a practical setting.

Staff leaders also now have a bespoke course consisting of three one-day modules spread over a three month period. Between each module, delegates complete reflection and development tasks. A mentoring programme is also available. A range of experienced officers and staff across the organisations have volunteered their time to assist anyone who would like to work with a mentor on particular skills or areas.

L&D run an annual leadership conference online which is open to all officers and staff. The conference is recorded and available via the L&D SharePoint pages for anyone not able to attend on the day. A lending library stocked with the latest leadership and management books and other resources for use by course delegates and others.

Leadership and Development opportunities are communicated via L&D SharePoint pages and the Development Hub Yammer community.

The Constabulary is a Supporting Provider for Apprenticeships and has successfully been retained on the Register of Apprenticeship training Providers by the ESFA. As a supporting provider the Constabulary is able to recoup some of the apprenticeship levy paid to the government by working in collaboration to deliver the PCDA apprenticeship programme to initial entry Police Officers.

The Constabulary continues to deliver the Police Education & Qualifications Framework (PEQF) Initial Entry Police Officer Training in collaboration with the University of Central Lancashire (UCLan). Alongside the existing Police Constable Degree Apprenticeship (PCDA) the Constabulary has recently recruited to and runs the Police Constable Entry Programme (PCEP) and has recently advertised the DCEP Detective Constable Entry Programme. The Constabulary continue to offer the Professional Policing Degree Programme (PPD) entry route, which recruited a small number of Officers who had previously completed the Degree in Professional Policing.

The Tutor Constables Initial Development programme is currently being reviewed to support the progression of tutors through the programme and qualification. It remains a modular design which includes both direct teaching and workplace coaching. This includes the provision of all tutors becoming A1 assessors which is a force skills gap.

The Constabulary operates an individual Performance Management Review (PDR) process focussed on three key themes:

- Performance
- Well-being
- Professional Continuous Improvement

The PDR system was revised in 2023/24 as a high priority and compliance levels are subject to detailed monitoring.

Core Principle F: Managing risks and performance through robust internal control and strong public financial management.

Managing risk

The risk management policy stresses that it is the responsibility of all officers and staff to identify and manage risk. This is supported by a horizon scanning exercise, which is conducted monthly, and circulated to key individuals within the Constabulary to help identify other potential risks.

Risk management is a standing agenda item on all Constabulary boards, including programme and project management boards. Mitigating actions are identified and tracked to ensure that risks are minimised. Key strategic risks are managed by Chief Officers.

During 2023/24 specific risks associated with the potential reduction in funding and the introduction of the Emergency Services Network continued to feature prominently on the Constabulary's strategic risk register.

In addition, emerging risks in relation to Firearms Licensing, Operation Equate (West Cumbria Coal Mine), ISO Accreditation and analytical capability and capacity have been added to the Strategic Risk Register during the year.

Following the introduction of a revised policy governance framework in 2021/22, together with the implementation of a new policy and procedure template to take account of the Data Protection Impact Assessment (DPIA), a large piece of work was undertaken during 2021/22 to bring all documents within the Constabulary's policy library up to date. Work has been overseen by the Operations Board where monthly updates are provided and has resulted in a significant number of documents either being updated or removed from the policies library. All new policies, or changes to existing ones, are now formally ratified by the Chief Constable in the Strategic Management Board. A progress report is also provided to this forum which indicates to what extent existing policies are being effectively managed.

Managing performance

The strategic performance framework has been reconfigured to deliver against the Policing Crime Plan and the Vision of the Chief Constable and was in response to the introduction of a new forcewide structure for operational policing in 2022 and to address feedback from the HMICFRS in our last Peel Inspection. The changes have delivered a new structure (shown in the diagram below) which drives our performance culture across the organisation and holds everyone to account.



Our Strategic Governance

OPCC Governance Boards

Chief Officer Group

Strategic Management Board

Strategic Performance Board

Local Performance Meeting

Team Performance Meeting

Our Values: **S**erve with Pride **A**ct with Professionalism & Integrity **F**ocus on what's Important **E**thical and Inclusive

HMIC (Monthly)

Strategic Change Board (Monthly)

Strategy Days (x3 yearly)

PDC's (Semi-Annual)

Confidence & Equality (Bi-Monthly)

LOCAL POLICING

Visible, engaging and problem solving approach to re-assure



Force Tasking (ACC, Bi-Monthly)

Operations Scrutiny & Oversight Board (ACC, Monthly)

WORK FORCE

Wellbeing focused, resilient and inclusive



Work Force Board (DCC, Monthly)

Health & Safety (BEE (AOD?), Monthly)

SPECIALIST CAPABILITIES

Prepared, skilled professional and equipped to protect



Strategic Firearms (DCC, Quarterly)

Counter Terrorism Management Board

Regional Organised Crime Unit Management Board

BUSINESS SUPPORT

Supportive and efficient services delivering for policing and our communities



Information Management (DCC, Quarterly)

Business Board (BCS, Monthly)

Strategic Visibility (DCS, Monthly)

DIGITAL POLICING

Transforming policing with technology



Digital Transformation (ACC, Monthly)

The Constabulary has a 'Delivering Excellence' Strategy, which aims to embed continuous improvement across the Constabulary and has four key areas of work:

- Development of Business Improvement Plans based on our priorities and all HMICFRS recommendations
- Improving on standards and quality across policing activities known as the Quality Counts initiative.
- Harnessing ideas and suggestions for improvement
- Developing and delivering the Change Programme

During 2023/24 work on the Cumbria Constabulary Improvement Plan, which aims to improve its effectiveness in ensuring that priorities and recommendations from inspection bodies are being progressed through reality checking, continued and some key deliverables were;

- The Force Management Statement which assesses the demand the force expects to face in the foreseeable future with particular focus on the performance, condition, composition, capacity, capability, wellbeing, serviceability and security of supply of the force's workforce and other assets, and the extent to which current force assets will be able to meet expected future demand. This insight supports decision making to improve its workforce, policies, practices and other assets to cope with future demand.
- Auditing all 'stop and search' completed in the Constabulary, providing feedback to officers and supervisors, together with an assessment as to whether the Constabulary appropriately uses stop and search powers, to ensure police powers are being used proportionately.
- In conjunction with the Professional Standards Department, an audit of officers' use of force, involving the reviewing of Body Worn Video, providing direct feedback to officers and supervisors, undertaking improvement measures and broader performance monitoring through the Constabulary Use of Force Board, Ethics and Integrity Panel, and the Cumbria Strategic Independent Advisory Group.
- Audits of compliance with the Victims Code of Practice, and for the operation of the released under investigation processes.
- An audit and inspection of Investigative standards and outcomes for victims

- Ongoing Domestic Abuse quality of service audits, to ensure that officers are adhering to investigative standards, safeguarding practices and the victims code of practice. Individual feedback is provided to officers and their supervisors where necessary.
- Ongoing daily National Crime Recording Standards audits of high risk crimes (sexual offence, violence, domestic incidents). This is real time audit allowing us to rectify issues under the recovery process.

Robust internal control

The Constabulary maintains robust internal controls systems. Assurance with regard to internal controls is provided by:

- A risk based internal audit plan. Overall, 100%?? of audits completed in 2023/24, including all those relating to finance, were graded as providing either substantial or reasonable assurance. Robust management action plans have been put in place to address all internal audit recommendations.
- The Head of Internal Audit's overall opinion was that there is a reasonable level of assurance in relation to the Chief Constable's frameworks for governance, risk and internal control.
- Action plans to respond to recommendations, the implementation of which are monitored by the Joint Audit Committee.
- A Joint Audit Committee, which is self-assessed against CIPFA guidance, and is judged as being highly effective in its role.
- The OPFCC and Constabulary have consistently achieved an unqualified (clean) external audit opinion on the financial statements. The auditors have noted that the accounts were prepared to high standard and are supported by clear and comprehensive working papers.

Managing Data

The Digital Data and Technology Strategy has been revised.

Governance reporting arrangements are in place including a cross functional Information Management Board chaired by the Senior Information Risk Owner.

Process and procedures for identifying, recording and mitigating information risk are well adopted across technical projects. Security and assurance assessments are undertaken, and appropriate agreements and contracts are completed where necessary

Process and procedures for identifying, recording and mitigating information risk are well adopted. Security and assurance assessments are undertaken, and appropriate agreements and contracts are completed where necessary.

Governance reporting arrangements are in place including a cross functional Information Management Board and an Information Asset Owner framework for critical systems and services. The management of data and information also forms part of the Performance Management Plan on a Page focusing on key factors to support strategic objectives.

There is further work to be done on determining performance metrics and visualising management information to assess progress and maturity of the key factors.

Strong public financial management

Strong financial management provides a framework for all business decision making and planning within the Constabulary. For 2023/24, this included the Constabulary Chief Finance Officer being a member of the leadership team and finance representation at all significant decision making forums. Regular financial reporting, clear budget ownership and responsibilities (as set out in the Chief Constable's Scheme of Delegation and scheme of budget management) and consideration of the medium term financial position in all strategic decision making are also key features of the financial management framework within the force. The replacement of the former Joint Chief Finance Officer with two separate Chief Finance Officers for the Constabulary and the OPFCC will further strengthen these arrangements via joint working.

During 2023/24 the finance team have continued to participate in the Achieving Financial Excellence in Policing programme promoted by the Chartered Institute of Public Finance and Accountancy. Work has continued to implement the action plan developed in 2020/21 following a self-assessment of all aspects of financial management in the force. The main outstanding actions relate to improved use of the VFM profiles and other CIPFA analysis tools and improving the financial information provided to budget holders. Both of these areas are included in the planned actions for 2024/25.

Work continued to further enhance the budget reporting within the Constabulary, a suite of reports is being developed for Chief Officers, budget holders and various performance meetings. In relation to budget setting and MTFF development the CFO gives an assurance on the underlying budget assumptions.

Developments have been progressed in relation to the Futures Programme, balance sheet reporting, financial business partnering and contract management, however, there are some areas where further work is required to ensure full compliance, most notably in relation to; demonstrating Value for Money and identifying savings to ensure financial sustainability, developing a financial resilience index and the application of formal options appraisal techniques. Staff within the finance function are adequately qualified and experienced.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Implementing good practice in Transparency & Reporting

The principal means by which the Constabulary reports to the public are through themed presentations to the Commissioner's Public Accountability Conferences, which are open to the public. Reports are also available through the Commissioner's website.

The Constabulary's unaudited financial statements for 2022/23 were released on 15 June 2023, with the final version published on 17 January 2024 following the external audit process. The External Auditor provided an unqualified (clean) opinion on the financial statements and concluded that the Constabulary has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Assurance & Effective Accountability

The Constabulary was previously congratulated on its overall good performance, whilst having some areas for improvement identified. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Cumbria Constabulary's performance across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas. During 2023/4 HMICFRS undertook a further PEEL inspection and the results are expected in July.

In continually improving the constabulary and the service provided to members of the public, informed by the observations of the HMICFRS, the Constabulary has made significant progress over the previous inspection period, most notably in relation to the establishment of force wide Neighbourhood policing structures; improvements in emergency and non-emergency call handling performance; and the development and introduction of a strategic governance framework and performance structure.

The establishment of a Performance; Standards and Insight command within the demonstrates a continuous improvement ethos to improve upon previously good levels of performance and deliver an outstanding service. This command is responsible for the facilitation of inspections by the HMICFRS and inspectorate partners; to audit, scrutinise, quality assure and develop our internal processes and performance; and to coordinate any recommendations or areas for improvement identified by the HMICFRS via the national Inspectorate Monitoring Portal. They are responsible for informing the majority of meetings within the newly established strategic governance framework to ensure appropriate oversight and accountability from the most senior leaders within the Constabulary.

During 2023/24 the Chief Constable received assurances with regard to the Constabulary's arrangements for risk management, internal control and governance from a number of sources which included:

- The PFCC CFOs annual review of internal audit.
- The Head of Internal Audit and PFCC CFO's assessment of the internal audit service against Public Sector Internal Audit Standards.
- The Head of Internal Audit's opinion on the framework of governance, risk management and internal control.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidelines.

- Monitoring of the implementation of actions in response to HMICFRS, internal and external audit recommendations through the Joint Audit Committee.
- Management assurances in respect of financial systems and processes.
- The CFO's fraud risk assessment.

Appendix A Update on 2023/24 Development and Improvement Plan

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by	Action Updates as of 31/03/24	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.							
CPA/1		Review the implications and recommendations from the Casey Review and formulate a Constabulary response	Chief Superintendent Standards, Insight & Performance Director of Performance & Change	31st March 2024	October 2023 - The conclusions from the Casey review were assessed against the position of the Constabulary and a presentation of the findings of which have been presented to Chief Officers and the OPFCC's PAC meeting. The key areas in which the Met were found wanting were areas of strength for the force, particularly in their performance, culture, accountability and governance, and external scrutiny arrangements. It was felt necessary to conduct analysis to assess the force's position against the test applied by Baroness Casey in her determination that the Met were institutionally racist, homophobic, and misogynistic. A first draft of that analysis has been produced which was reassuring but has been tasked by C/Supt Bird for further development, and will be presented to Chief Officers in the next few weeks for review.		Completed
CPA/2		Complete the National Home Office Data Wash for all Constabulary employees and address any adverse findings	Chief Superintendent Standards, Insight & Performance	30th September 2023	October 2023 - The force completed the HDW (Home Office Data Wash) within the timescales set and its return was accepted by the national team. This HDW exercise resulted in the force analysing just under 2000 lines of data, and there were no requirements for additional investigations from the PSD. There were some minor issues raised which prompted vetting reviews and/or assessment but required no punitive action.		Completed
CPA/3		Continue to engage with the Home Office and HMICFRS to effectively discharge all Areas for Improvement and recommendations arising from the national vetting thematic	Chief Superintendent Standards, Insight & Performance	30th September 2023	October 2023 - All AFI's and recommendations that either arose from the thematic vetting inspection or were legacy actions for the PSD department to address, have all been submitted to the HMICFRS for sign off. These AFI's will be subject to inspection activity in the next few months as part of the PEEL inspection where the HMICFRS will indicate their willingness to discharge them.		Completed
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.							
CPB/1	CPB/1	Implement Phase 2 of the enhanced Constabulary intranet site	Head of Marketing and Communications	31st December 2023	October 2023 - Phase 2 of this intranet project is on track to be completed by 6th December with all departments moved over and this intranet being fully functional for Officers and Staff. March 2024 - The intranet project is now completed, project is now closing down. All departments / information moved over and now being fully functional for Officers and Staff.		Completed
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits							
CPC/1	CPC/1	Complete the options evaluation for and decide on future Estates provision in West Cumbria.	Assistant Chief Officer, Director of Corporate Support and Head of Estates & Fleet Assistant Chief Constable and OPFCC Head of Estates	31st December 2023	October 2023 - Following strategic direction from the Police, Fire & Crime Commissioner and the Chief Constable, the Estates department are following a strategy to purchase the Workington Police Station at the point of PFI contract expiry in Summer 2026. The team are working with the Central Government Infrastructure Projects Authority to review the contract position and put in place additional PFI specialist support to manage the contract through to completion. March 2024 - The OPFCC Head of Estates is working with central governments Infrastructure and Planning Authority (IPA) to manage the contract through to contract end. The IPA have committed specialist legal resource for 2024 – 2025 to work with the Head of Estates to progress work that is required prior to the contract end. In addition, a request for technical surveying and project management support from the IPL has been made and is currently being considered. Discussions around contract close out have commenced with the PFI provider, with the IPA providing input into these.		Completed

Appendix A Update on 2023/24 Development and Improvement Plan

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by	Action Updates as of 31/03/24	Revised Implementation Date	Status
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.							
CPD /1		Review the introduction of the new Target Operating Model against defined performance outcomes. This will be defined by the TOR set by the DCC but will focus on an assessment of the governance and performance arrangements, progress made against performance objectives, an assessment of force wide demand vs resource allocation.	Chief Superintendent Standards, Insight & Performance	31st August 2023	October 2023 - The Post Implementation Review was concluded earlier this year and a report, with 51 recommendations, was submitted to Chief Officers. In total 44 recommendations were approved and allocated to strategic leads under the themes of: 1. Operational and performance, 2. Resourcing, duties, and structure, 3. Leadership, diversity, wellbeing, and learning, 4. Strategic workforce planning and development. The progress against these actions is being governed by the DCC and accountability being held within the Strategic Change Board and COG. The review highlighted significant performance benefits from the restructure and strong delivery against its TOR.		Completed
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.							
CPE/1		To achieve and maintain the Operation Uplift additional officer numbers equating to 1,334 FTE basic, plus an additional 17 officers (measured 30th September 2023 and 31st March 2024.	Assistant Chief Officer HR Manager - Kate Ruddick	31st March 2024	October 2023 - The Constabulary has achieved the target numbers by the first checkpoint date of 30/09/23. The initial target was 1,334 FTE which was then increased by a further 17 FTE taking us to 1351 FTE, the Constabulary currently has 1373.17. A further additional target of 12 has now been allocated moving the total to 1,363 FTE, the Constabulary is currently on track to deliver this by 31 March 2024 March 2024 - The uplift target as at 31/03/24 was met. At 31/03/24 the Constabulary had 1373.24 FTE / 1391 Headcount. There is a new target for 2024/25 of 1359 FTE / 1393 Headcount by 31/03/25. The current figures plus forecast starters of 105 and less approximately 100 leavers forecast in this financial year.		Completed
CPE/2		The Constabulary is undertaking a full skills audit to inform the evidence base for how many officers are required in requisite skills model and this will be used to inform the maturing Target Operating Model (TOM) each year.	Assistant Chief Officer Temp Ch Supt Crime & Intel Dave Pattinson	31st March 2024	October 2023 - The skills audit work was completed in April, presented to Chief Officers, then overlaid within L&D to allow effective mapping of core skills across the force in conjunction with chronicle etc. The skills audit work was undertaken to ensure adequate succession planning so that requests linked to and inform the internal and external training budget. The audit highlighted key areas of specialist skill / accreditation needs within Crime. The audit work enabled long term planning for specialist courses within the intention to improved specialist investigative standards. (TOR plus evidence of findings/report provided in evidence to BIU).		Completed
CPE/3		The College of Policing is undertaking a leadership review (at all 5 levels of Leadership). In the Interim, the Constabulary will develop an interim offering to augment its existing work in this area.	Assistant Chief Officer HR Manager - Diane Johnson	31st March 2024	October 2023 - L&D are working with the college to align our internal Leadership Development Programmes to the national model. Alongside, the Constabulary will be launching its new leadership approach hopefully in November. There will be a dedicated SharePoint page with relevant information for officers and staff regarding the promotion/selection process at each rank. Each rank has an animation video explain the role and requirements. There is a link to a managers guide detailing information relating to supporting staff development. The leadership pledge has been reviewed and forms part of the approach. The PDR has also been reviewed and will be launched with the leadership approach. It now contains a leadership action plan page where current and aspiring leaders can document their development through leadership objectives. It also highlights that not all leaders need to be in a supervisory role, they could be a tutor constable for example or in a senior staff role. March 2024 - The Constabulary Leadership Approach and revised PDR was officially launched on 8 December 2023. There are now 2 new separate SharePoint sites for leadership and PDR signposting and providing information. L&D have worked on their development programmes, aligning to the College of Policing requirements.		Completed

Appendix A Update on 2023/24 Development and Improvement Plan

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by	0	Revised Implementation Date	Status
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.							
CPF/1	CPF/2	Complete the final actions as part of the AFEP action plan. Improve financial understanding within the Constabulary through improved reporting, in-house training for budget holders/senior managers and embed the finance business partnering approach.	Constabulary Chief Finance Officer	31st March 2024	<p>October 2023 - Improvements have been made to standardise in-house financial reporting in the first part of the year. Financial awareness is to be incorporated into many board meetings and is to be a focus of a CC Strategy day on 14/11/23.</p> <p>March 2024 - Financial understanding within the Constabulary is improved with regular inputs to strategic boards and finance officers working closely with the commands they support through a business partnering approach. Training is being developed and will be provided during 2024/25.</p> <p>This action has been superseded by action CPE/3 in 2024/25.</p>	31st March 2025	Ongoing (original timescale extended)
CPF/2	CPF/3	Complete final actions of FM Code action plan. - Make better use of VFM profiles and CIPFA dashboard data. - In conjunction with PFCC CFO develop financial resilience indicators.	Constabulary Chief Finance Officer	31st March 2024	<p>October 2023 - Work is planned for the second half of the year, with current staffing shortages within the team the current focus has been on supporting the statutory audit of the accounts and budget preparation for 2024/25 & MTFE to 2028/29.</p> <p>March 2024 - The VFM profiles and supporting base data provides some insight and ability to compare with other forces, a summary analysis of outlier data is presented to JAC each year. Further use of the data will be made as part of savings and efficiencies work during 2024/25. The development of Financial Resilience Indicators are still to be developed.</p> <p>This action has been superseded by CPF/1 in 2024/25.</p>	31st March 2025	Ongoing (original timescale extended)
CPF/3	-	Improve budget setting and MTFE process for 2024/25 through clearly documented timescales and budget assumptions which are subject to approval by COG and PFCC in late summer 2023.	Constabulary Chief Finance Officer	30th September 2023	<p>October 2023 - An overview of the budget setting process and timelines were presented to Collaborative board 25/07/23. This was supplemented by an update to Collaborative Board on 13/10/23 where initial budget assumptions were discussed.</p>		Completed

Appendix B 2024/25 Development and Improvement Plan

Ref	B/fwd from 2023/24 (ref)	Action	Lead Officer	Implementation by
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.				
CPA/1		The Constabulary achieves and maintains compliance with Authorised Professional Practice (APP) with regards to vetting standards and implements an appropriate strategy to prevent and address corruption.	Deputy Chief Constable	31st March 2025
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.				
CPB/1		The Constabulary enhances and develops the Intranet site to include, where appropriate, access to necessary services and information, and an opportunity to identify and communicate with local officers / PCSO's with regards to community issues and concerns in order to improve community engagement and enhance public trust and confidence.	Head of Marketing and Communications	31st March 2025
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits				
CPC/1		Undertake a formal review of the OPFCC/Constabulary Estate: <ul style="list-style-type: none"> - Use condition survey to plan works needed to estate. - Futures programme will inform space requirement. - Review of agile working will also review space requirements. - Review of estates costs to commence in 2024/25. 	ACC Blackwell	31st March 2025
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.				
CPD/1		Strategic Workforce Planning <ul style="list-style-type: none"> - Uplift Officers to be allocated across the Constabulary. - Futures Programme will determine Police Staff strategic workforce plan. - Strategic Workforce Plan to be developed duringf 2024/25 as part of futures programme review of HR. 	ACC Blackwell	31st March 2025

[Appendix B 2024/25 Development and Improvement Plan](#)

Ref	B/fwd from 2023/24 (ref)	Action	Lead Officer	Implementation by
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.				
CPE/1		Uplift Programme - Uplift Target Achieved - Temp additional officers recruited and funding obtained. Awaiting HO decision re future funding. - Recruitment plan in place to ensure required officer numbers are maintained. - Increased workforce diversity achieved. - Assumption is that Uplift target will remain in place.	Deputy Chief Constable	31st March 2025
CPE/2		Training Needs Analysis - TNA to be carried out as part of futures Programme Learning & Development Review.	ACC Blackwell	31st March 2025
CPE/3	Part CPF/1	Leadership - Leadership course based on ELP course to be developed and delivered to senior officers and staff to enhance leadership capability within the Constabulary.	Deputy Chief Constable	30th September 2024
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.				
CPF/1	Part CPF/2	Benchmarking - Police Objective Analysis data used to inform the Futures Programme. - Police Objective Analysis data to be used for further strategic planning.	Constabulary Chief Finance Officer	31st March 2025
CPF/2		Medium Term Financial Forecast - Plan produced and agreed as part of budget setting for 2024/25. - Forecast budget deficits used to inform Futures Programme.	Constabulary Chief Finance Officer	31st March 2025
CPF/3		Medium Term Financial Forecast - Plan produced and agreed as part of budget setting for 2024/25. - Forecast budget deficits used to inform Futures Programme.	Constabulary Chief Finance Officer	31st May 2024



The Police, Fire and Crime Commissioner for Cumbria
STATEMENT OF ACCOUNTS
2023/24



www.cumbria-pcc.gov.uk

The draft Statement of Accounts was approved by the PFCC Chief Finance Officer on 07 June 2024. At this point the Grant Thornton LLP 'appointed auditor' has not yet completed his annual audit and as such has not given an opinion on the accounts. The accounts are therefore watermarked 'subject to audit'. Once the audit has been completed, which is expected to be in September 2024, the Police, Fire and Crime Commissioner will be asked to approve the Statements and the audit opinion provided will be inserted at pages 30-35 and the watermarking removed. Pages 28, 42 and Page AGSXX of these accounts include signatures which have been removed for the purposes of publication on the website.



Police and Crime Commissioner
for Cumbria

Statement of Accounts 2023/24

About this Publication

This publication contains both the single entity financial statements for the Police and Crime Commissioner for Cumbria (the Commissioner) and the financial statements for the group position which incorporates those of the Chief Constable for Cumbria Constabulary.



The Statement of Accounts for 2023/24 is available on the Commissioner's website at www.cumbria-pcc.gov.uk.

The corresponding accounts for the Chief Constable can be found on the Constabulary website at: www.cumbria.police.uk



The Statement of Accounts is also available in printed format from the office of the Police and Crime Commissioner for a nominal fee of £15 per copy.

Alternative Formats



You can get a copy of this document in different formats such as large print, Braille, audio, or in a different language by calling 01768 217734

Bengali

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Police, Fire and Crime Commissioner for Cumbria

Statement of Accounts 2023/24

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The PFCC CFO Narrative Report. For a quick, highly summarised version of this Statement of Accounts please read the next 26 pages. **The full story starts on page 29**, please read that too.

Please see page 45 for a full list of the notes to the accounts and cross references to page numbers.

Throughout this publication wherever a word, phrase or acronym is shown in teal coloured text and underlined an explanation is provided in the Glossary of Terms.

Introduction

I am pleased to introduce the financial Statement of Accounts for the 2023/24 financial year. This financial statement sets out both the single entity statements of the Police, Fire and Crime Commissioner for Cumbria and the consolidated group position, incorporating the statements of the Chief Constable of Cumbria Constabulary. The accounts are published in accordance with the Accounts and Audit Regulations 2015.

This section of the statements is the Narrative Report. The purpose of the report is to offer readers a guide to the most significant matters reported in our statement of accounts. It sets out our overall financial position and a series of mini statements summarising and explaining the primary financial statements. It includes information on our performance and value for money. A commentary is also provided to set out the major influences impacting our income and expenditure in the current and future financial years.

By providing this information we aim to support our readers with an understandable and informative narrative on those matters most significant to our financial position and our financial and non-financial performance. This narrative report is provided as part of the overall publication of the financial statements and also as a standalone report. It can be accessed through the Commissioner's website: www.cumbria-PFCC.gov.uk together with the single entity statements of the Chief Constable.

Statutory Framework

The Police, Fire and Crime Commissioner was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRSRA 2011). The PRSRA 2011 provides that there will be a Police, Fire and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

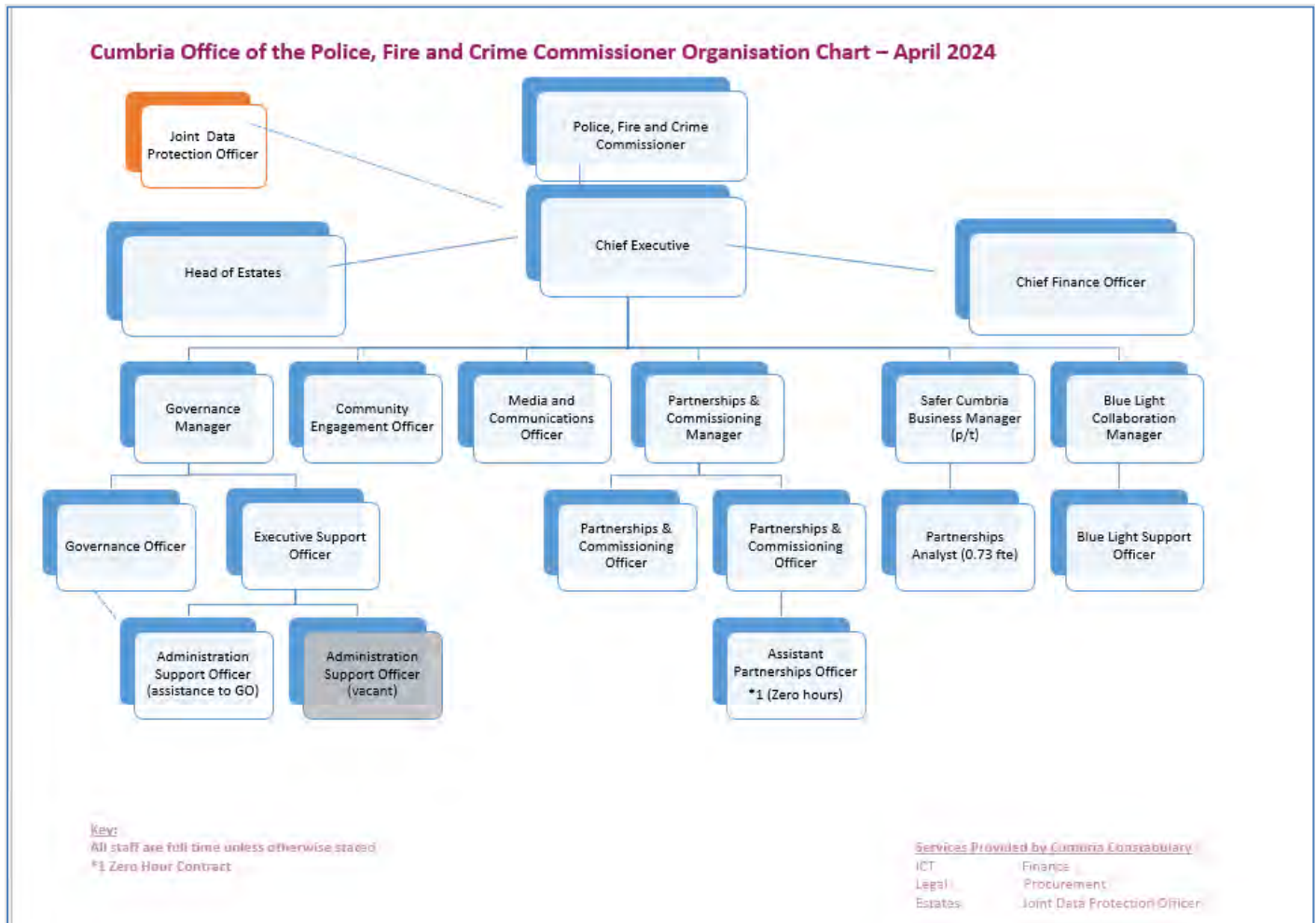
The PRSRA 2011 also established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the King's peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure.

The PRSRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office under the legislation issues a Financial Management Code of Practice for the Police Forces of England and Wales.

The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. The Commissioner decides the budget, allocating assets and funds to the Chief Constable. This, in addition to the powers of the Commissioner to set the strategic direction for policing, appoint, and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of the group accounts.

Our Organisation



The Police, Fire and Crime Commissioner is supported by an office of 16.3 FTE staff, this includes two statutory officers.

The Chief Constable is accountable to the Commissioner and has responsibilities to support the Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Plan. Both entities have appointed a Joint Audit Committee and a Joint Ethics and Integrity Panel. The Committee and Panel comprise independent members to oversee arrangements for governance, including financial reporting and the arrangements for integrity and ethical behaviour. Four Custody Visiting Panels fulfil the statutory requirement for independent review of custody. Membership of the panels at the end of 2023/24 were: Barrow 11, Kendal 9, North Cumbria 10 and West Cumbria 12.

Our Goals

The Commissioner sets the strategic direction for policing and wider interventions within the Police and Crime Plan. The vision for our plan is that Cumbria remains a safe place to live, work and visit, where the public has a say in policing and organisations and community groups work together to address the causes of crime, as well as the consequences. Key priorities include a focus on victims, reducing anti-social driving, preventing rural crime, reducing drug use and drug-related crimes, reducing reoffending and preventing cyber-crime.

We work to achieve this by holding the Chief Constable to account for the delivery of effective policing and by commissioning a range of activity and interventions with the Constabulary and our wider partners. The Police, Fire and Crime Commissioner launched the Police and Crime Plan 'Keeping Cumbria Safe' in November 2021 setting out our future strategy and goals.

Our People

Our people are the most important resource we have in achieving our goals. Our values commit to having an empowered staff who are high performing, professional and have high levels of satisfaction in their roles. The Commissioner's Office and Constabulary perform well in relation to the gender diversity of the workforce. At Chief Officer Level, excluding the elected Police, Fire and Crime Commissioner, 64% of the single entity Chief Officers are male as are 100% of senior managers. A breakdown by gender of the number of men and women across the organisation at the end of the financial year and the number of men and women who were managers is set out below.

Actual Employees as at 31 March 2024	PFCC		Total FTE
	Male FTE	Female FTE	
PFCC Single Entity			
Chief Officers	1.8	1.0	2.8
Senior Management	1.0	0.0	1.0
All Other Employees	1.0	11.5	12.5
Total PFCC Employees	3.8	12.5	16.3
Group			
Chief Officers	11.8	3.0	14.8
Senior Management	8.0	6.0	14.0
All Other Employees	998.4	1,032.8	2,031.2
Total Group Employees	1,018.2	1,041.8	2,060.0

Chief Executive Report

The Commissioner has nearly finished his eighth and final year in Office.

At the start of 2023/24, the Commissioner became the Cumbria Commissioner Fire and Rescue Authority following the transfer of Fire governance due to Local Government Reorganisation. The Fire and Rescue Authority produce their own set of accounts and are not part of the OPFCC/Constabulary group.

During the year the Commissioner has been able to further embed the Police and Crime Plan with the support of the Constabulary and partners. This has helped establish effective relationships with key local government, criminal justice, health and third sector partners to develop initiatives and commission activities to reduce crime, support victims and enhance community safety and criminal justice.

The Police and Crime Plan contains the police and crime objectives, which all contribute toward achieving the Commissioner's overall aim 'to keep Cumbria safe'. Objectives are monitored through Public Accountability Conferences; a public meeting where the Commissioner holds the Chief Constable to account. This structure has been in place for several years and works well.

The Commissioner has continued to provide a range of services for victims and specific services for victims of sexual violence, domestic violence and perpetrator programmes. During 2023/24, the Commissioner has also managed additional funding to help local charities supporting victims of domestic abuse and sexual violence to deal with increased demand for services.

The Commissioner has well established financial and governance frameworks necessary to fulfil statutory, regulatory and best practice requirements, supported by the relevant professional bodies for local government and policing. This benefits from continuous development to ensure the office continues to meet the highest standards.

Public consultation and engagement are paramount to the Commissioner as he is the 'voice' for the people of Cumbria for policing. A wide range of diverse opportunities are available for the public to speak directly to the Commissioner, when the Commissioner is out in the community or by speaking to groups directly. This is further supported by the public contacting the Commissioner by email and letter, with 682 people contacting the Commissioner in this way during 2023/24. The main themes raised in this year were in relation to, police service dissatisfaction, anti-social behaviour, anti-social driving and firearms licencing.

Chief Finance Officer Narrative Report

The Commissioner undertook a successful public consultation for the increase in the council tax precept for 2023/24, with 411 respondents and 50% supporting the proposal. As a result of the public consultation, the views of the Chief Constable and the unanimous support of the Police and Crime Panel, the Commissioner took the decision to increase council tax precept by £9.96 for a Band A property and £14.94 for a Band D property.

The Commissioner has continued to hold the Chief Constable to account at regular Public Accountability Conferences and weekly 1-2-1s with the Chief Constable focusing on performance in terms of crime and anti-social behaviour.

This is further supported by the independent inspectorate; His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), external and internal auditors to assist in the scrutiny of governance, finance, risks and internal control. In conjunction with the Constabulary the Commissioner also operates a Joint Audit Committee and an Ethics and Integrity Panel.

The Commissioner's staff embrace the fast-moving pace of the Office and this is evident from the work that is on-going with the Commissioner launching several key strategic campaigns in support of the Police and Crime Plan and commissioning developments. The Office is well placed to deal with the new challenges that we are expecting in 2024/25 and in the future as the role of the Commissioner continues to develop with additional responsibilities. Elections will take place in May 2024 and will see a newly elected Commissioner take office.

Particular attention is being directed to the continuing successful integration of Cumbria Fire and Rescue into the Commissioners portfolio following local government reform in Cumbria from April 2023. The integration work will see opportunities for collaboration between blue light services developed with a view to increasing efficiencies for both policing and fire services.

Finance Review

2023/24 Grant Settlement and Budget

The Commissioner set a combined net revenue budget of £124.957m for 2023/24 on 16 February 2023. Funding of this amount came from the Police Grant settlement (£72.875m) and income from Council Tax (£52.082m). Core Government grant income increased by 0.37% from 2022/23 with an additional £2.3m grant ringfenced for the Government's Uplift Programme to recruit 20,000 additional officers nationally by 2023/24. The budget represented an increase of the Council Tax precept by 5.3%, taking the Commissioner's proportion of the band D equivalent tax to £297.09 per annum. The effect of the increase is to support the medium term financial forecast and maintaining existing policing services through a period of higher inflationary pressures. The budget provided funding for the Chief Constable of £144.057m comprising a £149.312m expenditure budget to support policing and an income budget of (£5.255m). The Commissioner's budget provided £3.245m for Commissioned Services, to provide funding for

Chief Finance Officer Narrative Report

partnership working across the Commissioner's wider community safety, crime reduction and victim support responsibilities and £0.896m for the Office of the Police, Fire and Crime Commissioner.

The capital budget was set at £9.080m including schemes approved in the year and the effect of the 2022/23 capital outturn position. Capital expenditure is made up broadly of expenditure on assets that have a useful life of beyond one year. Approximately 65% of the programme related to investment in ICT, with the remainder being made up estates works, the cyclical replacement of fleet vehicles and operational equipment. The budget was funded from a combination of capital grants (£1.709m), reserves (£1.99m) and a borrowing requirement (£3.020m).

The table below shows the summary revenue budget for 2023/24 as set on 16 February 2023, the revised budget (taking into account budget changes made during the year) and the outturn position. The presentation below is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table below will not reconcile directly to the Summary Comprehensive Income and Expenditure statement on page 12.

Summary Budget and Outturn

Summary Budget & Outturn	Base	Revised		(Under)/
	Budget	Budget	Outturn	Overspend
	2023/24	2023/24	2023/24	2023/24
	£000s	£000s	£000s	£000s
Constabulary Budget	144,057	145,127	145,618	491
Office of the PFCC	910	1,190	1,226	36
Other PFCC Budgets	14,958	13,355	13,411	56
Grants/Contributions	(29,228)	(33,367)	(33,858)	(491)
Net Expenditure before reserves movements	130,697	126,305	126,397	92
To/(From) Reserves	(5,740)	(1,367)	(1,459)	(92)
Net Expenditure	124,957	124,938	124,938	0
Government Grants	(72,875)	(72,856)	(72,856)	0
Council Tax	(52,082)	(52,082)	(52,082)	0
Total External Funding	(124,957)	(124,938)	(124,938)	0

The Constabulary gross expenditure budget is made up of funding for employee costs, amounting in total to £131.550m, which is broken down into Police Officers £97.668m, PCSOs £2.257m, Police Staff £28.480m and other employee costs of £3.145m. The remainder of the budget relates to non-staff costs including, transport costs of

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£2.555m and supplies/other costs of £15.207m. Income of (£5.255m), which is generated through policing activities, is also shown within the Chief Constable's budget.

The Commissioner's budgets comprise the costs of running his office £1.190m and the net position on a range of other costs. These include estates costs £6.045m for premises used by the Constabulary and Commissioner, Commissioned Services and Sexual Assault support £3.215m to deliver the Police and Crime Plan and budgets to finance capital expenditure and the costs of technical accounting adjustments. PFCC other budgets also include the costs of insurance and past pension costs.

In-Year Financial Performance

Revenue Expenditure: The out-turn position for 2023/24 is an overspend of £0.092m. The overall overspend is made up of an underspend of (£0.399m) on the budgets managed by the Commissioner and overspend of £0.491m on those held by the Constabulary. The core overspend equates to 0.07% of the revised net budget of £124.938m, which is within the target for the revenue expenditure to be within 1% of the budget at out-turn.

In overall terms budgets managed by the Commissioner were (£0.399m) under budget. This was largely attributable to a combination of, increases in investment income (£0.286m) and grants and contributions (£0.296m) offset by increases in premises costs £0.052m, council tax support for care leavers £0.022m, increased contributions to provisions for insurance and legal claims £0.163m.

In 2023/24 the Constabulary was £0.491m over budget. The officer pay budget was overspent by £1.119m because pressure on overtime budgets offset by changes to the workforce plan and a conscious decision to recruit additional uplift officer targets asap to secure additional specific grant from the home office. The transport budget was overspent (£0.350m) largely as a result of the increase in inflation vehicle fuel and repairs and maintenance.

However, this was offset by savings on police staff (£0.401m), PCSO (£0.394m) and additional income (£0.421m).

It is intended that of the group overspend of £0.092m) is funded from the budget support reserve. Detailed outturn reports which explain the full range of variances can be found on the budget and finance section of the Commissioner's website.

The Commissioner maintains the Police Property Act Fund. The fund has been accumulated over a period of time as a result of the disposal of property coming into the possession of the police under the Police Property Act 1987 and the Powers of the Criminal Courts Act 1973. Community groups and individuals can submit applications for funding

on a quarterly basis. During 2023/24 awards totaling £0.154m were made to 73 groups. As at 31 March 2024 the Police Property Act fund balance stood at £0.002m.

The 2023/24 Capital Expenditure Outturn amounted to £4.061m against a revised budget of £9.176m. Whilst the variance of 50% against planned expenditure was significantly above the target of 8%, there were continuing extenuating circumstances in 2023/24, as the knock-on effects of the pandemic has continued to impact on global supply chains particularly for vehicles. There have also been delays in delivering projects some of which are attributable to strategic options appraisal. Nevertheless, progress was made in capital investment during 2023/24 including up-grading the digital infrastructure and provision of mobile devices, digitisation of firearms licensing, development of a records management system, upgrade of county wide CCTV, alterations to the learning and development centre and cyclical replacement of the vehicle.

The Financial Statements

This section of the narrative report provides an explanation of the various parts of the financial statements alongside a high-level summary and narrative on the financial position. The aim of the statements are to demonstrate to the reader the overall financial position of the Commissioner at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Commissioner's website. The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)
- The Police Officer Pension Fund Accounts

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Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the cost of policing and other services provided in the year and the income from government grants and council tax that fund those services. The CIES is shown on page 38 of the full statement of accounts. An expenditure and income analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in note 6 on page 57.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2023/24 £000s	Gross Income 2023/24 £000s	Net Expenditure 2023/24 £000s
Cost of Police Services	134,215	(24,500)	109,715
Cost of Services	134,215	(24,500)	109,715
Other Operating Expenditure	16,545	(16,516)	29
Financing Costs and Investment Income	57,576	(10,242)	47,334
Council Tax and Grant Income	0	(130,398)	(130,398)
(Surplus)/Deficit on the Provision of Services	208,336	(181,656)	26,680
Other Comprehensive Income and Expenditure			(6,180)
Total Comprehensive Income and Expenditure			20,500

The statement shows that the net cost of providing services in the year amounted to £109.715m, which is predominantly the costs of policing.

In addition to showing the cost of services, the CIES also sets out net financing costs of £47.334m. The most significant element of financing costs comprise pension charges £47.863m. These charges are calculated in accordance with generally accepted accounting practices and do not all need to be funded in the 2023/24 financial year. Financing costs also include the costs of borrowing (capital financing). These costs are extremely low other than those that fund the Workington PFI building.

This is because the capital programme is funded internally using cash reserves to reduce investment risk and reflect the relatively low interest rates available on investing such balances, although it is recognised that this may change given the recent increases to interest rates. At the end of the financial year £20.799m (inclusive of PFI contract) of the capital programme is funded by the use of cash backed internal reserves rather than borrowing from the open market.

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At some point in the future, due to a planned reduction in reserves, the Commissioner will need to consider external borrowing.

Showing expenditure and income within this statement in accordance with generally accepted accounting practices results in expenditure exceeding income (a deficit on the provision of services) by £26.680m. A further accounting adjustment of (£6.180m) income through the 'other comprehensive income and expenditure' line results in an overall position on the statement of a deficit of (£20.500m). This is an accounting deficit that is taken to Unusable Reserves. Page 9 of this summary sets out the out-turn position based on the management accounts and excluding the technical accounting entries required for the CI&ES. The management accounts show an overspend of £0.092m against the 2023/24 budget.

Movement in Reserves Statement

This statement shows the different reserves held by the Commissioner. These are analysed into 'Usable Reserves' and 'Unusable Reserves'. Usable reserves can be used to fund expenditure. They may help to pay for future costs or reduce the amount we need to raise in council tax to meet our expenses. Unusable Reserves are principally technical accounting adjustments. The Movement in Reserves Statement shows the opening balance on all reserves at the start of the year, movements in year and the closing balance. The Movement in Reserves statement is shown on page 40 in the full statement of accounts. The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2023 £000s	Movements 2023/24 £000s	Balance 31/03/2024 £000s
Police Fund	4,000	0	4,000
Earmarked Revenue Reserves	19,681	(723)	18,958
Earmarked Capital Reserves	3,632	(1,619)	2,013
Capital Receipts	2,359	(128)	2,231
Capital Grants Unapplied	1,728	(1,728)	0
Total Usable Reserves	31,400	(4,198)	27,202
Unusable Reserves	(1,013,445)	(16,302)	(1,029,747)
Total Reserves	(982,045)	(20,500)	(1,002,545)

Movements in usable reserves for 2023/24 show a net balance of (£4.198m). This is the cumulative position recording the amounts we have drawn down from and contributed to specific (earmarked) reserves to help fund expenditure during the year. There are separate accounts to record our receipt and use of income from the sale of property and government grants for capital expenditure.

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At the end of the year, the Police Fund at 31 March 2024 stands at £4.0m and provides for unplanned financial risks. Earmarked revenue reserves are £18.958m. These reserves provide for a number of specific operational contingencies, one off budget/project costs and funding to meet future liabilities in respect of insurances and the PFI contract. The balance of capital reserves as at 31 March 2024 was £2.013m, capital reserves are those set aside to fund the capital programme. Further detail on earmarked reserves is provided within note 8 to the statement of accounts on pages 62-63.

At the 31st March 2024 we have negative unusable reserves of (£1,030m). Unusable reserves provide a mechanism through which transactions are entered into the accounts in accordance with accounting standards. They also provide the means to manage differences in the timing and calculation of those transactions and the actual expenditure or income we need to charge to our accounts. For example, our properties are regularly re-valued. When this happens any increase in their value is shown in a revaluation reserve. The reserve 'records' the additional income we may receive when the property is sold, but it is 'unusable' until we decide to dispose of the property and achieve a sale. When we sell, the revaluation reserve will be reduced by any increase in value that was recorded before sale. The actual income we receive will be shown in our usable capital receipts reserve, where it can be used to fund new capital expenditure. The balance on our unusable reserves reflects the position following the required accounting transactions.

The cumulative position for unusable reserves includes reserves of:

- £54.730m in respect of the revaluation reserve and capital adjustment account, recording accounting transactions for our capital assets.
- (£1,079m) in respect of negative pensions reserves. The pensions reserves record accounting transactions for the Police and Local Government Pension Schemes. The change in the balance on these reserves in 2023/24 is positive and is as a result of changes in actuarial assumptions that have decreased scheme liabilities.

The Balance Sheet

The balance sheet shows the value as at the balance sheet date (31 March 2024) of the Commissioner's assets and liabilities. The balance sheet is shown on page 42 in the full statement of accounts. The table below sets out a summary balance sheet.

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Summary Balance Sheet	Balance	Balance
	31/03/2023	31/03/2024
	£000s	£000s
Property, Plant & Equipment	76,567	74,402
Long Term Assets	1,857	1,127
Current Assets	29,503	26,834
Current Liabilities	(18,884)	(14,911)
Long Term Liabilities	(1,071,088)	(1,089,997)
Net Liabilities	(982,045)	(1,002,545)
Usable Reserves	31,400	27,202
Unusable Reserves	(1,013,445)	(1,029,747)
Total Reserves	(982,045)	(1,002,545)

The balance sheet shows property, plant and equipment assets, which include the Commissioner's estate, fleet of vehicles and ICT/communications equipment, with a value of £74.402m. Of this, land and buildings comprise £63.775m. Long terms assets are comprised of intangible assets (predominantly computer software) £1.107m. Current assets are principally made up of debtors £21.144m, inventories £0.554m and cash/cash equivalents £5.136m and have a total value of £26.834m. Investments are made in accordance with the Commissioner's treasury management strategy and support the management of reserves and cash flows.

Debtors' balances are primarily made up of institutional debtors, for example central government, and prepayments. This means that the risk of not receiving the debt remains low. The Commissioner has a good collection record in respect of debtor invoices raised for services provided. During 2023/24 one debtor invoice totaling £1,315 was authorised to be written off as not collectable. The provision for impaired or doubtful debts stands at £11,178 against the future risk that not all outstanding invoices will prove to be 100% collectable, this figure is decreased from the previous year of £13,430. The Commissioner's debtors include a share of the debtors recorded by the two Unitary Council's in respect of council tax. This debt amounts to £3.872m and is reduced by the Commissioner's share of their respective bad debt provisions of £1.779m. See note 14 to the statement of accounts (Page 77).

Balance sheet liabilities are amounts owed by the Commissioner. They include creditors, PFI debt, pensions and finance lease liabilities. They are split between short term (current) and long term liabilities, the current liabilities being those amounts due to be paid within 1 year. The most significant element of current liabilities are short term creditors which total (£14.612m).

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The combined short and long term liability on the PFI scheme amount to (£3.701m) at 31st March 2024. Long term liabilities are the most significant figure on the balance sheet, showing a balance of (£1,090m) ((£1,071m) in 2022/23). The main element of this amount is a pension's deficit of (£1,079m) ((£1,066m) in 2022/23) for the Local Government Pension Scheme (LGPS) and the Police Pension Scheme. However, this deficit will be funded over a number of years, with financial support from Central Government, meaning that the financial position of the Commissioner remains healthy.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash held in bank accounts and changes in Money Market funds. Money Market funds are an alternative way of depositing cash to earn interest. The cash can be withdrawn from the fund without having to give notice and they are therefore referred to as cash equivalents.

The statement shows how the Commissioner generates and uses cash and cash equivalents. Cash flows are classified within the cash flow statement as arising from operating activity, investing activity and financing activity. The statement is shown on pages 43-44 of the full statement of accounts. The table below sets out a summary cash flow statement.

Summary Cash Flow Statement	Cash flows 2022/23 £000s	Cash flows 2023/24 £000s
Cash & Cash Equivalents 1 April	(5,370)	(13,097)
Net Cash Flow from:		
Operating Activity	(9,020)	3,225
Investing Activity	(4,940)	4,472
Financing Activity	6,233	264
Cash & Cash Equivalents 31 March, made up of:	(13,097)	(5,136)
Bank Accounts	(636)	(1,846)
Money Market Funds	(12,461)	(3,290)

The table shows a cash outflow of £3.225m from operating activity. This is the net of our cash income including government grants, council tax and charges for services, less how much cash has been paid out, for example for salaries and goods that have been purchased. Cash flows from investing activity show an outflow of £4.472m and primarily represents the net balance of investment deposits less the amount of cash received when the investment comes to the end of its term. Investment activity provides a way to manage resources that will be used to fund future

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expenditure, earning interest on any balances. Investment activity also includes cash flows from the purchase and sale of capital assets (e.g. property). Cash flows arising from financing activities show a net cash outflow of (£0.264m), this being amount of cash repaid in relation to financing and borrowing. The Commissioner has no borrowing other than that which relates to finance leases and the PFI agreement. An amount of £264k was paid to reduce those debts during the year.

The Commissioner's cash flow statement shows an overall balance of (£5.136m), compared to (£13.097m) in 2022/23, reflecting a decrease in cash and cash equivalents of £7.961m over the year. At the end of the year (£3.290m) of the Commissioner's cash deposits was held in money market funds and (£1.846m) in banks.

Police Officer Pension Fund Account

This statement sets out the transactions on the police officer pension fund account for the year. The statement records all the contributions that have been made during the year to the pension fund. These are primarily contributions from employees and the Constabulary as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions. These are either transferred contributions, where members join the Constabulary and pension scheme during the year, through transfer from another police force, and transfer in their existing pension benefits. Other contributions also include additional payments made by the employer to cover the cost of ill-health retirements. The fund records the pensions (benefits) that are paid out of the fund to its members. Any difference between the contributions received into the fund and the amount being paid out is met by government grant. This means the police pension fund always balances to nil.

Summary Police Pension Fund	Pension Fund A/C 2022/23 £000s	Pension Fund A/C 2023/24 £000s
Contributions - Employer	(14,714)	(16,588)
Contributions - Officers	(6,348)	(7,193)
Contributions - Other	(376)	(268)
Benefits Payable	40,622	40,539
Other Payments	163	55
Net Amount Payable	19,347	16,545
Contribution from Home Office	(19,347)	(16,545)
Net Amount Payable	0	0

The statement identifies contributions into the fund of (£16.588m) from the Constabulary (employer) and (£7.193m) from police officers. Employer contribution rates in 2023/24 were at 31%. In total £40.539m of pensions have been

paid out of the fund. The balance between contributions and those pensions' benefits of £16.545m has been funded by Home Office. The full police officer pension fund account is shown on pages 102 to 103 of the financial statements accompanied with a page of explanatory notes.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published alongside the Annual Governance Statement for the Police, Fire and Crime Commissioner and the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

Business Review

During 2023/24, the Commissioner has continued with several programmes and initiatives working with the Constabulary and wider partners to deliver the key priorities within the Police & Crime Plan.

Alongside the core emotional, practical and advocacy support services commissioned for victims of crime and abuse, the Commissioner has worked with Victim Support to introduce new Independent Domestic and Sexual Violence Advisor posts, through Ministry of Justice funding managed by the Commissioner's office. One is based within Carlisle Infirmary and has been developed in partnership with North Cumbria Integrated Care NHS Foundation Trust, to provide support to survivors of abuse who are accessing health services, particularly those who might not otherwise come into contact with support services. Another post is enhancing the support available to male victims of crime, particularly domestic and sexual abuse, through the introduction of a Male Independent Domestic and Sexual Violence Advisor based with Victim Support, which has enabled male victims to choose the gender of the person providing support. This post, has also supported a review of the information available for male victims and has focused on increased promotion of services to men through engaging with places which men they tend to go, including gyms and barbers' shops.

A service for children and young people who have witnessed domestic abuse has been embedded during 2023/24. 206 children and young people have been supported through this service during 2023/24. 100% of young people who completed their support between October and December 2023/24 reported that they had seen an improvement in their coping strategies and understanding of what makes a healthy relationship at the end of their support through this service.

The Commissioner has continued to fund Remedi to deliver restorative justice services across Cumbria for victims of crime and provide a programme of meditation for victims of antisocial behaviour. Restorative Justice is a process

which brings those harmed by a crime (a victim or victims) and those responsible for the harm (an offender or perpetrator), into some form of communication, enabling everyone affected by a particular incident to play a part in repairing the harm and finding a positive way forward.

Another key group of services which the Commissioner has helped to fund and manage is the Bridgeway Sexual Assault Support Services. There were a total of 340 referrals in the year for therapeutic services, and 77 people (2022/23 – 63 people) sought telephone advice through the Bridgeway Sexual Assault Support Services during the year ending March 2024.

For the therapeutic service, 81% (2022/23 - 82%) of service users with a planned closure to their support reported an improvement in health and well-being, 81% (2022/23 – 83%) felt better able to cope with everyday life (data for the 12 months to March 2024).

During 2023/24 together with the Constabulary has helped to reduce reoffending via the Cumbria Adult Out of Courts Disposal Framework. The integrated Offender Management programme known as ‘Pathways’, is delivered by commissioned service provider Remedi. In the first year of delivery, Pathways has received 1,214 referrals with equal spread of referrals across the county and 400 onward referrals for specialist support.

The Commissioner continued to fund Keep Safe to deliver consistent crime prevention advice with a target hardening service (improving security measures) available for all victims of crime. This service aims to reduce the likelihood of recidivism and helps victims to cope and recover from crime and/or anti-social behaviour by increasing the feeling of safety within their own homes. The number of victims supported by Keep Safe rises each year with 583 cases recorded from 1st April 2023 to 24th March 2024.

The Commissioner continued to provide a contribution towards the Crimestoppers regional manager contract to deliver campaigns and appeals at a local, regional and national level. These campaigns encourage people to report anonymously, taking away the fear of reprisals but still bringing criminals to the attention of the police and helping to safeguard victims of crime.

The Commissioner continued to provide a contribution towards Brake National Road Victim Service to support those who have suffered a bereavement or serious life changing injury due to a road collision. The service includes specific materials and support for children to help them to understand and to cope with a sudden bereavement.

In July 2022 the Commissioner secured £354,639 for Carlisle and £405,470 for Barrow from the Home Office Safer Streets Fund Round 4 to help reduce anti-social behaviour and the impact anti-social behaviour has on communities.

These projects will continue until September 2024. With the funding, the Commissioner has paid for the upgrading of lighting in streets, backstreets and areas identified as ASB hotspot or areas of concern in Carlisle and Barrow, this will make identification of offenders easier therefore deter unwanted behaviours. Lighting was also installed in Keenan Park, and in the skate park at Bitts Park, both in Carlisle to encourage legitimate and safe use of community assets.

In October 2023, the Commissioner was also successful in securing £820k for Safer Streets Fund Round 5. The funding will be spent in Carlisle (Hammonds Pond) to improve public realm lighting and improve CCTV in the area; Workington (the Line) to improve the safety and feeling for users of the footpath; and Penrith, working collaboratively with Cumbria Fire and Rescue to drive an innovative educational resource around safer driving with the use of Virtual Reality Headsets.

Three ANPR cameras have been installed on known routes to help police intercept travelling criminals bringing drugs into the areas. The chaotic and high-risk lifestyle linked to drug misuse is detrimental for the individuals concerned and has a profoundly negative impact on the safety and feelings of safety in the communities.

Carlisle City Council and Barrow Borough Council both had teams who were tasked with tackling anti-social behaviour as well as enviro-crimes and parking issues. The funding paid for conflict resolution training for 16 council officers, body armor to help protect them from physical harm, radios so they can contact the police more easily to share information, and the Barrow officers have also received bodyworn video cameras enabling them to capture evidence when necessary.

The funding has paid for the delivery of the multi-agency workshops “Your Life, You Choose” to school years 7 and years 8 raising awareness around crime, violence and ASB. By the end of the project in September 2023, 18 schools will have received this input to encourage young people to make healthy, positive life choices.

The funding has paid for delivery of the multi-agency symposium “Be Safe Stay Safe” to colleges which includes marketplace stalls provided by partner agencies to share relevant information to students. Topics have been selected by the college with input from the Child Centred Policing Teams and include anti-social behaviour, bullying, women’s safety and drugs. By the end of the project in September 2023, 4 colleges will have benefitted from this delivery.

EDGE NE have provided three teams of youth outreach workers (two funded by Safer Streets, one funded by the Commissioner) to engage with and divert young people away from ASB and their vulnerability towards criminality. The teams take a targeted approach directed by the Constabulary’s Neighborhood Policing Teams and Local Focus Hubs which include the Child Centred Policing Teams. As anti-social behaviour is fluid and frequently moving, the teams’ approach is equally flexible to meet need & demand targeting time, place and/or individual(s).

The funding has paid for two restorative caseworkers employed by Remedi to work with those affected by youth-related anti-social behaviour. The work they do with victims is designed to help victims put strategies in place so they can cope and recover from ASB, and so they know how to handle any ongoing issues. The work they do with offenders is designed to help them recognise the impact their behaviour is having, and how to modify their behaviour. Remedi can also offer mediation between the parties if appropriate.

The funding has paid for crime prevention training for PCSOs and officers to enable the constabulary to provide a professional approach to crime prevention and give out consistent information and guidance to victims of crime on what they can do to help keep themselves and their property safe from criminal or anti-social behaviours.

The Commissioner, in partnership with North West Probation Service funded & developed Women's Outreach Services for female victims and offenders residing in the Kendal & surrounding areas & Carlisle and surrounding areas. The outreach services provide practical and emotional support to women experiencing crisis which include victims of domestic abuse, sexual violence and ex-offenders at risk of reoffending due to vulnerability.

The key deliverables of the outreach projects are to support women to address the risk of harm, reduce the risk of reoffending, provide early intervention aimed at reducing demand on the police, criminal justice and partner services. They provide support to women leaving prison with the aim of reintegration into the community.

Younger women are supported against the risk of child sexual exploitation. The outreach can provide an alternative to custody with the option of attendance as a bail condition, conditional discharge or voluntary option.

Women are provided with information, advocacy and signposting to specialist support services based on risk and need. The support & guidance is in relation to housing, finance, employment, relationships, criminal justice and physical/mental health, the list is not exhaustive.

The outreach workers are non-judgmental, non-directive in their approach to empower survivors along with the ability to understand the individual needs of a woman. They support victim / survivors of domestic abuse &/or sexual violence to cope and recover & provide women with access to support services by removing the barriers to access.

The Commissioner introduced a new Victims' Quality Champion role during 2023/24. This role is enabling the Commissioner to further develop the focus on victims in his assurance work with the Constabulary and commissioned services. As well as conducting assurance visits to service providers, the Victims' Quality Champion has supported the new independent Violence Against Women and Girls Scrutiny Panel, whose role is to review a dip sample of police cases from the perspective of the victim. This has given the Commissioner assurance about how police officers are

communicating with victims and providing their rights under the Victims' Code of Practice. Where learning has been identified, this has been fed back within the Constabulary to ensure a continual improvement in how victims are dealt with.

The Commissioner continues to lead on the implementation of the Quality Assessment Framework, to review how criminal justice agencies comply with the national Victims' Code of Practice and to drive improvements in specific areas through this process. The Commissioner's Victim's Quality Champion conducted review of compliance of a dip sample of cases against the Code and the team has also shared its good practice with other counties.

The Commissioner has continued to fund the county-wide Domestic Abuse Perpetrator Programme "Turning the Spotlight", which received 339 referrals between April 2023 and March 2024. "They Matter", the High Harm High Risk programme received 50 referrals. The risk addressed within the programme is physical violence, threat of violence & coercive control. Outcomes include a reduction in risk towards a partner & shift in perpetrator attitude and thinking. In addition, the Commissioner has provided funding to the "Step Up: Restore Families" programme for families experiencing child-on-parent or child-on-carer violence, working with Cumbria County Council. 43 families have completed the programme during the period July 2023 to March 2024 and 94% of participants reported an improvement in behaviour and family relationships.

The Commissioner, working with partners, continually raises awareness around anti-social driving in response to what residents said is one of their main local concerns. The engagement focuses on raising awareness of the Fatal Four (no seatbelts; speeding; distracted driving and drug/drink driving) as well as any other trends that arise throughout the year e.g. pedestrian safety, motorbike/cyclist safety. The Commissioner has delivered a rural crime campaign, which has been influenced by current issues raised by the Constabulary and National Farmers Union (NFU), with all partners working together to promote rural safety and prevent rural crime. Working with Get Safe Online, the Commissioner has continued to raise public knowledge of how to protect themselves against fraud and other crimes committed via the internet.

Funding has been provided to continue a pilot programme working with young people who have taken or shared nude or semi-nude images of themselves This has been working with 68 young people and 33 parents/ carers over the course of the pilot.

Performance

The Commissioner has an open and transparent Accountability Framework to assess how well the objectives in the Police & Crime Plan are being achieved.

The Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy) by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). In March 2024, the evidence gathering phase of an extensive period of inspection came to an end and I anticipate that the finalised report will be published in July 2024.

During 2023/24, the Police, Fire and Crime Panel has continued to facilitate effective scrutiny of delivery of the plan's objectives through quarterly meetings. Thematic reports are presented to the Panel and follow terms of reference agreed in advance with the Panel Chair.

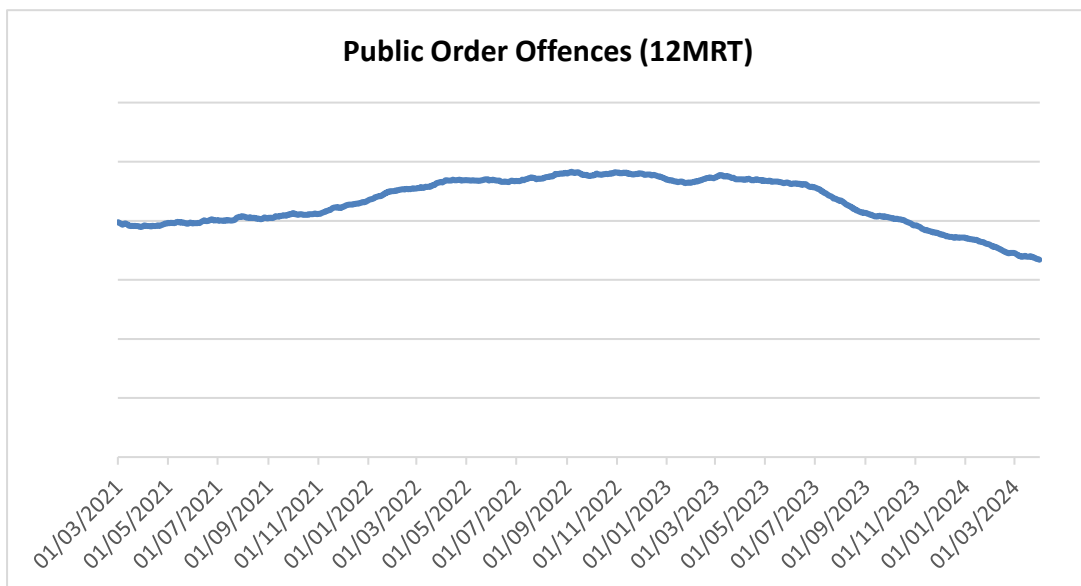
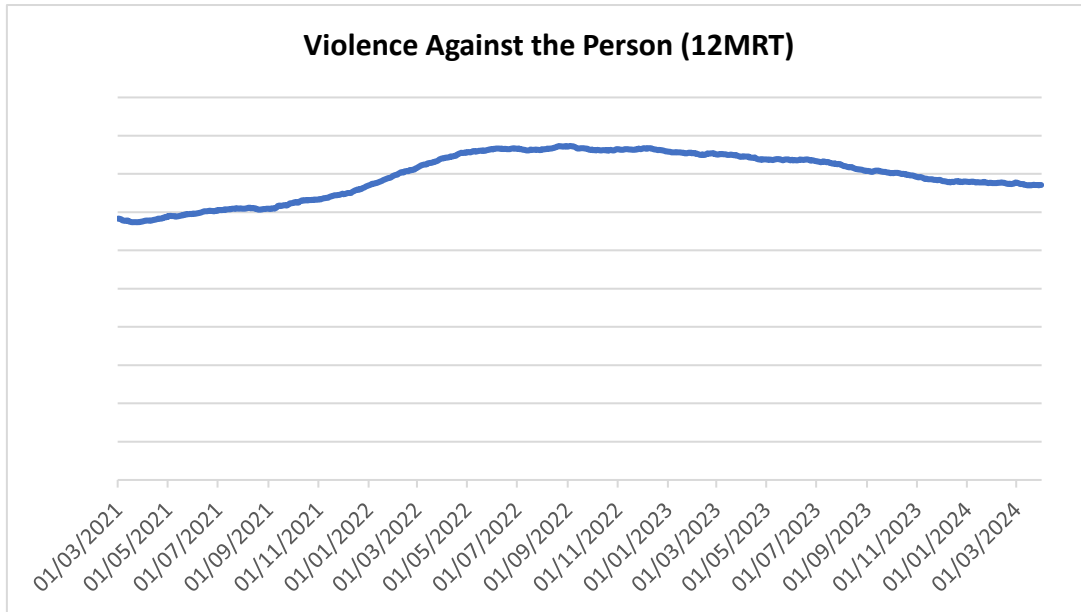
Within the Office of the Police, Fire & Crime Commissioner (OPFCC) Strength Based Conversation Performance Reviews have been replaced by Personal Development Reviews and continue to be carried out with all staff. To support this, the OPFCC Training Plan sets out the overall training plan for the office and cascades into individual responsibilities. In 2023/24, specific training has been provided for staff in the areas of OPFCC Business Continuity, Victim Awareness, Youth Mentoring Scheme, Contract Management, Social Media procedures, Risk Management, Data Protection and staff wellbeing. Individual staff have attended conferences, workshops and specific training events to help them develop within their roles.

Performance Report

We measure our performance across a number of key themes reflecting the priorities in the Police and Crime Plan. These are Effective Policing, Community Safety, Criminal Justice, Customer/Victim Satisfaction and Finance & Value for Money.

The following data has been recorded by Cumbria Constabulary:

- For 2023/24 overall crime decreased by 8.5%, which equates to an decrease of 3,263 crimes over the 12-month period to 31st March 2024, compared with the previous 12 months.
- 7 crime types in 2023/24 displayed decreases in offences compared to the previous 12 months:
 - Violence Against the Person (-1,528)
 - Public Order Offences (-1,361)
 - Arson and Criminal Damage (-652)
 - Burglary (-267)
 - Sexual Offences (-129)
 - Theft Offences (-8)
 - Vehicle Offences (-3)



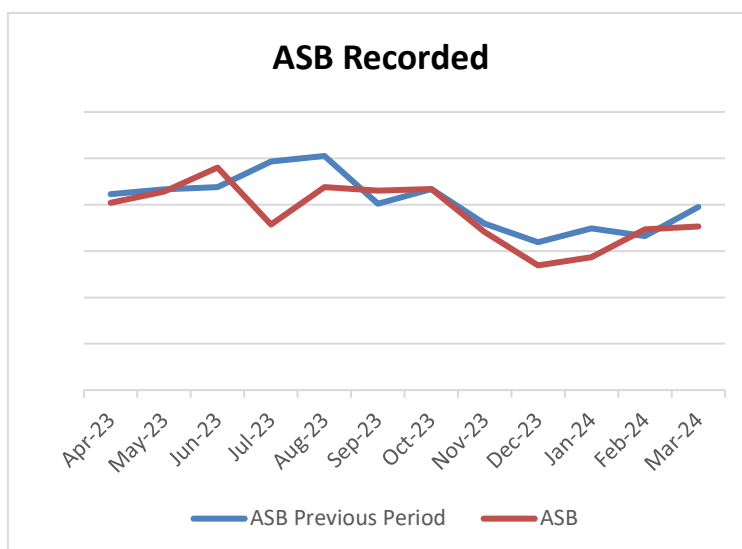
- 4 crime types in 2023/24 displayed increases in offences compared to the previous 12 months:
 - Drug Offences (+510)
 - Miscellaneous Crimes Against Society (+76) (Changes in the way in which weapons possession offences are recorded are believed to have contributed to this increase).
 - Possession of Weapons offences (+74)
 - Robbery (+25)

Community Safety

- Antisocial behaviour (ASB) decreased during 2023/24. There were 4568 incidents in 2023/24, with a total decrease of 314 cases (-6%).

Antisocial Behaviour Recorded in 2023/24 Compared with Previous Period 2022/23

- Hate crimes and incidents continue to be closely monitored. During 2023/24, the number of crimes with a hate marker decreased from 917 to 667 which equated to a decrease of 27.3%. The Constabulary and partners continue to work to encourage reporting hate crime.



- Domestic Abuse incidents have seen an increase during 2023/24. There were 7,771 incidents recorded in 2023/24, a total increase of 378 compared to the previous 12 months (+5%). We work to encourage reporting of incidents of domestic abuse therefore an increase in incidents overall is positive as victims are coming forward to report. Whereas an increase in repeat DA can be seen as negative if the perpetrator has engaged in a perpetrator programme, then re-offended (Turning the Spotlight).

Criminal Justice

- All recorded offences are assigned an outcome based on a national framework for crime. Crime outcomes are classed as positive where the offender is either charged or summonsed, receives an out of court disposal or where the Crown Prosecution Service (CPS) or police determine it is not in the public interest to prosecute. In all cases the crime outcome represents positive police activity in detecting the crime. Positive crime outcome rate for 2023/24 was 19.7% (2022/23: 15%).

Customer and Victim Satisfaction

- Performance in customer and victim satisfaction is measured through regular independent surveys following police contact. This is supplemented by the process for police complaints that includes independent sampling of complaint files and scrutiny of local to national comparatives against complaints upheld.
- 82.9% of victims interviewed reported that they were satisfied with their whole experience with Cumbria Constabulary for interviews during 2023/24.
- When allegations are made against the police, cases that are resolved locally compare well against national comparative indices.

Finance & Value for Money

- We measure our performance against targets for achieving financial outturn within a percentage of the net budget. For 2023/24 this was set at 1% for the revenue budget and 8% for the capital budget.
- Actual performance for the Group revenue was 0.6%, which was within the target.
- The capital outturn was 50% below budget, falling outside the target. Whilst this was a disappointing result, the slippage was to a large degree attributable to a combination of delays in vehicle deliveries, which were beyond our control, and of taking additional time to ensure that investment in fast moving digital technologies is spent wisely to provide long term benefits. Stretch targets will continue to be set for capital expenditure going forward as a recognised area for performance improvement.
- Historically the budget for the Commissioner and Office of the Police, Fire and Crime Commissioner was benchmarked against HMICFRS Value for Money profiles. Following the inclusion of fire and rescue services under the remit of HMICFRS, costs for Police, Fire and Crime Commissioners are no longer included in the VFM comparators. It has therefore not been possible to undertake a Value for Money analysis for the Office of the Police, Fire and Crime Commissioner for 2023/24.
- His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) latest PEEL inspection in 2021 assessed the Constabulary adequate in respect of use of resources.
- Outcomes against wider performance measures that indicate the effectiveness of activity and interventions are strong against the priority areas of keeping crime at low levels, reducing anti-social behaviour, bringing criminals to justice and increasing reporting of hate crime and domestic and sexual abuse.
- External audit of arrangements for Value for Money in their annual report.
- Collectively, these indicators provide assurance of Value for Money in respect of the 2023/24 financial year.

The Future Outlook

Following his re-election in 2021, Peter McCall the Police, Fire and Crime Commissioner for Cumbria launched his Police and Crime Plan covering the period to 2025. The Plan's key theme is 'Keeping Cumbria Safe' and sets the strategic direction for policing and wider aims for enhancing community safety, criminal justice and supporting victims.

The overall balance sheet at the 31st March 2024 remains healthy, which is reflected in the Medium Term Financial Forecast, which sets out the revenue budget position until 2028/29 and a capital programme, which is fully funded until 2033/34, which will support delivery of the Police and Crime Plan. The current financial position has primarily arisen as a result of positive action on behalf of the Constabulary to reduce costs in the context of real terms reductions in funding since 2010. This has enabled reserves to be maintained at a level that balances financial resilience and supports continued investment.

The Medium Term Financial Strategy and 2024/25 budget was approved in the context of the Government continuing to provide additional funding for Operation Uplift and affording Commissioners' flexibility to raise council tax above inflation. However, this is accompanied by increasing cost pressures particularly in light of the emergence of continued inflationary pressures throughout 2024/25.

Against this background the 2024/25 budget provides £158.014m funding for the Chief Constable to deliver policing for Cumbria. Resources include maintaining an establishment of 1,359 Police Officers. The longer term 10 year capital programme envisages a total investment of £56m principally across the estate, fleet and ICT.

Whilst the position is financially resilient in the short term, there are uncertainties which have the potential to impact negatively on the budget in the medium term. Based on the MTFF assumptions, savings will need to be delivered from 2025/26 to balance the budget. The cumulative budget gap by 2028/29 is forecast as £16.1m. The uncertain impact of inflation on future budget prospects compounds existing financial risks in relation to the adequacy and sustainability of funding beyond Operation Uplift, the cost of national policing programmes, particularly the Emergency Services Network, pensions issues and the review of the police funding formula. The required savings are considered to be challenging, and will need diligence to ensure they are achievable and manageable.

Financial scenario modelling continues to take place on a frequent on-going basis, together with development of a savings and efficiency plan involving both the OPFCC and Constabulary.

Acknowledgements

The financial statements were originally authorised for issue by me as PFCC Chief Finance Officer on 07 June 2024. In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis the Constabulary Chief Finance Officer, Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these Statements against tight deadlines and complex financial reporting standards.

Steven Tickner
PFCC Chief Finance Officer

The accounts present a true and fair view of the position of the Police, Fire and Crime Commissioner for Cumbria Single Entity and Group Accounts as at 31 March 2024 and its income and expenditure for the year there ended.

Signatures removed for the purpose of publication on the website

Steven Tickner CPFA
PFCC Chief Finance Officer

Date: 07 June 2024

1 The Commissioner's Responsibilities

The Police, Fire and Crime Commissioner (The Commissioner/PFCC) is the recipient of funding relating to policing and crime reduction and has statutory responsibility for the Police Fund. The Commissioner is required to:

- make arrangements for the proper administration of his financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the PFCC Chief Finance Officer (CFO).
- manage his affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

2 The Chief Constable's Responsibilities

The Chief Constable (the CC) is accountable to the Police, Fire and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police, Fire and Crime Commissioner. The Chief Constable is required to:

- make arrangements for the proper administration of the financial affairs of the Constabulary and to secure that one of their officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Constabulary Chief Finance Officer (CFO).
- manage the affairs of the Constabulary to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

3 The PFCC Chief Finance Officer's Responsibilities

The PFCC Chief Finance Officer is responsible for the preparation of the Commissioner's, Chief Constable's and Group 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 Account, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- complied with the local authority code.

The CFO has also:

- kept proper accounting records, which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The CFO should sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the organisation at the reporting date and its income and expenditure for the year ended 31 March 2024.

Independent Auditor's Report

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The Statement of Accounts includes four primary or core financial statements:

- **Comprehensive Income and Expenditure Statement** - This statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

The expenditure in the 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. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables.

- **Movement in Reserves Statement** - This statement shows the movement in the year on the different reserves held by the Commissioner, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce taxation) and other 'Unusable Reserves'. The Surplus (or Deficit) on the Provision of Services line shows the true economic cost of providing the Commissioner's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Police Fund Balance for Council Tax setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory Police Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Commissioner.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables, the figures for 2023/24 and the comparators for 2022/23 are also shown in separate tables.

- **Balance Sheet** – This statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Commissioner. The net assets (assets less liabilities) are matched by the reserves held by the Commissioner. Reserves are reported in two categories.

The first category of reserves are **usable reserves**, i.e. those reserves that the Commissioner may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves are **unusable reserves** and relate to those that the Commissioner 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 under regulations'.

The balance sheet for the Group and PFCC are shown side by side and include both 2023/24 figures and 2022/23 comparators.

- **Cash Flow Statement** - This statement shows the changes in cash and cash equivalents of the Commissioner during the reporting period. The statement shows how the Commissioner 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 Commissioner are funded by way of taxation and grant income or from the recipients of services. Investing activities represent the extent to which cash outflows have been generated from resources which are intended to contribute to the Commissioner'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).

The cash flow statement for the Group and PFCC are shown side by side and include both 2023/24 figures and 2022/23 comparators.

Police Property Act – At the 31 March 2024, the Commissioner held £2k (£94k in 2022/23) under the Police Property Act 1997. The Act applies to property that is in the possession of police where the owner of the property cannot be identified and where no order of a competent court has been made. The proceeds, after defraying the costs of handling the property, are available for distribution each year to local charities as directed by the Office of the Police, Fire and Crime Commissioner. During 2023/24 awards totaling £154k were made to 73 groups from the Police Property Act Fund.

Proceeds of Crime and Misuse of Drugs Acts – At the 31 March 2024, the Commissioner held £1.25m (£1.95m in 2022/23) under the Proceeds of Crime Act 2002 and the Misuse of Drugs Act. This is money seized in connection with possible criminal activity and held pending a decision, by the courts, on the lawful owner, or distribution if no legal owner is identified.

These funds are not under the ownership of the Constabulary who acts as steward on behalf of various parties, and as such, does not form part of the Commissioner's accounts.

Comprehensive Income and Expenditure Statement – Group

Comprehensive Income and Expenditure Statement (Group)		Group	Group	Group	Group	Group	Group	
		2022/23	2022/23	2022/23	2023/24	2023/24	2023/24	
		Gross	Gross	Net	Gross	Gross	Net	
		Expenditure	Income	Expenditure	Expenditure	Income	Expenditure	
Notes		£000s	£000s	£000s	£000s	£000s	£000s	
	Cost of Policing and Crime Services	#	138,843	(15,993)	122,850	134,215	(24,500)	109,715
	Cost of Policing and Crime Services		138,843	(15,993)	122,850	134,215	(24,500)	109,715
	Other Operating Expenditure							
	(Gain)/loss on disposal of non current assets	9e	0	(546)	(546)	0	(23)	(23)
	Transfer to Pension Fund/Pension Top Up Grant		19,347	(19,347)	0	16,545	(16,493)	52
			19,347	(19,893)	(546)	16,545	(16,516)	29
	Financing and Investment Income and Expenditure							
	Interest payable on PFI unitary payments		512	0	512	480	0	480
	Net Interest on the net defined benefit liability (asset)	Annex C (Pg 116)	45,666	(5,430)	40,236	57,096	(9,233)	47,863
	Investment interest income		0	(436)	(436)		(1,009)	(1,009)
			46,178	(5,866)	40,312	57,576	(10,242)	47,334
	Taxation and Non-Specific Grant Income							
	Income from Council Tax	28	0	(49,162)	(49,162)	0	(52,004)	(52,004)
	Council Tax Grant (Freeze & Support)	27	0	(4,850)	(4,850)	0	(4,850)	(4,850)
	Formula Funding	27	0	(37,230)	(37,230)	0	(37,360)	(37,360)
	Home Office Police Grant	27	0	(35,373)	(35,373)	0	(35,496)	(35,496)
	PFI Grant	27	0	(688)	(688)	0	(688)	(688)
			0	(127,303)	(127,303)	0	(130,398)	(130,398)
	(Surplus) or Deficit on Provision of Services		204,368	(169,055)	35,313	208,336	(181,656)	26,680
	Surplus or Deficit on revaluation of Property, Plant and Equipment Assets							
	Revaluation (Gains)	20a			(5,943)			(2,944)
	Revaluation losses (chargeable to revaluation reserve)	20a			13			4,490
	Actuarial (gains) / losses on pension assets / liabilities							
	- Matching the entry to the pensions reserve	Annex C (Pg 116)			(492,486)			(7,726)
	Other Comprehensive Income and Expenditure				(498,416)			(6,180)
	Total Comprehensive Income and Expenditure				(463,103)			20,500

A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Comprehensive Income and Expenditure Statement – PFCC

Comprehensive Income and Expenditure Statement (PFCC)	Notes	PFCC	PFCC	PFCC	PFCC	PFCC	PFCC
		2022/23	2022/23	2022/23	2023/24	2023/24	2023/24
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing and Crime Services	#	15,271	(25,466)	(10,195)	22,617	(32,796)	(10,179)
Funding Provided by PCC to CC		135,452	0	135,452	146,028	0	146,028
Cost of Policing and Crime Services		150,723	(25,466)	125,257	168,645	(32,796)	135,849
Other Operating Expenditure							
(Gain)/loss on disposal of non current assets	9e	0	(546)	(546)	0	(23)	(23)
Transfer to Pension Fund/Pension Top Up Grant		19,347	(19,347)	0	16,545	(16,493)	52
		19,347	(19,893)	(546)	16,545	(16,516)	29
Financing and Investment Income and Expenditure							
Interest payable on PFI unitary payments		512	0	512	480	0	480
Net Interest on the net defined benefit liability (asset)	Annex C (Pg 117)	155	(125)	30	234	(261)	(27)
Investment interest income		0	(436)	(436)	0	(1,009)	(1,009)
		667	(561)	106	714	(1,270)	(556)
Taxation and Non-Specific Grant Income							
Income from Council Tax	28	0	(49,162)	(49,162)	0	(52,004)	(52,004)
Council Tax Grant (Freeze & Support)	27	0	(4,850)	(4,850)	0	(4,850)	(4,850)
Formula Funding	27	0	(37,230)	(37,230)	0	(37,360)	(37,360)
Home Office Police Grant	27	0	(35,373)	(35,373)	0	(35,496)	(35,496)
PFI Grant	27	0	(688)	(688)	0	(688)	(688)
		0	(127,303)	(127,303)	0	(130,398)	(130,398)
(Surplus) or Deficit on Provision of Services		170,737	(173,223)	(2,486)	185,904	(180,980)	4,924
Surplus or Deficit on revaluation of Property, Plant and Equipment Assets							
Revaluation gains	20a			(5,943)			(2,944)
Revaluation losses (chargeable to revaluation reserve)	20a			13			4,490
Actuarial (gains) / losses on pension assets / liabilities							
Remeasurement of the net defined pension benefit liability/asset	Annex C (Pg 117)			(1,256)			48
Other Comprehensive Income and Expenditure				(7,186)			1,594
Total Comprehensive Income and Expenditure				(9,672)			6,518

A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Movement in Reserves Statement - Group

The figures for the group in 2023/24 are provided in the table below:

Movement in Reserves Statement (Group) Figures for 2023/24		Note	Balance at 1 April 2023	Surplus/(deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2023/24	Balance at 31 March 2024
			£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves											
Police Fund Account	-		4,000	(26,680)	0	(26,680)	24,338	(2,342)	2,342	0	4,000
Earmarked Revenue Reserves	8		19,681	0	0	0	0	0	(723)	(723)	18,958
Earmarked Capital Reserves	8		3,632	0	0	0	0	0	(1,619)	(1,619)	2,013
Capital Receipts Reserve	19		2,359	0	0	0	(128)	(128)	0	(128)	2,231
Capital Grants Unapplied	19		1,728	0	0	0	(1,728)	(1,728)	0	(1,728)	0
Total Usable Reserves			31,400	(26,680)	0	(26,680)	22,482	(4,198)	0	(4,198)	27,202
Unusable Reserves											
Revaluation Reserve	20a		25,878	0	(1,546)	(1,546)	(333)	(1,879)	0	(1,879)	23,999
Capital Adjustment Account	20b		31,078	0	0	0	(347)	(347)	0	(347)	30,731
Police Pensions Reserve	20e		(1,065,680)	0	9,890	9,890	(23,500)	(13,610)	0	(13,610)	(1,079,290)
LGPS Pensions Reserve	20e		0	0	(2,164)	(2,164)	1,431	(733)	0	(733)	(733)
Collection Fund Adjustment Account	20c		84	0	0	0	(78)	(78)	0	(78)	6
Accumulated Absences Account	20d		(4,805)	0	0	0	345	345	0	345	(4,460)
Total Unusable Reserves			(1,013,445)	0	6,180	6,180	(22,482)	(16,302)	0	(16,302)	(1,029,747)
Total Reserves			(982,045)	(26,680)	6,180	(20,500)	0	(20,500)	0	(20,500)	(1,002,545)

The comparative figures for the group in 2022/23 are provided in the table below:

Movement in Reserves Statement (Group) Figures for 2022/23		Note	Balance at 1 April 2022	Surplus/(deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2022/23	Balance at 31 March 2023
			£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves											
Police Fund Account	-		3,600	(35,313)	0	(35,313)	39,554	4,241	(3,841)	400	4,000
Earmarked Revenue Reserves	8		15,178	0	0	0	0	0	4,503	4,503	19,681
Earmarked Capital Reserves	8		4,294	0	0	0	0	0	(662)	(662)	3,632
Capital Receipts Reserve	19		2,349	0	0	0	10	10	0	10	2,359
Capital Grants Unapplied	19		4,876	0	0	0	(3,148)	(3,148)	0	(3,148)	1,728
Total Usable Reserves			30,297	(35,313)	0	(35,313)	36,416	1,103	0	1,103	31,400
Unusable Reserves											
Revaluation Reserve	20a		19,948	0	5,930	5,930	0	5,930	0	5,930	25,878
Capital Adjustment Account	20b		29,614	0	0	0	1,464	1,464	0	1,464	31,078
Police Pensions Reserve	20e		(1,459,590)	0	425,510	425,510	(31,600)	393,910	0	393,910	(1,065,680)
LGPS Pensions Reserve	20e		(60,929)	0	66,976	66,976	(6,047)	60,929	0	60,929	0
Collection Fund Adjustment Account	20c		18	0	0	0	66	66	0	66	84
Accumulated Absences Account	20d		(4,506)	0	0	0	(299)	(299)	0	(299)	(4,805)
Available for Sale Financial Instruments Reserve			0	0	0	0	0	0	0	0	0
Total Unusable Reserves			(1,475,445)	0	498,416	498,416	(36,416)	462,000	0	462,000	(1,013,445)
Total Reserves			(1,445,148)	(35,313)	498,416	463,103	0	463,103	0	463,103	(982,045)

Movement in Reserves Statement – PFCC

The figures for the PFCC Single Entity in 2023/24 are provided in the table below:

Movement in reserves Statement (PFCC) Figures for 2023/24										
Note	Balance at 1 April 2023	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2023/24	Balance at 31 March 2024	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Usable Reserves										
Police Fund Account	-	4,000	(4,924)	0	(4,924)	2,582	(2,342)	2,342	0	4,000
Earmarked Revenue Reserves	8	19,681	0	0	0	0	(723)	(723)	(723)	18,958
Earmarked Capital Reserves	8	3,632	0	0	0	0	(1,619)	(1,619)	(1,619)	2,013
Capital Receipts Reserve	19	2,359	0	0	0	(128)	(128)	0	(128)	2,231
Capital Grants Unapplied	19	1,728	0	0	0	(1,728)	(1,728)	0	(1,728)	0
Total Usable Reserves		31,400	(4,924)	0	(4,924)	726	(4,198)	0	(4,198)	27,202
Unusable Reserves										
Revaluation Reserve	20a	25,878	0	(1,546)	(1,546)	(333)	(1,879)	0	(1,879)	23,999
Capital Adjustment Account	20b	31,078	0	0	0	(347)	(347)	0	(347)	30,731
LGPS Pensions Reserve	20e	0	0	(48)	(48)	34	(14)	0	(14)	(14)
Collection Fund Adjustment Account	20c	84	0	0	0	(78)	(78)	0	(78)	6
Accumulated Absences Account	20d	(44)	0	0	0	(2)	(2)	0	(2)	(46)
Total Unusable Reserves		56,996	0	(1,594)	(1,594)	(726)	(2,320)	0	(2,320)	54,676
Total Reserves		88,396	(4,924)	(1,594)	(6,518)	0	(6,518)	0	(6,518)	81,878

The comparative figures for 2022/23 are provided in the table below:

Movement in Reserves Statement (PFCC) Figures for 2022/23										
Note	Balance at 1 April 2022	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Net increase / (decrease) before transfers to/from earmarked reserves	Transfers to/(from) earmarked reserves	Increase/ (decrease) in 2022/23	Balance at 31 March 2023	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Usable Reserves										
Police Fund Account	-	3,600	2,486	0	2,486	1,755	4,241	(3,841)	400	4,000
Earmarked Revenue Reserves	8	15,178	0	0	0	0	0	4,503	4,503	19,681
Earmarked Capital Reserves	8	4,294	0	0	0	0	0	(662)	(662)	3,632
Capital Receipts Reserve	19	2,349	0	0	0	10	10	0	10	2,359
Capital Grants Unapplied	19	4,876	0	0	0	(3,148)	(3,148)	0	(3,148)	1,728
Total Usable Reserves		30,297	2,486	0	2,486	(1,383)	1,103	0	1,103	31,400
Unusable Reserves										
Revaluation Reserve	20a	19,948	0	5,930	5,930	0	5,930	0	5,930	25,878
Capital Adjustment Account	20b	29,614	0	0	0	1,464	1,464	0	1,464	31,078
LGPS Pensions Reserve	20e	(1,104)	0	1,256	1,256	(152)	1,104	0	1,104	0
Collection Fund Adjustment Account	20c	18	0	0	0	66	66	0	66	84
Accumulated Absences Account	20d	(49)	0	0	0	5	5	0	5	(44)
Available for Sale Financial Instruments Reserve		0	0	0	0	0	0	0	0	0
Total Unusable Reserves		48,427	0	7,186	7,186	1,383	8,569	0	8,569	56,996
Total Reserves		78,724	2,486	7,186	9,672	0	9,672	0	9,672	88,396

Balance Sheet – PFCC & Group

Balance Sheet	Notes	PFCC	PFCC	Group	Group
		31 March 2023	31 March 2024	31 March 2023	31 March 2024
		£000s	£000s	£000s	£000s
Property, Plant & Equipment					
Land and Buildings	9	66,325	63,775	66,325	63,775
Vehicles	9	3,796	4,989	3,796	4,989
Information Technology Equipment	9	4,888	4,825	4,888	4,825
Furniture, Equipment & Plant	9	411	813	411	813
Assets Under Construction (Land & Buildings)	9	1,147	0	1,147	0
		76,567	74,402	76,567	74,402
Investment Properties		20	20	20	20
Intangible Assets - Software	11	1,837	1,107	1,837	1,107
Long Term Assets		78,424	75,529	78,424	75,529
Inventories		0	0	522	554
Short Term Debtors (external)	14	15,884	21,144	15,884	21,144
Short Term Debtors (amounts owed to PFCC by CC re CC share of external Creditors)	14	14,512	11,295	0	0
Short Term Debtors (funding balance owed to PFCC by CC)	14	6,296	6,218	0	0
Cash and Cash Equivalents	CF6	13,097	5,136	13,097	5,136
Current Assets		49,789	43,793	29,503	26,834
Short Term Creditors (external)	15	(18,620)	(14,612)	(18,620)	(14,612)
Short Term Creditors (amounts owed by PFCC to CC re CC share of external debtors)	15	(5,990)	(5,992)	0	0
Short Term Creditors (funding balance due from PFCC to CC)	15	(11,242)	(13,125)	0	0
PFI Finance Lease Liability Due within 1 Year	12	(264)	(299)	(264)	(299)
Finance Lease Liability Due within 1 Year		0	0	0	0
Current Liabilities		(36,116)	(34,028)	(18,884)	(14,911)
Provisions	16	0	0	(1,707)	(6,572)
Other Long Term Liabilities					
Pensions liability - Police	18	0	0	(1,065,680)	(1,079,290)
Pensions liability - LGPS	18	0	(14)	0	(733)
PFI Finance Lease Liability	12	(3,701)	(3,402)	(3,701)	(3,402)
Grant Receipts in Advance					
Long Term Liabilities		(3,701)	(3,416)	(1,071,088)	(1,089,997)
Net Assets / Net (Liabilities)		88,396	81,878	(982,045)	(1,002,545)
Usable reserves	19				
Police Fund		4,000	4,000	4,000	4,000
Earmarked reserves (revenue)	8	19,681	18,958	19,681	18,958
Earmarked reserves (capital)	8	3,632	2,013	3,632	2,013
Capital Receipts Reserve	7	2,359	2,231	2,359	2,231
Capital Grants Unapplied	7	1,728	0	1,728	0
		31,400	27,202	31,400	27,202
Unusable Reserves	20				
Revaluation Reserve	20a	25,878	23,999	25,878	23,999
Capital Adjustment Account	20b	31,078	30,731	31,078	30,731
Pensions Reserve - Police	20e	0	0	(1,065,680)	(1,079,290)
Pensions Reserve - LGPS	20e	0	(14)	0	(733)
Collection Fund Adjustment Account	20c	84	6	84	6
Accumulated Absences Account	20d	(44)	(46)	(4,805)	(4,460)
		56,996	54,676	(1,013,445)	(1,029,747)
Total Reserves		88,396	81,878	(982,045)	(1,002,545)

The unaudited accounts were authorised for issue on 07 June 2024.

Signature removed for the purpose of publication on the website

Signed: _____

Steven Tickner, PFCC Chief Finance Officer.

In 2022/23 the Cash and Cash Equivalents (investments in money market funds) include £2m received on behalf of the Cumbria Commissioner Fire and Rescue Authority (CCFRA) which does not belong in the accounts of the Police and Crime Commissioner/Constabulary Group position. There is a corresponding entry in external creditors to reflect the fact that the funds are owed to the CCFRA. The funds were transferred to the new CCFRA bank account on the 05th of April 2024.

Cash Flow Statement – PFCC & Group

Cash Flow Statement (PFCC and Group)	See Note Below	PFCC 2022/23 £000s	PFCC 2023/24 £000s	Group 2022/23 £000s	Group 2023/24 £000s
Net (Surplus) or Deficit on the provision of services		(2,486)	4,924	35,313	26,680
Adjustment to net surplus or deficit on the provision of services for non-cash movements	CF1	(6,969)	(1,699)	(44,768)	(23,455)
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	CF2	435	0	435	0
Net cash (inflow)/ outflow from Operating Activities	CF3	(9,020)	3,225	(9,020)	3,225
Investing Activities	CF4	(4,940)	4,472	(4,940)	4,472
Financing Activities	CF5	6,233	264	6,233	264
Net (increase) or decrease in cash and cash equivalents		(7,727)	7,961	(7,727)	7,961
Cash and cash equivalents at the beginning of the reporting period		(5,370)	(13,097)	(5,370)	(13,097)
Cash and cash equivalents at the end of the reporting period	CF6	(13,097)	(5,136)	(13,097)	(5,136)
Notes to the Cash Flow Statement					
CF1 - The Adjustment to net surplus or deficit on the provision of services for non-cash movements are made up as follows:					
Depreciation & Amortisation		(4,735)	(4,591)	(4,735)	(4,591)
Impairment & Downward Valuations		1,469	(820)	1,469	(820)
Pension Liability (Contributions to/from Pensions Reserve)		(152)	34	(37,647)	(22,069)
Creditors - Change in Balance Sheet		(5,099)	4,008	(5,099)	4,008
Creditors - Change in Balance Sheet (Adjustment for Purchase of Fixed Assets)		606	(410)	606	(410)
Creditors - Adjustment re CC Share of Debtors		(308)	(2)	0	0
Creditors - Adjustment re Balance of Funding due from PFCC to CC		(4,333)	(1,883)	0	0
Debtors - Change in Balance Sheet		663	5,260	663	5,260
Debtors - Change in Balance Sheet (Adjustment for Purchase of Fixed Assets)		(10)	0	(10)	0
Debtors - Change in Balance Sheet (Adjustment for Investment Interest)		(3)	0	(3)	0
Debtors - Adjustment re CC Share of Creditors		4,525	(3,217)	0	0
Debtors - Adjustment re Balance of Funding due from CC to PFCC		361	(78)	0	0
Stock - Change in Balance Sheet		0	0	52	32
Donated Inventory - Change in Balance Sheet		47	0	47	0
Provisions - Change in Balance Sheet		0	0	(111)	(4,865)
Adjustment to net surplus or deficit on the provision of services for non-cash movements		(6,969)	(1,699)	(44,768)	(23,455)

Note to CF4

In 2022/23 the purchase of short term and long-term investments include £2m received on behalf of the Cumbria Commissioner Fire and Rescue Authority (CCFRA) which does not belong in the accounts of the Police and Crime Commissioner/Constabulary Group position. There is a corresponding entry in creditors to reflect the fact that the funds are owed to the CCFRA. The funds were transferred to the new CCFRA bank account on the 05th of April 2024.

Cash Flow Statement – PFCC & Group

Cash Flow Statement (PFCC and Group)		PFCC 2022/23 £000s	PFCC 2023/24 £000s	Group 2022/23 £000s	Group 2023/24 £000s
CF2 - The Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities are made up as follows:					
Proceeds from the Sale of Property, Plant & Equipment and Intangibles		435	0	435	0
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities		435	0	435	0
CF3 - The cash flows from <i>Operating Activities</i> include the following items:					
Interest received		(440)	(1,009)	(440)	(1,009)
Interest Paid		421	4	421	4
		(19)	(1,005)	(19)	(1,005)
CF4 - The cash flows from <i>Investing Activities</i> are made up as follows:					
Purchase of property, plant and equipment and intangible assets		3,495	4,472	3,495	4,472
Purchase of short-term and long-term investments		53,449	63,067	53,449	63,067
Proceeds from the sale of property, plant and equipment and intangible assets		(435)	0	(435)	0
Proceeds from short-term and long-term investments		(61,449)	(63,067)	(61,449)	(63,067)
Other receipts from investing activities		0	0	0	0
Net cash flows from investing activities		(4,940)	4,472	(4,940)	4,472
CF5 - The cash flows from <i>Financing Activities</i> are made up as follows:					
Repayments of short and long term borrowing		6,000	0	6,000	0
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		233	264	233	264
Net cash flows from financing activities		6,233	264	6,233	264
CF6 - The balance of <i>Cash and Cash Equivalents</i> is made up as follows:					
Bank current accounts		(122)	7	(122)	7
Short-term deposit with bank (overnight)		(514)	(1,853)	(514)	(1,853)
Investments in Money Market Funds (available on demand)		(12,461)	(3,290)	(12,461)	(3,290)
Total Cash and Cash Equivalents		(13,097)	(5,136)	(13,097)	(5,136)

Accounting Policy - Cash and Cash EquivalentsST

Cash is represented by cash in hand, petty cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. [Cash and cash equivalents](#) may also include overdrawn balances at the bank where they are an integral part of cash management. Generally, cash and cash equivalents will comprise, cash in hand, bank account balances, overnight deposits and deposits with Money Market Funds which are repayable on demand without penalty or loss of interest.

In accordance with the Commissioner's funding arrangement with the Chief Constable, the Chief Constable is funded on a cash basis, accordingly all cash and cash equivalent balances are recorded on the balance sheet of the Commissioner.

In the Cash Flow Statement, [cash and cash equivalents](#) are shown net of bank overdrafts that are repayable on demand or form an integral part of cash management.

Index of Notes to the Accounts

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The notes to the accounts are provided to aid the understanding of material items within the core financial statements. Where the figures provided are different for the Group and PFCC Single Entity either separate notes will be provided or a single note will show the respective figures in different columns, these will be headed Group or PFCC. Where the figures are the same for the group and single entity a single note is provided, this is headed up PFCC/Group. As a general rule, the column showing the figures for 2023/24 will be highlighted, whilst the comparatives for 2022/23 (where provided) will not.

The notes sometimes include terms that may require further explanation. Where possible, explanations are provided within the note, otherwise explanations are provided within the “glossary of terms” in pages 104-106. Terms for which an explanation is provided will be depicted by text that is shown in teal coloured text and underlined.

1 Accounting Policies

There are a number of accounting policies that determine how items within the accounts are treated. Where these accounting policies relate to a particular note to the accounts, the accounting policy will now be shown alongside that note in a **grey text box**. Where an accounting policy is more generic and applicable across the statement accounts it will continue to be shown in a separate technical annex, **Annex A** (see pages 107-109).

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex A (pages 107 to 109), the Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for policing. However, the Commissioner has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Commissioner might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Commissioner is deemed to control the services provided under the PFI agreement in relation to the West Cumbria TPA HQ at Workington. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement. The Commissioner has a number of options regarding ownership of the PFI building beyond the initial 25 year contract period including the right to purchase the asset for half of its market value at that time. In December 2015, the PFI building at Hall Brow Workington experienced flooding for the second time in six years. The impact of the flooding on the building highlighted resilience issues for the longer term in respect of both custody and deployment. As a result, options for the future provision of the police estate in West Cumbria are under review and the capital programme includes provision which seeks to address those resilience issues and provide a longer term solution to the PFI arrangement. In accounting for the PFI contract it is assumed that there is reasonable certainty that the Commissioner will exercise the right to purchase the building. Accordingly the PFI land and building are recognised as property, plant and equipment in the Commissioner's balance sheet at full value of £8.1m. In addition, a liability for outstanding obligations to pay for the building, which includes the cost of purchasing the asset for half its market value at the end of the PFI period are also shown on the balance sheet. As the PFI contract approaches its end it may be necessary to reflect an additional liability to recognise that the market value of the asset may exceed the construction cost.

3 Events after the Balance Sheet Date

A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the Code require adjustment or disclosure. Consideration has been given as to whether any events meet the requirement to be disclosed as a post balance sheet event and it has been concluded that no such matters require disclosure.

The Statement of Accounts was authorised for issue by the PFCC Chief Finance Officer on 07 June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Accounting Policy - Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date the Statement of Accounts is authorised for issue which have an impact on the financial statements and are treated as follows. Two types of events can be identified:

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

Events taking place after the authorised for issue date are not reflected in the statement of accounts.

4 Assumptions made about the future and other Sources of Estimation Uncertainty

The statement of Accounts contains estimated figures that are based on assumptions made by the Commissioner 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 Commissioner’s group balance sheet as at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Land and buildings assets are revalued on a two year rolling basis. Therefore the value of the assets that have not been subject to valuation in the financial year may not reflect the true value of that asset.</p> <p>Each year the valuer conducts an impairment review, whilst the valuer has concluded that there are no impairments of land and building valuations as at 31/03/24.</p> <p>At the balance sheet date 31 March 2024 the value of property, plant and equipment was £74m.</p>	<p>Revaluation gains and losses or disposal proceeds in future years may be significantly different than anticipated. However, as all land and building assets are subject to an annual impairment review, and biennial revaluations, the impact of this is thought to be immaterial.</p> <p>If the useful lives of assets are reduced, depreciation will increase and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings, vehicles and plant would increase by approx. £577k for every year that useful lives had to be reduced. A 10% change in those assets subject to revaluation (£64m) would change the value of those assets on the Balance Sheet by £6.4m and the depreciation charge to the CIES by £128k.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Two firms of consulting actuaries are engaged to provide the Commissioner with expert advice about the assumptions to be applied for both the Police Pension Scheme (Government Actuaries Department) and the Local Government Pension Scheme (Mercer Ltd).</p> <p>At the balance sheet date, the liability in respect of the police pension scheme was £1,079m.</p> <p>In relation to LGPS, the actuary calculated that the valuation resulted in a net asset of £35m, however under IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:</p> <ul style="list-style-type: none"> • The surplus in the defined benefit plan; and • The asset ceiling. <p>The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil for funded benefits and £733k for unfunded benefits.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. Examples of the impact of changes in individual assumptions is included in the sensitivity analysis provided in the technical annex to the accounts (Annex C) Pension Disclosures (pages 116-127).</p>

Notes to the Accounts

5 Expenditure and Funding Analysis

This note shows how annual expenditure is used and funded from resources (government grants, council tax precepts) by the Commissioner in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between subjective headings. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Due to the size of the statements, the positions for the Group and the PFCC are shown in separate tables.

The figures for the group in 2023/24 are provided in the table below:

Expenditure and Funding Analysis (Group)	Group 2023/24				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	100,936	0	100,936	(25,470)	75,466
PCSO Pay & Allowances	1,833	0	1,833	(24)	1,809
Police Staff Pay & Allowances	29,485	0	29,485	(386)	29,099
Other Employee Budgets	4,397	0	4,397	0	4,397
Premises Related Expenditure	6,223	0	6,223	0	6,223
Transport Related Expenditure	3,251	0	3,251	0	3,251
Supplies & Services Expenditure	18,150	0	18,150	0	18,150
Third Party Related Expenditure	6,380	0	6,380	0	6,380
Technical Accounting Adjustments	7,732	(4,591)	3,141	2,269	5,410
Income from Fees & Charges	(7,578)	0	(7,578)	0	(7,578)
Grants & Contributions	(33,414)	0	(33,414)	0	(33,414)
Non distributed costs	0	0	0	86	86
Termination Payments	436	0	436	0	436
Net Cost of Services	137,831	(4,591)	133,240	(23,525)	109,715
Other Income and Expenditure	(130,898)	0	(130,898)	47,863	(83,035)
(Surplus)/Deficit on the Provision of Services	6,933	(4,591)	2,342	24,338	26,680
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2023	(4,000)	(19,681)	(3,632)	(27,313)	
Less Deficit on Police Fund Balance in Year	0	723	1,619	2,342	
Closing Police Fund Balance at 31 March 2024	(4,000)	(18,958)	(2,013)	(24,971)	

Notes to the Accounts

The comparative figures for the group in 2022/23 are provided in the table below:

Expenditure and Funding Analysis (Group)	Group 2022/23				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	96,029	0	96,029	(6,990)	89,039
PCSO Pay & Allowances	2,204	0	2,204	277	2,481
Police Staff Pay & Allowances	27,751	0	27,751	4,030	31,781
Other Employee Budgets	4,466	0	4,466	0	4,466
Premises Related Expenditure	5,454	0	5,454	0	5,454
Transport Related Expenditure	3,009	0	3,009	0	3,009
Supplies & Services Expenditure	11,975	0	11,975	0	11,975
Third Party Related Expenditure	6,459	0	6,459	0	6,459
Technical Accounting Adjustments	6,097	(4,736)	1,361	1,907	3,268
Income from Fees & Charges	(7,174)	0	(7,174)	0	(7,174)
Grants & Contributions	(28,167)	0	(28,167)	0	(28,167)
Non distributed costs	0	0	0	94	94
Termination Payments	165	0	165	0	165
Net Cost of Services	128,268	(4,736)	123,532	(682)	122,850
Other Income and Expenditure	(127,773)	0	(127,773)	40,236	(87,537)
(Surplus)/Deficit on the Provision of Services	495	(4,736)	(4,241)	39,554	35,313
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2022	(3,600)	(15,178)	(4,294)	(23,072)	
Less Deficit on Police Fund Balance in Year	(400)	(4,503)	662	(4,241)	
Closing Police Fund Balance at 31 March 2023	(4,000)	(19,681)	(3,632)	(27,313)	

Notes to the Accounts

The figures for the PFCC in 2023/24 are provided in the table below:

Expenditure and Funding Analysis (PFCC)	PFCC 2023/24				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	16,493	0	16,493	0	16,493
Police Staff Pay & Allowances	1,022	0	1,022	(93)	929
Other Employee Budgets	307	0	307	0	307
Premises Related Expenditure	(1,296)	0	(1,296)	0	(1,296)
Transport Related Expenditure	991	0	991	0	991
Supplies & Services Expenditure	3,825	0	3,825	0	3,825
Third Party Related Expenditure	3,860	0	3,860	0	3,860
Technical Accounting Adjustments	7,386	(4,591)	2,795	2,616	5,411
Income from Fees & Charges	(7,578)	0	(7,578)	0	(7,578)
Grants & Contributions	(33,414)	0	(33,414)	0	(33,414)
Non distributed costs	0	0	0	86	86
Termination Payments	207	0	207	0	207
Funding Provided by PFCC to CC	146,028	0	146,028	0	146,028
Net Cost of Services	137,831	(4,591)	133,240	2,609	135,849
Other Income and Expenditure	(130,898)	0	(130,898)	(27)	(130,925)
(Surplus)/Deficit on the Provision of Services	6,933	(4,591)	2,342	2,582	4,924
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2023	(4,000)	(19,681)	(3,632)	(27,313)	
Less Deficit on Police Fund Balance in Year	0	723	1,619	2,342	
Closing Police Fund Balance at 31 March 2024	(4,000)	(18,958)	(2,013)	(24,971)	

Notes to the Accounts

The comparative figures for the PFCC in 2022/23 are provided in the table below:

Expenditure and Funding Analysis (PFCC)	PFCC 2022/23				
	As reported for resource management	Adjustment to arrive at the net amount chargeable to the Police Fund balance (Note 5)	Net Expenditure Chargeable to the Police Fund balance	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services					
Police Officer Pay & Allowances	19,347	0	19,347	0	19,347
Police Staff Pay & Allowances	1,234	0	1,234	122	1,356
Other Employee Budgets	304	0	304	0	304
Premises Related Expenditure	(1,181)	0	(1,181)	0	(1,181)
Transport Related Expenditure	(1,213)	0	(1,213)	0	(1,213)
Supplies & Services Expenditure	(1,050)	0	(1,050)	0	(1,050)
Third Party Related Expenditure	4,316	0	4,316	0	4,316
Technical Accounting Adjustments	6,400	(4,736)	1,664	1,603	3,267
Income from Fees & Charges	(7,174)	0	(7,174)	0	(7,174)
Grants & Contributions	(28,167)	0	(28,167)	0	(28,167)
Funding Provided by PFCC to CC	135,452	0	135,452	0	135,452
Net Cost of Services	128,268	(4,736)	123,532	1,725	125,257
Other Income and Expenditure	(127,773)	0	(127,773)	30	(127,743)
(Surplus)/Deficit on the Provision of Services	495	(4,736)	(4,241)	1,755	(2,486)
	Police Fund	Earmarked Revenue Reserves	Earmarked Capital Reserves	Total	
Opening Police Fund Balance 1 April 2022	(3,600)	(15,178)	(4,294)	(23,072)	
Less Deficit on Police Fund Balance in Year	(400)	(4,503)	662	(4,241)	
Closing Police Fund Balance at 31 March 2023	(4,000)	(19,681)	(3,632)	(27,313)	

Notes to the Accounts

5.a Note to the Expenditure Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the Police Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (pages 38-39). The relevant transfers between reserves are explained in the Movement in Reserves Statement (pages 40-41).

The figures for the Group for 2023/24 are set out in the table below:

Note to the Expenditure and Funding Analysis (Group)	Group 2023/24						
	Depreciation	Rental Income	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services							
Police Officer Pay & Allowances	0	0	0	0	(25,470)	0	(25,470)
PCSO Pay & Allowances	0	0	0	0	(24)	0	(24)
Police Staff Pay & Allowances	0	0	0	0	(386)	0	(386)
Technical Accounting Adjustments	(4,591)	0	(4,591)	2,536	0	(267)	2,269
Use of Capital Receipts	0	0	0	0	0	0	0
Non distributed costs	0	0	0	0	86	0	86
Net Cost of Services	(4,591)	0	(4,591)	2,536	(25,794)	(267)	(23,525)
Other Income and Expenditure	0	0	0	0	47,863	0	47,863
(Surplus)/Deficit on the Provision of Services	(4,591)	0	(4,591)	2,536	22,069	(267)	24,338
Further Analysis of Adjustments							
Depreciation/Amortisation				4,591	0	0	4,591
Minimum Revenue Provision (MRP)				(682)	0	0	(682)
Revaluations				820	0	0	820
Direct Revenue Contribution				(2,193)	0	0	(2,193)
Profit & Loss on Sale of FA				0	0	0	0
Police Pensions - Interest on Liabilities				0	48,970	0	48,970
Police Pensions - Reverse Employer Contributions				0	(34,720)	0	(34,720)
Police Pensions - Current Service Cost				0	9,250	0	9,250
LGPS - Interest on Liabilities				0	8,126	0	8,126
LGPS - Return on Plan Assets				0	(9,233)	0	(9,233)
LGPS - Reverse Employer Contributions				0	(4,646)	0	(4,646)
LGPS - Current Service Cost				0	4,236	0	4,236
LGPS - Non Distributed Costs				0	86	0	86
Collection Fund Adjustment				0	0	78	78
Accumulated Absences Account Adj				0	0	(345)	(345)
Total Adjustments				2,536	22,069	(267)	24,338

Notes to the Accounts

The comparative figures for the Group for 2022/23 are set out in the table below:

Note to the Expenditure and Funding Analysis (Group)	Group 2022/23						
	Depreciation	Rental Income	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services							
Police Officer Pay & Allowances	0	0	0	0	(6,990)	0	(6,990)
PCSO Pay & Allowances	0	0	0	0	277	0	277
Police Staff Pay & Allowances	0	0	0	0	4,030	0	4,030
Technical Accounting Adjustments	(4,736)	0	(4,736)	1,674	0	233	1,907
Non distributed costs	0	0	0	0	94	0	94
Net Cost of Services	(4,736)	0	(4,736)	1,674	(2,589)	233	(682)
Other Income and Expenditure	0	0	0	0	40,236	0	40,236
(Surplus)/Deficit on the Provision of Services	(4,736)	0	(4,736)	1,674	37,647	233	39,554
Further Analysis of Adjustments							
Depreciation/Amortisation				4,736	0	0	4,736
Minimum Revenue Provision (MRP)				(653)	0	0	(653)
Revaluations				(1,469)	0	0	(1,469)
Direct Revenue Contribution				(505)	0	0	(505)
Profit & Loss on Sale of FA				(435)	0	0	(435)
Police Pensions - Interest on Liabilities				0	38,590	0	38,590
Police Pensions - Reverse Employer Contributions				0	(35,380)	0	(35,380)
Police Pensions - Current Service Cost				0	28,390	0	28,390
LGPS - Interest on Liabilities				0	7,076	0	7,076
LGPS - Return on Plan Assets				0	(5,430)	0	(5,430)
LGPS - Reverse Employer Contributions				0	(4,279)	0	(4,279)
LGPS - Current Service Cost				0	8,586	0	8,586
LGPS - Non Distributed Costs				0	94	0	94
Collection Fund Adjustment				0	0	(66)	(66)
Accumulated Absences Account Adj				0	0	299	299
Total Adjustments				1,674	37,647	233	39,554

Notes to the Accounts

The figures for the PFCC for 2023/24 are set out in the table below:

Note to the Expenditure and Funding Analysis (PFCC)	PFCC 2023/24						
	Depreciation	Rental Income	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services							
Police Staff Pay & Allowances	0	0	0	0	(93)	0	(93)
Technical Accounting Adjustments	(4,591)	0	(4,591)	2,536	0	80	2,616
Use of Capital Receipts	0	0	0	0	0	0	0
Net Cost of Services	(4,591)	0	(4,591)	2,536	(7)	80	2,609
Other Income and Expenditure	0	0	0	0	(27)	0	(27)
(Surplus)/Deficit on the Provision of Services	(4,591)	0	(4,591)	2,536	(34)	80	2,582
Further Analysis of Adjustments							
Depreciation/Amortisation				4,591	0	0	4,591
Minimum Revenue Provision (MRP)				(682)	0	0	(682)
Revaluations				820	0	0	820
Direct Revenue Contribution				(2,193)	0	0	(2,193)
Profit & Loss on Sale of FA				0	0	0	0
LGPS - Interest on Liabilities				0	234	0	234
LGPS - Return on Plan Assets				0	(261)	0	(261)
LGPS - Reverse Employer Contributions				0	(242)	0	(242)
LGPS - Current Service Cost				0	149	0	149
Collection Fund Adjustment				0	0	78	78
Accumulated Absences Account Adj				0	0	2	2
Total Adjustments				2,536	(34)	80	2,582

Notes to the Accounts

The comparative figures for the PFCC for 2022/23 are set out in the table below:

Note to the Expenditure and Funding Analysis (PFCC)	PFCC 2022/23						
	Depreciation	Rental Income	Total to arrive at amount charged to the Police Fund	Adjustment for capital purposes (See below)	Net change for the Pensions Adjustment (See below)	Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services							
Police Staff Pay & Allowances	0	0	0	0	122	0	122
Technical Accounting Adjustments	(4,736)	0	(4,736)	1,674	0	(71)	1,603
Net Cost of Services	(4,736)	0	(4,736)	1,674	122	(71)	1,725
Other Income and Expenditure	0	0	0	0	30	0	30
(Surplus)/Deficit on the Provision of Services	(4,736)	0	(4,736)	1,674	152	(71)	1,755
Further Analysis of Adjustments							
Depreciation/Amortisation				4,736	0	0	4,736
Minimum Revenue Provision (MRP)				(653)	0	0	(653)
Revaluations				(1,469)	0	0	(1,469)
Direct Revenue Contribution				(505)	0	0	(505)
Profit & Loss on Sale of FA				(435)	0	0	(435)
LGPS - Interest on Liabilities				0	155	0	155
LGPS - Return on Plan Assets				0	(125)	0	(125)
LGPS - Reverse Employer Contributions				0	(127)	0	(127)
LGPS - Current Service Cost				0	249	0	249
Collection Fund Adjustment				0	0	(66)	(66)
Accumulated Absences Account Adj				0	0	(5)	(5)
Total Adjustments				1,674	152	(71)	1,755

6 Expenditure and Income Analysed by Nature

This note provides an analysis of the expenditure and income by the nature of that spend/income.

Expenditure and Income	PCC 2022/23 £000s	PCC 2023/24 £000s	Group 2022/23 £000s	Group 2023/24 £000s
Expenditure				
Police Pay & Allowances	19,347	16,493	96,029	100,936
PCSO Pay & Allowances	0	0	2,204	1,833
Police Staff Pay & Allowances	1,234	936	27,657	29,399
Other Employee Costs	304	307	4,466	4,397
Premises Related Costs	(1,181)	(1,296)	5,454	6,223
Transport Related Costs	(1,213)	991	3,009	3,251
Supplies & Services	(1,050)	3,825	11,975	18,150
Third Party Payments	4,316	3,860	6,459	6,380
External Interest	512	480	512	480
Loss on the Disposal of Assets	(546)	(23)	(546)	(23)
Technical Accounting Adjustments	1,598	2,873	1,295	3,219
Non Distributed Costs	0	86	94	86
Pension Adjustment	0	52	0	52
Termination Payments	0	207	165	436
Funding Between PFCC & CC	135,452	146,028	0	0
Total Expenditure	158,773	174,819	158,773	174,819
Income				
Income from Fees & Charges	(7,174)	(7,578)	(7,174)	(7,578)
Income from Grant & Contributions	(8,820)	(16,921)	(8,820)	(16,921)
Interest & Investment Income	(436)	(1,009)	(436)	(1,009)
PFI Grant	(688)	(688)	(688)	(688)
Pensions Top Up grant (Home Office)	(19,347)	(16,493)	(19,347)	(16,493)
Total Income	(36,465)	(42,689)	(36,465)	(42,689)
Use of Reserves				
Transfer to Earmarked Reserves (Revenue)	4,503	(723)	4,503	(723)
Transfer from Earmarked Reserves (Capital)	(662)	(1,619)	(662)	(1,619)
Transfer to General Reserves	400	0	400	0
	4,241	(2,342)	4,241	(2,342)
External Financing				
Income from Council Tax	(49,162)	(52,004)	(49,162)	(52,004)
Collection Fund Adjustment	66	(78)	66	(78)
General Government Grants				
- Home Office Police Grant	(35,373)	(35,496)	(35,373)	(35,496)
- Home Office Capital Grant & Other Capital Grants	0	0	0	0
- Council Tax Grants (Freeze & Support)	(4,850)	(4,850)	(4,850)	(4,850)
Formula Funding	(37,230)	(37,360)	(37,230)	(37,360)
Total	(126,549)	(129,788)	(126,549)	(129,788)
Deficit on the Provision of Services	0	0	0	0

7 Adjustments between Accounting Basis and Funding Basis under Regulations

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

The figures for the Group for 2023/24 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	Group Police Fund Balance £000s	Group Capital Receipts Reserve £000s	Group Capital Grants Unapplied £000s	Group Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex C	22,069	0	0	22,069
- Council tax (transfers to or from Collection Fund)	20c/28	78	0	0	78
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	(345)	0	0	(345)
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	5,410	0	0	5,410
Total Adjustments to the Revenue Resources		27,212	0	0	27,212
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(681)	0	0	(681)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(2,193)	0	0	(2,193)
Total Adjustments between Revenue and Capital Resources		(2,874)	0	0	(2,874)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(128)	0	(128)
- Application of capital grants to finance capital expenditure	20b	0	0	(1,728)	(1,728)
Total Adjustments to Capital Resources		0	(128)	(1,728)	(1,856)
Total Adjustments		24,338	(128)	(1,728)	22,482

Notes to the Accounts

The comparative figures for the Group for 2022/23 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	Group Police Fund Balance £000s	Group Capital Receipts Reserve £000s	Group Capital Grants Unapplied £000s	Group Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex C	37,647	0	0	37,647
- Council tax (transfers to or from Collection Fund)	20c/28	(66)	0	0	(66)
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	299	0	0	299
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	3,267	0	0	3,267
Total Adjustments to the Revenue Resources		41,147	0	0	41,147
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	9e	(435)	435	0	0
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(653)	0	0	(653)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(505)	0	0	(505)
Total Adjustments between Revenue and Capital Resources		(1,593)	435	0	(1,158)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(425)	0	(425)
- Application of capital grants to finance capital expenditure	20b	0	0	(3,148)	(3,148)
Total Adjustments to Capital Resources		0	(425)	(3,148)	(3,573)
Total Adjustments		39,554	10	(3,148)	36,416

Notes to the Accounts

The figures for the PFCC for 2023/24 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	PFCC Police Fund Balance £000s	PFCC Capital Receipts Reserve £000s	PFCC Capital Grants Unapplied £000s	PFCC Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex C	(34)	0	0	(34)
- Council tax (transfers to or from Collection Fund)	20c/28	78	0	0	78
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	2	0	0	2
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	5,410	0	0	5,410
Total Adjustments to the Revenue Resources		5,456	0	0	5,456
Adjustments between Revenue and Capital Resources					
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(681)	0	0	(681)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(2,193)	0	0	(2,193)
Total Adjustments between Revenue and Capital Resources		(2,874)	0	0	(2,874)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(128)	0	(128)
- Application of capital grants to finance capital expenditure	20b	0	0	(1,728)	(1,728)
Total Adjustments to Capital Resources		0	(128)	(1,728)	(1,856)
Total Adjustments		2,582	(128)	(1,728)	726

The comparative figures for the PFCC for 2022/23 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	PFCC Police Fund Balance £000s	PFCC Capital Receipts Reserve £000s	PFCC Capital Grants Unapplied £000s	PFCC Total Usable Reserves £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	20e/ Annex C	152	0	0	152
- Council tax (transfers to or from Collection Fund)	20c/28	(66)	0	0	(66)
- Holiday Pay (transfers to or from Accumulated Absences Account)	20d	(5)	0	0	(5)
- Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	20b	3,267	0	0	3,267
Total Adjustments to the Revenue Resources		3,348	0	0	3,348
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	9e	(435)	435	0	0
- Administrative costs of non-current asset disposals (funded by a contribution from the Capital receipts Reserve)	9e	0	0	0	0
- Statutory provision for the repayment of debt (MRP) (transfer from the Capital Adjustment Account)	31	(653)	0	0	(653)
- Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	29a	(505)	0	0	(505)
Total Adjustments between Revenue and Capital Resources		(1,593)	435	0	(1,158)
Adjustments to Capital Resources					
- Use of the Capital Receipts Reserve to finance capital expenditure	29a	0	(425)	0	(425)
- Application of capital grants to finance capital expenditure	20b	0	0	(3,148)	(3,148)
Total Adjustments to Capital Resources		0	(425)	(3,148)	(3,573)
Total Adjustments		1,755	10	(3,148)	(1,383)

8 Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the Police Fund balances in earmarked reserves to provide financing for future expenditure plans and the movement on earmarked reserves during 2023/24 (and comparatives for 2022/23).

Earmarked Reserves	Note	PFCC/Group	PFCC/Group	PFCC/Group	PFCC/Group	PFCC/Group
		Balance	Movement	Balance	Movement	Balance
		01 April 2022	in 2022/23	31 March 2023	in 2023/24	31 March 2024
		£000s	£000s	£000s	£000s	£000s
Revenue Reserves						
Future Liability Reserves						
Insurance Reserve	1	909	(42)	867	(879)	(12)
PFI - Lifecycle Replacements	2	247	(112)	135	22	157
Commissioned Services Reserve	3	2,454	43	2,497	361	2,858
Management of Change Reserve		0	300	300	0	300
Ill Health Retirements		0	225	225	148	373
PFCC Re-branding		0	27	27	(6)	21
		3,610	441	4,051	(354)	3,697
Budget Stabilisation Reserves						
Chief Constable's Contingency	4	500	0	500	0	500
Chief Constable's Operational Reserve	5	250	0	250	(250)	0
PFCC Operational Reserve	6	250	0	250	0	250
Budget Support Reserve	7	6,357	1,692	8,049	(122)	7,927
Body Armour (Future Roll Out)	8	337	50	387	0	387
75% Tax Income Guarantee Scheme	9	920	(750)	170	(170)	0
22/23 Budget Support & Covid Recovery Reserve	10	1,010	(1,010)	0	0	0
Specialist Services Accomodation Dilapidation Reserve	11	0	40	40	0	40
		9,624	22	9,646	(542)	9,104
Short Term Project Reserves	12					
The Bridgeway (SASS)		715	(37)	678	(41)	637
Safer Cumbria Delivery Board		7	0	7	0	7
HQ Security		180	0	180	0	180
Records Management System		3	3,688	3,691	(731)	2,960
Business Intelligence		28	0	28	0	28
Business Transformation		218	(12)	206	(10)	196
Covid 19 Recovery		693	(693)	0	0	0
CO - Demand Risk Resourcing		100	0	100	(100)	0
Firearms Digitisation		0	155	155	(63)	92
ESN Grant Funding C/Fwd		0	238	238	0	238
CCTV Reserve		0	701	701	(416)	285
Change Management (Futures Programme)		0	0	0	128	128
Portakabin		0	0	0	80	80
POCA / ARIS Funding		0	0	0	1,326	1,326
		1,944	4,040	5,984	173	6,157
Total Earmarked Revenue Reserves		15,178	4,503	19,681	(723)	18,958
Capital Reserves	13					
Estates West Flood Management		4,000	(698)	3,302	(1,583)	1,719
HQ adaptations		294	0	294	0	294
HQ adaptations		0	36	36	(36)	0
Total Earmarked Capital Reserves		4,294	(662)	3,632	(1,619)	2,013

The purpose of the groups or individual reserves are as follows:

1. Insurance Reserve – to offset any insurance claims not specifically detailed in the insurance provision.
2. PFI Lifecycle Replacements – to equalise the impact on the comprehensive income and expenditure statement of changing levels of grant income and charges over the period of the PFI contract.
3. Commissioned Services Reserve – to provide resources for future expenditure on existing commitments under PFCC commissioned services.
4. Chief Constables Contingency – reserve held to meet an increase in budget pressure arising in year as a result of budgeting risks taken during the budget process. The establishment of this reserve supported a reduction in the ongoing revenue budget requirement.
5. Chief Constables Operational Reserve – to provide resources to assist in funding unexpected major events, if necessary. The Home Office Financial Management Code recommends that there should be an operational contingency. This reserve was fully utilised in 2023/24 and will be replenished by the PFCC in 2024/25.
6. PFCC Operational Reserve – to provide resources both to back up the annual operational contingency and, in addition, to assist in funding unexpected expenditure/budget pressures in line with the Commissioner’s responsibilities. The Home Office Financial Management Code recommends that there should be an operational contingency.
7. Budget Support Reserve – to meet the medium term risks associated with balancing the budget in the context of current funding and uncertainties and inflationary pressures.
8. Body Armour Future Roll Out – to equalise the impact on the comprehensive income and expenditure statement of changing levels of expenditure due to the cyclical nature of body armour replacement.
9. 75% Council Tax Income Guarantee Scheme – as part of the Spending Review the Government confirmed that it would compensate local authorities for 75% of irrecoverable losses in council tax and business rates income in respect of 2020/21. This grant was recognised in 2020/21 and has been transferred to reserve to be drawn down over to smooth the effects of the increase in council tax deficit which is being recovered from precepting bodies by district councils over a 3 year period.
10. 2022/23 Budget Support & Covid Recovery Reserve – This reserve was established from the revenue budget underspend in 2021/22. The reserve was utilised to support the revenue budget in 2022/23.
11. Specialist Services Accommodation Reserve- This reserve is to maintain the fabric of the specialist offsite accommodation.
12. Short Term Project Reserves – To support a variety of locally managed initiatives granted under the scheme of devolved resource management. These are primarily multi-year technology based projects or resources to provide funding for unbudgeted revenue costs within the 2023/24 or 2024/25 financial year.
13. Capital Reserves – the capital reserve holds direct contributions from the revenue budget to fund capital schemes within the capital programme.

9 Property, Plant and Equipment

The table below summarises the movements in Property, Plant and Equipment during the year:

Property, Plant and Equipment	PFCC/Group						Total Property, Plant & Equipment	PFI Assets Included in P.P.E.
	Land and Buildings	Vehicles	IT and Technology	Furniture Equipment & Plant	Assets Under Construction	Equipment		
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Cost or Valuation								
At 1 April 2023	67,363	8,211	8,431	1,996	1,147	87,148	8,615	
Additions	0	2,112	1,275	517	7	3,911	0	
Additions from Assets under construction	1,154	0	0	0	(1,154)	0	0	
Enhancements	128	0	0	0	0	128	5	
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(2,483)	0	0	0	0	(2,483)	0	
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,236)	0	0	0	0	(1,236)	0	
Derecognition - Disposals	0	(473)	(1,380)	(1,250)	0	(3,103)	0	
At 31 March 2024	64,926	9,850	8,326	1,263	0	84,365	8,620	
Accumulated Depreciation & Impairment								
At 1 April 2023	(1,038)	(4,415)	(3,543)	(1,585)	0	(10,581)	(385)	
Depreciation Charge	(1,467)	(919)	(1,338)	(115)	0	(3,839)	(177)	
Derecognition - Disposals	0	473	1,380	1,250	0	3,103	0	
Depreciation written out to the Revaluation Reserve	937	0	0	0	0	937	0	
Depreciation written out to the Surplus/Deficit on the Provision of Services	417	0	0	0	0	417	0	
Depreciation as at 31 March 2024	(1,151)	(4,861)	(3,501)	(450)	0	(9,963)	(562)	
Net Book Value								
At 31 March 2024	63,775	4,989	4,825	813	0	74,402	8,058	
At 31 March 2023	66,325	3,796	4,888	411	1,147	76,567	8,230	



The Constabulary now has 11 fully electric vehicles and 30 hybrid vehicles on the fleet. These vehicles are made up of a mixture of marked and unmarked fleet. These vehicles are supported by a network of 15 electric vehicle charging points at HQ and the main deployment centres.

Notes to the Accounts

The comparative figures for 2022/23 are set out in the table below:

Property, Plant and Equipment	PFCC/Group						Total Property, Plant & Equipment £000s	PFI Assets Included in P.P.E. £000s
	Land and Buildings	Vehicles	IT and Technology	Furniture Equipment & Plant	Assets Under Construction			
	£000s	£000s	£000s	£000s	£000s	£000s		
Cost or Valuation								
At 1 April 2022	60,670	10,018	18,662	4,356	1,133	94,839	7,818	
Additions	0	803	1,938	39	14	2,794	0	
Enhancements	241	0	0	0	0	241	13	
Revaluation increases/(decreases) recognised in the Revaluation Reserve	4,714	0	0	0	0	4,714	950	
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	1,328	0	0	0	0	1,328	10	
Derecognition - Disposals	0	(2,610)	(12,169)	(2,399)	0	(17,178)	(176)	
Assets reclassified (to)/from Held for Sale	410	0	0	0	0	410	0	
At 31 March 2023	67,363	8,211	8,431	1,996	1,147	87,148	8,615	
Accumulated Depreciation & Impairment								
At 1 April 2022	(1,051)	(5,742)	(14,516)	(3,870)	0	(25,179)	(708)	
Adjustment to Opening Balance (#)	0	0	43	0	0	43	0	
Depreciation Charge	(1,333)	(1,283)	(1,239)	(114)	0	(3,969)	(159)	
Derecognition - Disposals	0	2,610	12,169	2,399	0	17,178	176	
Depreciation written out to the Revaluation Reserve	1,215	0	0	0	0	1,215	318	
Depreciation written out to the Surplus/Deficit on the Provision of Services	143	0	0	0	0	143	0	
Impairment written out to the Surplus/Deficit on the Provision of Services	(12)	0	0	0	0	(12)	(12)	
Depreciation as at 31 March 2023	(1,038)	(4,415)	(3,543)	(1,585)	0	(10,581)	(385)	
Net Book Value								
At 31 March 2023	66,325	3,796	4,888	411	1,147	76,567	8,230	
At 31 March 2022	59,619	4,276	4,146	486	1,133	69,660	7,110	



Learning and Development Centre , Penrith

Accounting Policy - Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

The cost of services are debited with the following amounts to record the cost of holding [non-current assets](#) during the year:

- [Depreciation](#) attributable to the assets used by the relevant services.
- Revaluation and [impairment](#) losses on assets used by the services where there are no accumulated gains in the [Revaluation Reserve](#) against which the losses can be written off.
- [Amortisation](#) of non-current assets attributable to the services.

Council Tax is not required to be raised to fund depreciation, revaluation and impairment losses or amortisations. However, an annual contribution from revenue is required towards the reduction in the overall borrowing requirement equal to an amount calculated on a prudent basis and determined in accordance with statutory guidance. This contribution is known as MRP ([Minimum Revenue Provision](#)). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Police 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.

In accordance with the Commissioner’s funding arrangement with the Chief Constable, the Commissioner holds all non-current assets. Accordingly, all depreciation, revaluations and impairments are recorded in the Commissioner’s single entity financial statements. However, the Commissioner makes a charge to the Chief Constable for the use of non-current assets, which is equivalent to his share of depreciation.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an [accruals](#) basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow 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 (i.e. repairs and maintenance) is charged to revenue as an expense through the Comprehensive Income and Expenditure Statement when it is incurred.

[De-minimis](#) levels have been set for capital projects at £25,000. No de-minimis level is set for individual items within capital projects.

Measurement

Assets are initially measured at cost, comprising:

- The 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

Borrowing costs incurred are not capitalised whilst assets are under construction.

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

Category	Basis of Valuation
Land and Buildings (Specialised)	Depreciated Replacement Cost
Land and Buildings (Non Specialised)	Existing Use Value
Vehicles, Plant, Furniture and Equipment	Depreciated Historic Cost (as a proxy for current value)
Assets Under Construction	Historic Cost

Assets included in the Balance Sheet at [current value](#) (i.e. not valued at historic cost) are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years.

Measurement (continued)

Increases in valuations are matched by credits to the [Revaluation Reserve](#) to recognise unrealised gains. Gains are to be credited to the relevant function line(s) in the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a function up to the amount of the original loss, adjusted for [depreciation](#) (if material) that would have been charged if the loss had not been recognised.

Depreciation

[Depreciation](#) is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Property - straight-line allocation over the useful life of the property as estimated by the valuer up to a maximum of 50 years
- Vehicles – straight line allocation over the estimated useful life (3 to 10 years)
- IT Equipment – straight line allocation over the estimated useful life (5 to 8 years)

No depreciation charge is made however in the year of acquisition but a full year charge is made in the year of disposal. A full year's depreciation charge is made in the year of revaluation of any asset.

Depreciation also has to be calculated on revaluation gains and is represented by the difference between depreciation calculated at current cost and depreciation calculated at historic cost. The difference between the two values is transferred each year from the [Revaluation Reserve](#) to the [Capital Adjustment Account](#).

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately (see component accounting section below).

Once ICT equipment assets have been fully depreciated, at the end of their useful lives, the gross book value and accumulated depreciation for those assets will be written out of the asset register. There will be no impact on the core financial statements (balance sheet) as a result of this as the net book value will already be nil.

Component Accounting

Under the IFRS based code, separate recognition, [depreciation](#) and de-recognition of parts of assets is required. This is often referred to as [componentisation](#). Componentisation is a change that has to be applied prospectively which means that it only needs to be considered for any [non-current assets](#), acquired, improved or revalued after 1 April 2010. A componentisation policy has been established whereby all land and building assets with a value in excess of £1m will be assessed to see if they contain a significant component. A significant component is defined in the policy as one which exceeds £200k in value and has a different life to the remainder of the asset. Where a component of a non-current asset is replaced or restored, the carrying amount of the old component shall be derecognised and the new component reflected in the carrying amount. Each significant component of an item of property, plant or equipment is depreciated separately. Depreciation is calculated on the balance brought forward at the start of each year. Depreciation on the componentised assets will therefore only become effective in the year following revaluation and subsequent split for componentisation.

Under the terms of the Commissioner's funding arrangement to the Chief Constable all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, [impairment](#), depreciation and sale of such assets are recorded in the single entity accounts of the Commissioner. The Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

9.a Valuations Rolling Programme

The Commissioner carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued every two years. Valuations of land and buildings are carried out on behalf of the Commissioner by Mr. M. Beales BSc (Hons) MRICS, Carigiet Cowen, Telford House, Riverside, Warwick Road, Carlisle CA1 2BT and were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors (RICS). Valuations of vehicles, plant, furniture and equipment are based on historic cost as a proxy for fair value. The basis of the valuations is set out in the accounting policies. The table below sets out details of the land and buildings valuations undertaken over the two year rolling programme.

Valuations Rolling Programme	Land and Buildings £000s	Vehicles £000s	PFCC/Group IT and Technology £000s	Furniture Equipment & Plant £000s	Assets Under Construction £000s	Total Property, Plant & Equipment £000s
Carried at Historical Cost	0	9,850	8,326	1,263	0	19,439
Valued at Current Value as at:						
- 31 March 2024	30,375					30,375
- 31 March 2023	34,551	0	0	0	0	34,551
Total Cost or Valuation	64,926	9,850	8,326	1,263	0	84,365

Accounting Policy - Valuations

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 function lines(s) in the Comprehensive Income and Expenditure Statement.

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 Police Fund. The gains and losses are therefore reversed out of the Police Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Accounting Policy – Valuations Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. For property valuations the only material estimation techniques used is as follows:

All operational buildings are revalued on a rolling two-year programme and the estimation techniques used are based on the “open market value in existing use” or in the case of specialised operational police properties “depreciated replacement cost” which is consistent with proper accounting practice. The professional valuer, Mr. J. Lauder of Carigiet Cowen, applied these valuation methods.

9.b Impairment Review

The Commissioner’s professional valuer, Mr. M. Beales BSc (Hons) MRICS, Carigiet Cowen, Telford House, Riverside, Warwick Road, Carlisle CA1 2BT, has made an assessment of the possible effects of material [impairment](#) to land and buildings during the financial year. His assessment was based on a number of specific criteria, which, in his opinion, could affect the valuation of assets. The outcome of the assessment process is the valuer has concluded that there are no impairments.

Accounting Policy - Impairment

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

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the [Revaluation Reserve](#), the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant function line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently by a revaluation gain, the reversal is credited to the relevant function line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for [depreciation](#) (if material) that would have been charged if the loss had not been recognised.

Impairment losses are not a charge against Council Tax. The balance on the Comprehensive Income and Expenditure Statement arising from an impairment loss is appropriated to the [Capital Adjustment Account](#) through the Movement in Reserves Statement.

9.c Property, Plant and Equipment in the Ownership of the Police, Fire and Crime Commissioner

A brief analysis of the Commissioner's principal assets as at 31 March 2024 is set out below:

Property, Plant and Equipment in Ownership of PFCC	PFCC/Group As at 31 March	
	2023 Number	2024 Number
HQ, TPA HQ & Larger Police Stations	8	8
Other Police Stations / Land	11	11
Police Houses and other Properties	0	0
Surplus Properties/ Held for Sale/ Investment Properties	1	1
Vehicles	316	364

9.d Effects of Changes in Estimates

There have been no material changes in estimates in the 2023/24 accounts.

9.e Gain / Loss on Sale of Property, Plant and Equipment

The table below analyses the (gain)/loss on sale of property, plant and equipment for the year ended 31 March 2024.

Gain/Loss on Sale of Property, Plant and Equipment	PFCC/Group			
	Net Book Value £000s	Costs of Sale £000s	Proceeds of Sale £000s	(Gain) / Loss 2023/24 £000s
Vehicles	0	1	(24)	(23)
Total	0	1	(24)	(23)

The comparative figures for 2022/23 are set out in the table below:

Gain/Loss on Sale of Property, Plant and Equipment	PFCC/Group			
	Net Book Value £000s	Costs of Sale £000s	Proceeds of Sale £000s	(Gain) / Loss 2022/23 £000s
Vehicles	0	3	(124)	(121)
ICT Equipment	0	0	(425)	(425)
Total	0	3	(549)	(546)

Note in 2023/24 £24k (£114k in 2022/23) of receipts from proceeds of sale included in the above table were individually below the £10k threshold for recognition as [capital receipts](#) and have therefore been treated as revenue income. This explains why the capital receipts recorded in note 7 show £0k (£435k in 2022/23) rather than £24k (£549k in 2022/23) as above.

Accounting Policy - Capital Receipts

Amounts received for a disposal in excess of £10,000 are categorised as [Capital Receipts](#). The balance of receipts is required to be credited to the Capital Receipts Reserve, 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 Police Fund Balance in the Movement in Reserves Statement.

10 Assets Held for Sale

Assets held for sale relate to land and buildings assets that are available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets. The assets are being actively marketed for a sale at a price that is reasonable in relation to its current [fair value](#). The sale is expected to qualify for recognition as a completed sale within one year from the date of classification. The table below shows the movement on Assets Held for Sale in 2023/24 with comparative information for 2022/23.

Assets Held for Sale	PFCC/Group As at 31 March	
	2023 £000s	2024 £000s
Balance outstanding at start of year	410	0
De-classified as held for sale	(410)	0
Balance outstanding at end of year	0	0

During **2022/23** Hunter Lane was declassified as HFS, following the decision to retain the building as a deployment base.

There are no HFS assets in 2023/24

Accounting Policy - Disposal and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and [fair value](#) less costs to sell. Where there is a subsequent decrease to fair value less cost to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. [Depreciation](#) is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to [non-current assets](#) and valued at the lower of:

- their carrying amount before they were classified as held for sale. In this case the carrying amount is adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.
- their recoverable amount at the date of the decision not to sell.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Disposal costs are shown in other operating expenditure in the Comprehensive Income and Expenditure Statement. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). In line with Statutory Instrument 2010 No 454, disposal costs of up to 4% of the sale proceeds are financed from capital receipts. Any revaluation gains accumulated for the asset in the [Revaluation Reserve](#) are transferred to the [Capital Adjustment Account](#). The written-off value of disposals is not a charge against Council Tax, as the cost of [non-current assets](#) is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Police Fund Balance in the Movement in Reserves Statement.

11 Intangible Assets

The Commissioner accounts for his computer software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item within Property, Plant and Equipment. The intangible assets include computer software development and acquisitions. All software is given a finite useful life (5 years), based on assessments of the period that the software is expected to be of use to the Commissioner. The carrying amount of intangible assets is amortised on a straight line basis and is charged to the Comprehensive Income and Expenditure Statement.

A summary of the movements in intangible assets during the year and the position as at 31 March 2024 (with comparatives for 2022/23) is set out in the table below:

Intangible Assets	PFCC/Group	
	2022/23 £000s	2023/24 £000s
Balance at start of year		
- Gross carrying amount	4,399	5,124
- Accumulated amortisation	(2,809)	(3,287)
Net carrying amount at start of year	1,590	1,837
Additions	1,057	22
Disposals	(332)	(1,731)
Amortisations for the period	(810)	(752)
Amortisation adjustment re disposals	332	1,731
Net carrying amount at end of year	1,837	1,107
Comprising		
- Gross carrying amount	5,124	3,415
- Accumulated amortisation	(3,287)	(2,308)
	1,837	1,107

Intangible Assets are those which do not have physical substance but are controlled as a result of past events (e.g. software licences) where expenditure is capitalised when it is expected that future economic benefits or service potential will flow from the asset.

***Amortisation** is the practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation.*

Accounting Policy - Intangible Assets

Intangible assets are initially measured at cost amounts and are only revalued where the [fair value](#) of the asset can be determined by an active market. The depreciable amount of an intangible asset is amortised over its useful life (usually 5 years) to the relevant function(s) in the Comprehensive Income and Expenditure Statement. Once intangible assets have been fully amortised, at the end of their useful lives, the gross book value and accumulated amortisation for those assets will be written out of the asset register. There will be no impact on the core financial statements (balance sheet) as a result of this as the net book value will already be nil.

Where expenditure on intangible assets qualifies as [capital expenditure](#) for statutory purposes, [amortisation](#), [impairment](#) losses and disposal gains and losses are not permitted to have an impact on the Police Fund Balance. The amortisation, impairment and gains and losses on disposal are therefore reversed out of the Police Fund in the Movement in Reserves Statement and posted to the [Capital Adjustment Account](#) and (for any sale proceeds over £10,000) the [Capital Receipts](#) Reserve. An asset is tested for impairment, whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

In accordance with the terms of the Commissioner's funding arrangement with the Chief Constable, all intangible assets are held by the Commissioner.

12 Private Finance Initiative (PFI)

Private Finance Initiatives (PFI) are arrangements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor.

There is currently one PFI scheme recognised on the Balance Sheet and this relates to the Cumberland Basic Command Unit (BCU) deployment centre in Workington. Under the terms of the Commissioner's funding arrangement to the Chief Constable the Commissioner controls all property and, accordingly, the PFI building is recorded on the Balance Sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the Comprehensive Income and Expenditure Statement for the Chief Constable's use of the building and the services provided.

The former Police Authority entered an agreement for the construction and subsequent servicing of the building in September 2001 under a PFI arrangement. Under the agreement the PFI provider constructed the facility, and undertakes to make the building available to the Commissioner in a specified condition for a 25 year period in return for a monthly unitary charge payment made by the Commissioner. In addition the provider delivers a range of services in relation to the building which are specified in the PFI contract. At the end of the contract period the Commissioner has the right to acquire the building at 50% of its market value.

The PFI asset is recognised on the Commissioner's balance sheet along with a corresponding PFI finance lease liability which recognises the Commissioner's outstanding liability to pay for the asset. The PFI asset is depreciated and revalued in the same way as any other asset in accordance with accounting policies.

The amount paid to the PFI operator each year (known as the unitary charge payment) is now split into four elements in the accounts as follows:

- Service Charges – the fair value of the services received during the year which are debited to the relevant function in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write downs is calculated using the same principles as for a finance lease). However, a corresponding increase in the [minimum revenue provision](#) is made in accordance with the Commissioner's minimum revenue provision policy.
- Lifecycle replacement costs – a proportion of the amounts payable is posted to the Balance sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

The following information is disclosed in relation to the PFI asset.

12.a Movement on Fixed Assets

The value and movement in value of the asset held under the PFI agreement is analysed in note 9 above.

12.b PFI Finance Lease Liability

The value of Liabilities resulting from the PFI Agreement are shown in the table below:

PFI Lease Liability	PFCC/Group As at 31 March	
	2023 £000s	2024 £000s
Balance at the start of the year	(4,197)	(3,964)
Repayments made during year	233	263
Balance at the end of the year	(3,964)	(3,701)
Split of liability		
Current Liability	(263)	(299)
Long Term Liability	(3,701)	(3,402)
	(3,964)	(3,701)

12.c Payments Due to be made under PFI Contract

An estimate of the future payments to be made under the PFI contract are shown in the table below. Where applicable an estimated inflation index of 2% (linked to the GDP deflator) per annum has been applied to the payments.

Payments Due under PFI Contract	PFCC/Group			
	Repayment of Liability £000s	Interest Payments £000s	Service Costs £000s	Total £000s
Repayable within one year	299	445	769	1,513
Between two and five years	3,402	563	1,181	5,146
	3,701	1,008	1,950	6,659

The repayment of liability figures include a sum of £2,910k between 2 and 5 years which recognises that there is reasonable certainty that the Commissioner will exercise his right to purchase the PFI building at the end of the PFI contract period. See critical judgement note 2 (page 46) for further explanation.

Accounting Policy - Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at [fair value](#) (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

[Non-current assets](#) recognised on the Balance Sheet are re-valued and depreciated in the same way as property, plant and equipment.

In accordance with accounting practice, lifecycle replacement costs are now recognised when they are actually incurred. The Commissioner receives specific government funding from [DLUHC](#) as a contribution to the costs of financing the scheme.

13 Leases

Changes are required to the presentation of leases under IFRS16 (see page 100), the Commissioner has chosen to delay implementation until the 2024/25 financial statements.

13.a Finance Leases

The Commissioner has no material finance leases to be disclosed.

13.b Operating leases

The Commissioner utilises land and buildings and equipment assets under operating leases. The land and buildings are typically short to medium term rentals of buildings. The figures do however include the lease of land at Durranhill from Cumberland Council upon which the Cumberland BCU HQ and custody suite was constructed. This lease runs for a period of 125 years until March 2132 and the annual lease payments are currently £35k p.a. The equipment includes livescan fingerprint machines and photocopiers.

The future minimum lease payments due under non-cancellable leases in future years are:

Future Minimum Lease Payments	PFCC/Group As at 31 March	
	2023	2024
	£000s	£000s
Not later than one year	292	287
Later than one year and not later than five years	140	140
Later than five years.	3,631	3,596
	4,063	4,023

The expenditure charged to the Net Cost of Police Services in relation to these leases was:

Lease Expenditure Charged to Net Cost of Police Services	PFCC/Group	PFCC/Group
	2022/23	2023/24
	£000s	£000s
Minimum Lease Payments		
- Land and Buildings	126	150
- Equipment	129	132
	255	282



Cumberland BCU HQ – Carlisle

There are two categories of leases:
Operating leases are where the risks and rewards of ownership stay with the lessor and the annual rental charges are charged through the CI&ES
Finance leases are where the risks and rewards of ownership are transferred to the lessee and where the assets are recognised on the balance sheet of the lessee.

Accounting Policy - Leases

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

Where a lease covers both land and buildings, the land and building elements are considered separately for classification. Agreements 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 fulfillment of the arrangement is dependent on the use of specific assets.

Finance leases (as Lessee)

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

Lease payments are apportioned between:

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

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

Council tax is not required to be raised to cover depreciation or revaluation and [impairment](#) losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the Police Fund balance, by way of an adjusting transaction within the [Capital Adjustment Account](#) in the Movement in Reserves Statement for the difference between the two.

Operating Leases (as Lessee)

- Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the functions benefitting from use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease.

Finance Leases (as Lessor)

- There are currently no finance leases as a lessor.

Operating Leases (as Lessor)

- Rental income received under operating leases are credited to the other operating expenditure line within the Comprehensive Income and Expenditure Statement, except where the property has been classified as an investment property, in which case the income is shown in the financing and investment income and expenditure line.

14 Short-term Debtors

Debtors reflect amounts owing to the Police and Crime Commissioner but not yet received at the end of the financial year.

A breakdown of the amounts owing to the Commissioner as at 31 March 2024 is set out in the table below:

Short-term Debtors	PFCC		Group	
	As at 31 March		As at 31 March	
	2023	2024	2023	2024
	£000s	£000s	£000s	£000s
Trade Receivables	5,818	12,360	5,818	12,360
Prepayments/Payments in Advance	3,417	2,890	3,417	2,890
Other Receivable Amounts				
- Police Pensioners Prepayment	2,881	3,132	2,881	3,132
- Employees (accumulated compensating absences)	216	328	216	328
- Council Tax - Local Taxpayers (#)	3,943	3,872	3,943	3,872
- Council Tax - District Councils (#)	215	0	215	0
- VAT Reimbursement	1,279	352	1,279	352
Less Impairment Allowance for Doubtful Debts:				
- Trade Receivables	(13)	(11)	(13)	(11)
- Local Taxpayers (#)	(1,872)	(1,779)	(1,872)	(1,779)
	15,884	21,144	15,884	21,144
Balances Owed From Chief Constable:				
- Re CC Share of External Creditors	14,512	11,295	0	0
- Re balance of Funding	6,296	6,218	0	0
Total Debtors	36,692	38,657	15,884	21,144

The debtors in respect of Local Taxpayers represent the Commissioner's share of the debtors recorded by the two unitary councils in respect of Council Tax. This figure is reduced by the Commissioner's share of their respective impairment allowance for doubtful debts. In a requirement from 2018/19 the Commissioner must show the age profile of debtors in respect of local taxation. The table on the next page provides this analysis.

Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax) can be analysed by age as follows:

Council Tax Debtors	PFCC/Group	
	31 March 2023 £000s	31 March 2024 £000s
Less than Three Months	71	0
Three to Six Months	22	0
Six Months to One Year	383	1,279
less than One year	961	0
More than One Year	2,506	2,593
	3,943	3,872

Please note, in the above table some unitary councils have provided the split of debtors over the wider categories of: less than 3 months, 3 to 6 months, 6 to 12 months and over 1 year whilst others have simply provided figures for under and over 1 year.

15 Short-term Creditors

Creditors reflect amounts owed by the Police and Crime Commissioner for goods and services received which had not been paid for at the end of the financial year.

An analysis of the amounts owed by the Commissioner as at 31 March 2024 is set out in the table below:

Short-term Creditors	PFCC		Group	
	As at 31 March		As at 31 March	
	2023 £000s	2024 £000s	2023 £000s	2024 £000s
Trade Payables	(8,191)	(4,329)	(8,191)	(4,329)
Receipts in Advance	(605)	(573)	(605)	(573)
Employees (accumulated compensating absences)	(5,020)	(4,788)	(5,020)	(4,788)
Council Tax - Local Taxpayers	(1,157)	(1,340)	(1,157)	(1,340)
Council Tax - District Councils	(1,045)	(747)	(1,045)	(747)
HMRC PAYE Amounts Due	(2,602)	(2,835)	(2,602)	(2,835)
	(18,620)	(14,612)	(18,620)	(14,612)
Balances Owed to Chief Constable:				
- Re CC Share of External & Employee Debtors	(5,990)	(5,992)	0	0
- Re balance of Funding	(11,242)	(13,125)	0	0
Total Creditors	(35,852)	(33,729)	(18,620)	(14,612)

In 2022/23 the Trade Payables include £2m received on behalf of the Cumbria Commissioner Fire and Rescue Authority (CCFRA) which does not belong in the accounts of the Police, Fire and Crime Commissioner/Constabulary Group position. The funds were transferred to the new CCFRA bank account on the 05th of April 2024.

16 Provisions

The Commissioner is able to maintain [provisions](#) to meet expected future liabilities. The Code of Practice on Local Authority Accounting advises that the value of any provisions be charged to the appropriate part of the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met in the future. The classification of provisions is consistent with the Code of Practice.

A brief description of the purpose of the individual provisions as at 31 March 2024 is provided below:

Insurance liabilities – this provision has been established to meet a number of eventualities from ongoing claims which are not covered by external insurers. In particular, liability risks up to £250k per event (this figure was £25k until 1 November 2014 when the policy excess was increased to £100k, and increased again to £250k from 1 November 2021) are retained by the Commissioner and met internally. The provision for insurance liabilities is subject to an actuarial review on a biennial basis to determine the most appropriate level for the provision based on the circumstances at the time of the review.

Legal Claims – this provision has been established to cover the potential costs relating to a number of legal claims that are currently ongoing.

DDAT National Portfolio – this provision has been established to cover the potential costs relating to a number of national initiatives as part of the Chief Constable’s national portfolio for DDAT.

The table below shows the movements during the year on each of the group provisions and the position as at 31 March 2024.

Provisions	Balance as at 01/04/23	Additional Provisions Made 2023/24	Amounts Used in 2023/24	Unused Amounts Reversed in 2023/24	Balance as at 31/03/24
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(682)	(988)	200	0	(1,470)
Legal Claims	(1,025)	(330)	285	168	(902)
DDAT National Portfolio	0	(4,200)	0	0	(4,200)
Total Provisions	(1,707)	(5,518)	485	168	(6,572)

Notes to the Accounts

The comparative information for year ended 31 March 2023 is as follows:

Provisions	Balance as at 01/04/22	Additional Provisions Made 2022/23	Amounts Used in 2022/23	Unused Amounts Reversed in 2022/23	Balance as at 31/03/23
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(682)	(70)	70	0	(682)
Legal Claims	(914)	(516)	261	144	(1,025)
Total Provisions	(1,596)	(586)	331	144	(1,707)

Accounting Policy – Provisions

Provisions are made when an event has taken place that gives a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, involvement in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate function line in the Comprehensive Income and Expenditure Statement in the year that awareness of the obligation arises, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties. Details of provisions made during the year are shown below.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet. Estimated settlements are reviewed at the end of each financial year where it becomes less than probable that a transfer of economic benefits will subsequently be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant function.

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

17 Financial Instruments

Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as loans and receivables and **financial liabilities** such as creditors and borrowings.

Under International Financial reporting Standards a full set of disclosure notes are required in respect of financial instruments. These notes for the PFCC/Group are included in Section A of a separate technical appendix at Annex B on pages 110 to 115.

The disclosures include:

- The Categories of Financial Instrument
- Gains and Losses on Financial Instruments
- Fair value of Assets and Liabilities Carried at Amortised Cost
- Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

18 Pensions

The PFCC/Group participates in the Local Government Pension Scheme (LGPS) for Police Staff and three pensions schemes in respect of Police Officers. Under International Financial reporting Standards a full set of disclosure notes are required in respect of Pensions. These notes for the PFCC/Group are included in a separate technical appendix at Annex C on pages 116 to 127.

The disclosures include:

- Details of the pension schemes
- A summary of accounting entries in respect of pensions
- Pensions assets and liabilities recognised in the balance sheet
- Reconciliation of the Fair Value of scheme assets
- Basis for estimating assets and liabilities
- A summary of principal assumptions used by the scheme actuary
- Sensitivity analysis in relation to pensions
- Impact on the Commissioner's Cash Flows

19 Usable Reserves

Usable reserves result from the Commissioner's activities and are available to be spent in future years.

In addition to the Commissioner's Police Fund, which the Commissioner aims to maintain at 3% of budgeted expenditure, the following reserves are maintained and accounted for in line with the Code of practice.

- [Capital Receipts](#) Reserve – this reserve is used to hold capital receipts until they are utilised to finance capital expenditure or reduce borrowing.
- Capital Grants Unapplied Account – this reserve is used to hold capital grants until they are utilised to finance capital expenditure.
- Capital Reserve – this reserve is a revenue backed earmarked reserve that has been set aside to fund capital expenditure.
- [Earmarked Reserves](#) - The Commissioner has a number of earmarked reserves that exist both to provide a [contingency](#) to cushion the effect of unexpected events and to provide a mechanism to build up funds to meet expected liabilities. The Commissioner's earmarked reserves have been formulated in conjunction with the [CIPFA](#) guidance on Reserves and [Provisions](#). Details of the earmarked reserves in existence and a brief description as to their purpose is included in note 8 to the accounts (see pages 62-63).

The movement in the Commissioner's Group and Single Entity Usable Reserves is detailed in the Movement in Reserves Statement (see pages 40 to 41), and the disclosure notes relating to Adjustments between the Accounting Basis and Funding Basis under regulations (Note 7) and Transfer to/from Earmarked reserves (Note 8).

Accounting Policy - 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 Police Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate function in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Police Fund balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Reserves are classified in the Balance Sheet and the Movement in Reserves Statement as either 'usable' (those that can be applied to fund expenditure or reduce local taxation) and 'unusable' (those held for technical accounting purposes). Under the Commissioner's funding arrangement to the Chief Constable all usable reserves are controlled by the Commissioner and recorded in the balance sheet of the Commissioner.

20 Unusable Reserves

Unusable reserves derive from accounting adjustments and are not available to be spent.

Certain reserves are kept to manage the accounting processes for [non-current assets](#), financial instruments, retirement and employee benefits and do not represent usable resources for the Commissioner.

20.a Revaluation Reserve

The [Revaluation Reserve](#) contains the overall gains made by the Commissioner arising from increases in the value of Property, Plant and Equipment and Intangible assets. 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 records the unrealised net gain from the revaluation of non-current assets 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](#). The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

The movements on the reserve during 2023/24 and the previous year are set out in the table below:

Revaluation Reserve	PFCC/Group	PFCC/Group
	2022/23	2023/24
	£000s	£000s
Balance at Start of Year	19,948	25,878
Upward revaluation of assets	5,943	2,944
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(13)	(4,490)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	5,930	(1,546)
Difference between fair value depreciation and historical cost depreciation	0	(333)
Amount written off to Capital Adjustment Account	0	(333)
Balance at End of Year	25,878	23,999

20.b Capital Adjustment Account

The [Capital Adjustment Account](#) (CAA) absorbs the timing differences arising from the different arrangements for accounting for the consumption of [non-current assets](#) and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as [depreciation](#), [impairment](#) losses and [amortisations](#) are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the [Revaluation Reserve](#) to convert [fair value](#) figures to a historical cost basis). The account is credited with the amounts set aside by the Commissioner as finance for the costs of acquisition, construction and enhancement. The account 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 7 provides details of the source of all the transactions posted to the account apart from those involving the revaluation reserve.

The movements on the account during 2023/24 and the previous year are set out in the table below:

Capital Adjustment Account	PFCC/Group 2022/23 £000s	PFCC/Group 2023/24 £000s
Balance at Start of Year	29,614	31,078
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation and impairment of non-current assets	(3,926)	(3,838)
Revaluation gains/(losses) on Property, Plant and Equipment	1,469	(820)
Amortisation of Intangible assets	(810)	(752)
	(3,267)	(5,410)
Adjusting amounts written out of the Revaluation Reserve	0	333
Net written out amount of the cost of non-current assets consumed in the year	(3,267)	(5,077)
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	425	128
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	3,148	1,728
Statutory provision for the financing of capital investment charged against the General Fund (MRP)	653	681
Capital expenditure charged against the Police Fund	505	2,193
	4,731	4,730
Balance at End of Year	31,078	30,731

20.c Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements.

The end of year balance on the account reflects the Commissioner's aggregate share of the Surplus/(Deficit) on the Collection fund operated by each of the 6 district councils (or billing authorities) that has yet to be distributed. The movements on the account during 2023/24 and the previous year are set out in the table below:

Collection Fund Adjustment Account	PFCC/Group 2022/23 £000s	PFCC/Group 2023/24 £000s
Balance at Start of Year	18	84
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	66	(78)
Balance at End of Year	84	6

A further breakdown of the movement in year by district council, is provided in note 28 on page 97.

Accounting Policy – Collection Fund

Council Tax is collected from local taxpayers by the billing authorities (district councils). The billing authorities in England are required by statute to maintain a separate fund, known as the **Collection Fund**, for the collection and distribution of amounts due in respect of Council Tax. The fund's key features relevant to accounting for Council Tax in the core financial statements of the billing authorities are:

- In its capacity as a billing authority the council acts as agent; it collects and distributes Council Tax income on behalf of the major preceptors (County Council and the Police and Crime Commissioner for Cumbria) and itself.
- While the Council Tax income for the year credited to the collection fund is accrued income for the year, regulations determine when it should be released from the collection fund and transferred to the general fund of the billing authority or paid out of the collection fund to major preceptors.
- Up to 2008/09 the SORP required the Council Tax income included in the Comprehensive Income and Expenditure Statement to be that which under regulation was required to be transferred from the collection Fund to the general fund of the billing authority. The Major precepting bodies were simply required to show the [precept](#) received from the billing authority during the year.

From the year commencing 1 April 2009, the Council Tax income included in the Comprehensive Income and Expenditure Statement for the year shall be the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the collection fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since the collection of Council Tax is, in substance, an agency arrangement, cash collected by the billing authority from Council Tax [debtors](#) belongs proportionately to the billing authority and the major preceptors. There will be therefore a debtor/creditor position between the billing authorities and each major preceptor to be recognised since the net cash paid to each major preceptor in the year will not be its share of cash collected from Council Taxpayers.

The Comprehensive Income and Expenditure Statement shows the share of cash collected in relation to Council Tax for the year. A transfer has been made to the collection fund adjustment account to record the amount due to/from the six districts (billing authorities) as at the year end. The debtors and [creditors](#) contained within the balance sheet now shows the share of Council Tax debtors (less an adjustment for bad and doubtful debts), Council Tax creditors, prepayments and a recognition of the amounts owed to or from the billing authorities.

20.d Accumulated Absences Account

The short-term accumulated absences account absorbs the differences that would otherwise arise on the Police Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave, time off in lieu and rest day entitlements carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	PFCC 2022/23 £000s	PFCC 2023/24 £000s	Group 2022/23 £000s	Group 2023/24 £000s
Balance at Start of Year	(49)	(44)	(4,506)	(4,805)
Settlement or cancellation of accrual made at the end of the preceding year	49	44	4,506	4,805
Amounts accrued at the end of the current year	(44)	(46)	(4,805)	(4,460)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5	(2)	(299)	345
Balance at End of Year	(44)	(46)	(4,805)	(4,460)

Accounting Policy - Employee Benefits payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for functions in the year in which employees render service. An [accrual](#) is made for the cost of holiday entitlements, time off in lieu, flexi leave and rest days in lieu earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the balance sheet date. The employee accrual is then reversed out through the movement in reserves statement so that it is not charged against council tax.

20.e Pensions Reserve

The Pensions Reserves (LGPS and Police) absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding in accordance with statutory provisions. The Commissioner 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 Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Commissioner 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.

Pensions Reserve	PFCC		Group		Group	
	LGPS Pensions		LGPS Pensions		Police Pensions	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at Start of Year	(1,104)	0	(60,929)	0	(1,459,590)	(1,065,680)
Remeasurement of the net defined pension benefit liability/asset	1,675	359	87,675	12,843	425,510	9,890
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	(279)	(208)	(10,326)	(3,215)	(66,980)	(58,220)
Employer's pension contributions and direct payments to pensioners payable in the year.	127	242	4,279	4,646	35,380	34,720
Impact of Asset Ceiling	(419)	(407)	(20,699)	(15,007)	0	0
Balance at End of Year	0	(14)	0	(733)	(1,065,680)	(1,079,290)

21 Related Party Transactions

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

21.a Chief Constable for Cumbria Constabulary

The Police, Fire and Crime Commissioner has direct control over the Chief Constable's finances, providing funding for all running costs and taking responsibility for funding of all pensions' liabilities. The Commissioner is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the funding arrangement set by the Commissioner, to deliver the aims and objectives set out in the Police and Crime Plan.

21.b Central Government

Central government has effective control over the general operations of the Commissioner – it is responsible for providing the statutory framework within which the Commissioner operates and provides the majority of its funding in the form of grants. Grants received from government departments are set out in the Comprehensive Income and Expenditure Statement (pages 38-39). Government Grants included within the Net Cost of Services are detailed in note 27 below, the extent to which these grants are outstanding at the end of the year is recorded in short-term [debtors](#) note 14.

21.c Members

The Commissioner has nine appointed Members, five who serve on the Joint Audit Committee and four who serve on the Ethics and Integrity Panel. These members are required to declare any direct financial relationship through outside bodies or companies with the Commissioner. No material transactions have been reported in respect of the 2023/24 financial year. The total members allowances paid in 2023/24 are shown in note 22.

21.d Officers and Employees

Employees of the Commissioner and senior officers and staff of the Constabulary were asked to declare any direct financial relationship through outside bodies or companies with the Commissioner. No material transactions have been reported in respect of the 2023/24 financial year.

21.e Other Public Bodies

The Commissioner's transactions with the Cumbria Local Government Pension Scheme (administered by the former County Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex C) pages 116-127.

The amounts received in respect of council tax income from the former six Cumbrian District Councils are detailed in note 28.

The Commissioner has included within the Comprehensive Income and Expenditure Statement his respective share of costs in relation to collaborative arrangements with other forces/councils. In particular these include:

- The PCC for Cheshire – North West Underwater Search Unit, Northwest Armed Policing Collaboration, Northwest Strategic Automatic Number Plate Recognition (ANPR) and Regional Emergency Services Network (ESN).
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team, Regional Insourced Forensic Science Services.
- The PCC for Lancashire – Regional Insourced Forensic Science Services.

22 Members Allowances and Expenses

The Code of Practice on Local Authority Accounting requires the disclosure of the total amount of members allowances paid in the year. This is set out in the table below together with a comparative figure for the previous year.

Members Allowances	PFCC/Group 2022/23 £000s	PFCC/Group 2023/24 £000s
Basic Allowance	21	44
Travel and Subsistence	6	7
	27	51
Analysis by Type:		
Joint Audit Committee	10	14
Ethics and Integrity Panel	9	17
Independent Custody Visitors	4	3
Misconduct Panel	4	17
	27	51

The above table includes expenses for the five appointed members of the Joint Audit Committee, the Ethics and Integrity Panel, misconduct panels together with travel allowances payable to independent custody visitors. The table above includes the total costs of members and these apply jointly between the Commissioner and Constabulary.

A full disclosure of allowances and expenses paid to individual members can be found on the Police, Fire and Crime Commissioners website at: <https://cumbria-pcc.gov.uk/finance-governance/allowances/>.

23 Disclosure of Remuneration for Senior Employees

The following tables set out the remuneration disclosures for Senior Officers and Relevant Police Officers whose salary is more than £50,000 per year. The first table provides the information for 2023/24 and the second provides comparatives for 2022/23.

The table below gives the PFCC and Group information for 2023/24 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Termination Pay & Compensation for loss of office	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Shown in Single Entity Statements of Police, Fire & Crime Commissioner									
Police, Fire & Crime Commissioner		71	0	0	0	0	71	14	85
PFCC Chief Executive (a)	15	84	0	0	125	0	209	97	306
PFCC Chief Executive (b)		94	0	(3)	0	0	91	18	109
OPFCC Chief Finance Officer		78	0	0	0	0	78	14	92
Total PFCC		327	0	(3)	125	0	449	143	592
Shown in Single Entity Statements of Chief Constable									
Chief Constable - Michelle Skeer	1	55	3	0	0	1	59	0	59
Chief Constable - Robert Carden	2	160	(2)	0	0	11	169	50	219
Deputy Chief Constable (a)	3	99	11	0	0	0	110	0	110
Deputy Chief Constable (b)	4	11	0	0	0	3	14	0	14
Assistant Chief Constable	5	126	2	0	0	0	128	37	165
Temporary Assistant Chief Constable	6	109	10	0	0	1	120	29	149
Assistant Chief Officer	7	46	4	0	62	0	112	8	120
Chief Superintendent (Cumberland) (a)	8	60	2	0	0	1	63	15	78
Temporary Chief Superintendent (Cumberland)	9	78	2	0	0	4	84	24	108
Chief Superintendent (Cumberland) (b)	10	94	1	0	0	1	96	26	122
Temporary Chief Superintendent (Westmorland & Furness) (a)		99	1	(1)	0	1	100	31	131
Temporary Chief Superintendent (Westmorland & Furness) (b)	11	90	1	0	0	1	92	27	119
Chief Superintendent (Operations)		96	4	0	0	1	101	27	128
Temporary Chief Superintendent (Crime & Intel Command)	12	93	4	0	0	1	98	27	125
Director of Performance & Change		78	1	0	0	0	79	15	94
Joint Chief Finance Officer	13	19	0	0	0	0	19	3	22
Constabulary Chief Finance Officer		78	0	(17)	0	0	61	14	75
Director of Corporate Support	14	83	0	0	140	0	223	15	238
Director of Legal Services		94	1	(1)	0	0	94	18	112
Total Chief Constable		1,568	45	(19)	202	26	1,822	366	2,188
Total Group		1,895	45	(22)	327	26	2,271	509	2,780

Notes

- Chief Constable Michelle Skeer retired on 01/08/23.
- Chief Constable Robert Carden was promoted from Deputy CC in 01/08/23.
- Deputy Chief Constable (a) was appointed on 01/07/23.
- Deputy Chief Constable (b) was seconded to the Police Officer Uplift Programme and associated costs were reimbursed by other forces until her resignation on 30/04/23.
- Assistant Chief Constable was promoted from Temporary ACC to substantive on 16/06/23.
- Temporary Assistant ACC was promoted from Ch Supt Crime & Intel) to T ACC on 26/06/23.
- The Assistant Chief Officer left the organisation on 10/08/23.
- Chief Supt (Cumberland) (a) resigned on 08/10/23.
- Temp Ch Supt (Cumberland) held the post from 26/06/23 until he retired on 09/02/24.
- Ch Supt (Cumberland) (b) moved from Standards, Insight & Performance to Cumberland on 22/01/24.
- Temp Ch Supt (Westmorland & Furness) (b) was appointed to the role on 11/09/23.
- Temp Ch Supt (Crime & Intel) was appointed to the role on 26/06/23.
- The Joint Chief Finance Officer retired on 15/06/23.
- The Director of Corporate Support left the organisation on 29/02/24.
- OPFCC Chief Executive (a) left the organisation on 29/02/24.

The comparative PFCC and Group figures for 2022/23 in £000s, are set out in the table below:

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Shown in Single Entity Statements of Police, Fire & Crime Commissioner									
Police, Fire & Crime Commissioner		68	0	0	0	0	68	13	81
PFCC Chief Executive (a)	11	90	0	0	0	0	90	17	107
PFCC Chief Executive (b)	11	90	0	(3)	0	0	87	17	104
Total PFCC		248	0	(3)	0	0	245	47	292
Shown in Single Entity Statements of Chief Constable									
Chief Constable - Michelle Skeer		164	9	0	0	3	176	0	176
Deputy Chief Constable (a)	1	1	0	0	0	0	1	0	1
Deputy Chief Constable (b)	2	137	0	0	0	4	141	0	141
Deputy Chief Constable (c)	3	91	(1)	0	0	9	99	28	127
Assistant Chief Officer	4	93	8	5	0	0	106	17	123
Temporary Assistant Chief Constable		113	9	0	0	0	122	29	151
Joint Chief Finance Officer		90	0	0	0	0	90	17	107
Director of Corporate Support		90	0	0	0	0	90	17	107
Chief Superintendent (Cumberland)	5	93	2	2	0	0	97	28	125
Chief Superintendent (Crime & Intel Command)	6	87	3	1	0	0	91	27	118
Temporary Chief Superintendent (Crime & Intel Command)	7	8	0	0	0	0	8	0	8
Chief Superintendent (Operations)	8	88	1	1	1	0	90	27	117
Temporary Chief Superintendent (Standard Insight & Performance Command)	9	90	1	2	0	0	93	27	120
Chief Superintendent (Westmorland & Furness)	10	93	2	0	0	0	95	28	123
Director of Legal Services		90	1	(1)	1	0	91	17	108
Total CC		1,328	35	(1)	12	16	1,390	262	1,652
Total Group		1,576	35	(4)	12	16	1,635	309	1,944

Notes

- Deputy Chief Constable (a) resigned on 04/04/2022.
- Deputy Chief Constable (b) is seconded to the Police Officer Uplift Programme and associated costs are reimbursed by other forces.
- Deputy Chief Constable (c) joined the Constabulary on 08/07/2022.
- The Assistant Chief Officer joined the Constabulary on 25/06/2022.
- The Chief Superintendent (Cumberland) took up the post on 05/09/2022, prior to that she was the Chief Superintendent (Insight & Performance).
- The Chief Superintendent (Crime & Intel Command) was promoted to Chief Superintendent w.e.f. 23/05/2022.
- The Temporary Chief Superintendent (Crime Command) retired on 29/04/2022.
- The Chief Superintendent (Operations) was promoted to Chief Superintendent on 05/09/2022.
- The temporary Chief Superintendent (Insight and Performance) was promoted to Chief Superintendent 05/09/2022.
- The Chief Superintendent (Westmorland and Furness) was promoted to Chief Superintendent on 05/09/2022.
- The role of Chief Executive to the Commissioner is shared between two individuals each taking responsibility for six months of the year. For the other six month period each will act as Deputy Chief Executive.

24 Employee Remuneration

The Code of Practice on Local Authority Accounting requires the disclosure of the number of employees whose remuneration, excluding pension's contributions, exceeded £50,000 and senior police officers (defined as those holding a rank **above** that of superintendent). This is set out in the table below in bands of £5,000:

Remuneration Band	2022/23				2023/24			
	PFCC	CC	CC	Group	PFCC	CC	CC	Group
	Police Staff	Police Staff	Snr Police Officers	Total	Police Staff	Police Staff	Snr Police Officers	Total
£50,000 to £54,999	0	7	0	7	1	18	0	19
£55,000 to £59,999	0	5	0	5	0	3	1	4
£60,000 to £64,999	0	1	0	1	0	2	0	2
£65,000 to £69,999	1	7	0	8	0	1	0	1
£70,000 to £74,999	0	1	0	1	1	4	0	5
£75,000 to £79,999	0	1	0	1	1	3	0	4
£80,000 to £84,999	0	0	0	0	0	0	1	1
£85,000 to £89,999	1	0	2	3	0	0	0	0
£90,000 to £94,999	1	3	3	7	1	2	1	4
£95,000 to £99,999	0	1	1	2	0	0	3	3
£100,000 to £104,999	0	0	0	0	0	0	1	1
£105,000 to £109,999	0	0	0	0	0	0	1	1
£110,000 to £114,999	0	0	1	1	0	1	0	1
£115,000 to £119,999	0	0	0	0	0	0	1	1
£120,000 to £124,999	0	0	0	0	0	0	0	0
£125,000 to £129,999	0	0	0	0	0	0	1	1
£130,000 to £134,999	0	0	0	0	0	0	0	0
£135,000 to £139,999	0	0	0	0	0	0	0	0
£140,000 to £144,999	0	0	1	1	0	0	0	0
£145,000 to £149,999	0	0	0	0	0	0	0	0
£150,000 to £154,999	0	0	0	0	0	0	0	0
£155,000 to £159,999	0	0	0	0	0	0	0	0
£160,000 to £164,999	0	0	0	0	0	0	0	0
£165,000 to £169,999	0	0	1	1	0	0	1	1
£170,000 to £174,999	0	0	0	0	0	0	0	0
£175,000 to £179,999	0	0	0	0	0	0	0	0
£180,000 to £184,999	0	0	0	0	0	0	0	0
£185,000 to £189,999	0	0	0	0	0	0	0	0
£190,000 to £194,999	0	0	0	0	0	0	0	0
£195,000 to £199,999	0	0	0	0	0	0	0	0
£200,000+	0	0	0	0	1	1	0	2
Total	3	26	9	38	5	35	11	51

In 2023/24 the remuneration for 377 Police Officers (282 in 2022/23) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000. The large increase represents the full year impact of the September 2022 pay award and part year impact of the September 2023 pay award. The two employees in the £200k+ line represents the impact of exit payments.

The table above includes those employees and senior police officers that are also required to be disclosed on a more detailed individual basis. Please see note 23 for more information.

25 Exit Packages/Termination Payments

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

Exit package cost band (including special payments)	Group		Group		Group		Group	
	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by cost band		Total cost of exit packages in each band	
	2022/23 Headcount	2023/24 Headcount	2022/23 Headcount	2023/24 Headcount	2022/23 Headcount	2023/24 Headcount	2022/23 £000's	2023/24 £000's
£0-£20,000	0	0	1	0	1	0	18	0
£20,001 - £40,000	0	0	2	1	2	1	65	26
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	1	0	1	0	62
£80,001 - £100,000	0	0	1	0	1	0	82	0
£100,001 - £150,000	0	0	0	1	0	1	0	141
£150,001 - £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	1	0	0	0	1	0	207
Total	0	1	4	3	4	4	165	436

During 2023/24 the contracts of a small number of employees were terminated incurring termination payments amounting to £436k (£165k in 2022/23). This amount is made up of exit packages paid in 2023/24.

The exit packages paid in 2023/24 amount to £436k (£165k in 2022/23). The exit packages can be further split into compensation for loss of employment £354k (£101k in 2022/22) and enhanced pension benefits £82k (£64k in 2022/23). The Exit Packages table above provides details of the number and total cost of exit packages per band and include those exit packages paid in 2023/24.

Accounting Policy - Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an individual's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged (on an [accruals](#) basis) to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the organisation can no longer withdraw the offer of those benefits or when the organisation recognises the costs for restructuring.

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

26 Audit Fees

In 2023/24 the Commissioner and Chief Constable incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

External Audit Fees	Group 2022/23 £000s	Group 2023/24 £000s
Amounts Relating to The Police, Fire and Crime Commissioner		
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:		
- In relation to 2021/22 Audit	2	0
- In relation to 2022/23 Audit	49	1
- In relation to 2023/24 Audit	0	96
	51	97
Amounts Relating to The Chief Constable		
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:		
- In relation to 2021/22 Audit	3	0
- In relation to 2022/23 Audit	22	3
- In relation to 2023/24 Audit	0	52
	25	55
Total External Audit Fees for Year	76	152

The above table shows the gross fees payable to the external auditor during the year.

The amounts in the table agree to the amounts recorded in the comprehensive income and expenditure statement. Subsequent to the closure of the accounts for 2021/22, the external auditors advised in June that their intended audit fee in relation to the 2021/22 audit was to increase to £46k for the PCC and £20k for the Constabulary, the combined difference of £4k has been reflected in the accounts for 2022/23.

27 Grant Income

The Commissioner credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2023/24.

Grant Income	PFCC/Group	
	2023/24 £000s	2024/25 £000s
Credited to Taxation and Non Specific Grant Income		
Formula Funding (Home Office)	37,230	37,360
Council Tax Freeze & Local Council Tax Support Support (Home Office)	4,850	4,850
Home Office Police Grant	35,373	35,496
PFI Grant (Home Office)	688	688
TOTAL	78,141	78,394
Credited to other Operating Expenditure		
Police Pension Grant (Home Office)	19,347	16,493
	19,347	16,493
Credited to Services		
<i>Grants and Contributions - Central Government</i>		
Apprenticeship Levy (Home Office)	814	787
Apprenticeship Grant (ESFA)	65	0
Criminal Records Bureau (Home Office)	514	427
Police Pension Contribution (Home Office)	1,175	1,174
Operation Uplift (Home Office)	1,138	3,372
Fire Gov Funding	0	52
Drugs Testing on Arrest	0	26
ATOM Programme (Home Office)	990	10
Safer Streets Fund (Home Office)	548	671
Domestic Abuse Perpetrator Funding (HO)	955	0
Victims Services (Ministry of Justice)	1,396	1,399
National ICT Charges	0	169
Law Enforcement Data Services	0	405
National DDaT	0	4,298
International Law Enforcement Alerts Platform	0	20
Pay Award Funding	0	2,783
Local Tax Income Guarantee Compensation (DLUHC)	19	0
Domestic Abuse Perpetrator Funding (HO)	200	0
Serious Violence Duty (HO)	30	234
Collaborations (Various)	137	131
	7,981	15,958
<i>Grants and Contributions - Other</i>		
NHS Funding (SASS)	78	125
Local Partnership	446	487
Youth Offending Team (Cumbria CC)	97	88
Safer Cumbria Delivery Board (PCC for Cumbria)	218	263
	839	963
TOTAL	8,820	16,921

Accounting Policy - Government Grants and Contributions

Whether paid on account, by installments or in arrears, government grants and third party contributions and donations are recognised as due when there is reasonable assurance of:

- compliance with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset 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 body making the grant or contribution.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried on the balance sheet as [creditors](#). When conditions are satisfied, the grant or contribution is credited to the relevant function line (attributable revenue grants and contributions) or Taxation and Non-Specific Grants Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Police 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.

In accordance with the statutory responsibility of the Commissioner to maintain the Police Fund contained within the Police Reform and Social Responsibility Act 2011, all grants are recognised in the accounts of the Commissioner.

28 Income from Council Tax

Precept- The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

On 1 April 2023 Local Government Reorganisation in Cumbria saw the six district councils replaced by two unitary authorities. The former district councils of Allerdale, Carlisle and Copeland became Cumberland Council and the former district councils of Barrow, Eden and South Lakeland became Westmorland & Furness Council.

The income from Council Tax for 2023/24 is received as precept from the two unitary councils as set out below:

Council Tax Income	Precept Paid 2023/24 £000s	PFCC/Group Adjustment Re Debtors/ (Creditors) £000s	Income from Council Tax £000s
Cumberland Council	26,085	141	26,226
Westmorland & Furness Council	25,997	(219)	25,778
	52,082	(78)	52,004

The comparative information for 2022/23 for the six district councils is as follows:

Council Tax Income	Precept Paid 2022/23 £000s	PFCC/Group Adjustment Re Debtors/ (Creditors) £000s	Income from Council Tax £000s
Allerdale District Council	8,780	66	8,846
Barrow Borough Council	5,526	106	5,632
Carlisle City Council	10,054	(100)	9,954
Copeland Borough Council	5,985	(15)	5,970
Eden District Council	5,824	48	5,872
South Lakeland District Council	12,926	(38)	12,888
	49,095	67	49,162

29 Capital Expenditure and Capital Financing

Capital expenditure can be defined as expenditure on the acquisition, construction or enhancement of non-current assets which adds to and not merely maintains the value of a non-current asset.

The commissioner approves on an annual basis a capital programme for the Constabulary. The capital programme is fully funded for a five year period to tie in with the medium term financial forecast. The capital programme covers the routine cyclical replacement of ICT equipment and vehicles and also includes specific one off projects. Due to the cyclical nature of the majority of the capital programme, the programme is also modelled at a high level over a 10 year longer term horizon. The capital programme for 2023/24 was approved by the Commissioner at his Public Accountability Conference on 16 February 2023, papers for which can be found on the Commissioner’s website.

The capital outturn report for 2023/24 was approved by the Commissioner at Strategic Business Board on 21 May 2024 and can also be found on the Commissioner’s website.

The total amount of [capital expenditure](#) incurred in the year is shown in the table below.

Capital Expenditure	PFCC/Group	
	2022/23 £000s	2023/24 £000s
Technology Schemes		
Computer Hardware & Infrastructure	1,195	968
Emergency Services Network	132	0
Control Room Futures	11	94
Records Management System	35	93
CCTV Replacement and Analytics	372	70
ANPR	91	31
Other Technology Scheme	102	19
	1,938	1,275
Vehicles Replacement Scheme	803	2,112
Building Schemes		
Dog Kennels	14	7
Learning and Development Centre	204	(3)
Hunterlane	0	25
Carlisle mechanical and Electrical	0	39
West Estates Project	13	5
Other Estates Projects	24	62
	255	135
Equipment Schemes		
Drones	0	34
Taser Expansion	0	197
CCTV Replacement	0	178
Telematics	0	28
LaserCam	0	80
Glock Pistol Replacement	39	0
	39	517
Intangible Assets	1,057	22
Total Capital Expenditure	4,092	4,061

29.a Capital Financing

The table below illustrates the resources used to finance [capital expenditure](#). Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Commissioner, the expenditure results in an increase in the [Capital Financing Requirement](#) (CFR), a measure of the capital expenditure incurred historically by the Commissioner that has yet to be financed. The CFR is analysed below:

Capital Financing Requirement	PFCC/Group	
	2022/23 £000s	2023/24 £000s
Opening Capital Financing Requirement	22,107	21,468
<i>Capital investment</i>		
Property, Plant and Equipment	3,035	4,039
Intangible Assets	1,057	22
<i>Sources of Finance</i>		
Capital receipts	(425)	(128)
Government grants and other contributions	(3,148)	(1,728)
Sums set aside from revenue:		
- Direct revenue contributions	(505)	(2,193)
- Minimum revenue provision	(653)	(681)
Closing Capital Financing Requirement	21,468	20,799
<i>Explanation of Movements in Year</i>		
Increase in underlying need to borrow (unsupported by government financial assistance)	(653)	(681)
Notional/Internal Borrowing	14	12
Increase/(Decrease) in Capital Financing Requirement	(639)	(669)

30 Capital Commitments

The Commissioner has outstanding contractual commitments amounting to £3,056k in respect of a number of schemes from the 2023/24 capital programme (£2,986k in 2022/23).

Outstanding Capital Commitments	PFCC/Group As at 31 March	
	2023 £000s	2024 £000s
ICT Core Hardware	13	364
ICT Core Hardware - Radio Replacements	37	582
Control Room Futures	293	200
Iken to the cloud	0	7
Records Management System	626	603
Firearms Digitalisation	22	0
CCTV	186	6
Vehicle Replacement	1,684	1,205
Telematics	0	68
Learning and Development Centre	87	0
Dog Section: Wreay	0	1
Carlisle Mechanical & Electrical	38	0
Laser Cameras	0	20
Total	2,986	3,056

31 Minimum Revenue Provision

Regulations 27 and 28 of the Capital Financing and Accounting Regulations 2003 require the Commissioner to make a provision from revenue for the repayment of any undischarged credit liabilities. This is referred to as the [Minimum Revenue Provision](#) (MRP). Additional voluntary contributions are permitted, which have the effect of reducing the Commissioner's [Capital Financing Requirement](#).

In line with the Capital Finance and Accounting regulations a Statement of MRP Policy was approved in February 2017 as part of the Treasury Management Strategy Statement. The policy states that MRP will be calculated using the regulatory method for debt incurred prior to 1 April 2008 and on the asset life basis for debt incurred after this date. In respect of PFI assets brought onto the balance sheet under the 2009 SORP, the MRP provision will match the annual principal repayment for the associated deferred liability.

The Minimum Revenue Provision charged for the year 2023/24 (and comparatives for 2022/23) is made up as follows:

Minimum Revenue Provision	PFCC/Group	PFCC/Group
	2022/23	2023/24
	£000s	£000s
Minimum Revenue Provisions (MRP)		
Core MRP	420	418
PFI MRP	233	263
Total MRP for Year	653	681

32 Accounting Standards that have been Issued but have not yet been Adopted

For 2023/24 the following accounting policy changes that need to be reported relate to:

- IFRS 16 Leases** issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year). Note the OPFCC/Constabulary have chosen to delay the adoption until 2024/25.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
 - clarify how lending conditions affect classification, and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)** issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1)** issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)** issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:

- a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
 - targeted disclosure requirements for affected entities.
- f) **Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)** issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
 - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Note that a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. It is likely that though they provide clarifications, items b), c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f).

In the Financial Statements for 2024/25, the effect of the changes will be assessed and where necessary, the comparative figures restated.

33 Pension Challenge

The Chief Constable of Cumbria along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

Legal Claims

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

Police Officer Pension Fund Account

Police Officer Pension Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2023/24 financial year together with comparative information for 2022/23.

Police Officer Pension Fund Account	Group 2022/23 £000s	Group 2023/24 £000s
Contributions Receivable		
Employer		
- Contributions (31.0% of Pensionable Pay)	(14,714)	(16,588)
Officers' Contributions		
- 1987 Scheme Member Contributions (see narrative for rates)	(2)	(9)
- 2006 Scheme Member Contributions (see narrative for rates)	0	0
- 2015 Scheme Member Contributions (see narrative for rates)	(6,346)	(7,184)
	(21,062)	(23,781)
Transferees in from Other Schemes	(121)	(96)
Capital Equivalent charge for ill-health schemes	(255)	(172)
	(376)	(268)
Benefits Payable		
Recurrent Pensions	33,656	36,689
Commutations and Lump Sums	6,882	3,614
Other (Scheme Pays)	84	236
	40,622	40,539
Payments to and on Account of Leavers		
Refund of Contributions	57	45
Transfer out to other schemes	106	10
	163	55
Net Amount Payable for the Year	19,347	16,545
Additional Contribution from the Police, Fire & Crime Commissioner	(19,347)	(16,545)
Net Amount Payable (Receivable) for the Year	0	0

Net Assets Statement

This statement shows the net assets and liabilities of the scheme as at 31 March 2024.

Pension Fund Net Assets & liabilities	Group 2022/23 £000s	Group 2023/24 £000s
Current Assets		
Pensions Benefits paid in advance	2,810	3,051
Current Liabilities		
Amount due to the Police, Fire & Crime Commissioner	(2,810)	(3,051)

Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the requirements of the Police Pension Fund Regulations 2015 (SI 2015 No 445). The Pension Fund Accounts are administered by the Chief Constable and have been prepared on an accruals basis.

Operation of Police Pensions Schemes

Since 1 April 2015 the Chief Constable has operated three Pensions Schemes for Police Officers. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they fall due. The original Police Officer Pension scheme is known as the 1987 scheme. 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 onwards automatically become members of the 2006 scheme and the previous 1987 scheme was closed to new members. Officers who were members of the 1987 scheme were allowed by regulation to become members of the 2006 scheme if they wished.

From 1 April 2015, a new pension scheme was introduced for Police Officers, known as the 2015 Scheme. The 2015 scheme is based on career average revalued earnings (CARE). All Police Officers recruited from 1 April 2015 automatically become members of the new scheme and the two previous schemes (1987 and 2006) have been closed to new members from that date. Members of the two older police pension schemes received full protection to 31 March 2022, transferred to the new 2015 scheme on 1 April 2015, or transferred on different tapering dates in the future subject to individual circumstances around age and length of service remaining. All members transferred to the 2015 Scheme on 1 April 2022 when the legacy schemes 1987 and 2006 closed. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2023/24 and 2022/23.

The financial statements for the Police Officer pension fund account do not take account of liabilities to pay pensions and other benefits after the period end. Details of the Chief Constable's long term pensions obligations can be found in the main accounting statements (see Balance Sheet page 42). Detailed disclosure notes regarding the Police Pension schemes can be found in the Technical Annex to the Statement of Accounts (Annex C Pensions on pages 116-127).

Funding of Police Pension Schemes

In 2006/07 a new arrangement was established to fund Police Pensions. This revised arrangement is for both new and existing police officer schemes, but has no effect on the benefit structures of either scheme. The purpose of the change is to smooth fluctuations in costs, that would previously have been charged to the Chief Constable's Comprehensive Income and Expenditure Statement on a 'pay as you go basis', and to more clearly show the effect of the liability as opposed to current pension payments. Under the revised arrangements the liability for payment of police pensions is removed from the Chief Constable and replaced with an employers' contribution, currently set at 31% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. The employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to periodic revaluation by the Government Actuary's Department. Pensions are then paid from this account. The pensions account is balanced to nil annually, with any shortfall met by a top up from the Commissioner, or vice versa. However, the Home Office indemnify the Commissioner against any financial liability arising from a deficit on the Pension Account by providing a grant to the Commissioner equal to the Commissioner's top up. Similarly, any surplus on the Pension Account is ultimately repayable to the Home Office.

Glossary of Terms

Accruals

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

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, for example on behalf of a pension fund.

Agency Costs

Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

Amortisation/Amortised Cost

The practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation, though in practice amortisation tends to be used for the write-off of intangible assets, such as computer software.

BCU

Basic Command Unit.

Budget

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

Capital Adjustment Account

The CAA records the balance of resources set aside to finance capital expenditure (i.e. Capital Receipts, Minimum Revenue Provision (MRP), Direct Revenue Contributions (DRC) and Deferred Grants Account (DGA)) and also the consumption of resources associated with the historical cost of acquiring, creating or enhancing non-current assets over the life of those assets (i.e. depreciation/impairment).

Capital Expenditure

As defined in section 16 of the Local Government Act 2003 and regulation 25 of the Capital Finance and Accounting Regulations 2003, but broadly expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Financing Requirement (CFR)

The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.

Capital Receipt

Monies received from the sale of capital assets, which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules prescribed by Central Government. Capital Receipts cannot be used to finance revenue expenditure, with the exception that up to 4% of sale proceeds may be transferred to the General Fund to finance costs directly associated with the disposal of the asset.

Cash and Cash Equivalents

Cash is represented by cash in hand and in bank accounts. Cash Equivalents include demand deposits with financial institutions which are highly liquid in that they are repayable without penalty on notice of not more than 24 hours.

CC or Chief Constable

The Chief Constable of Cumbria Constabulary.

CFO

The PFCC Chief Finance Officer.

CIPFA

The Chartered Institute of Public Finance and Accountancy. The main professional body for accountants working in the public services.

Commissioner

The Police, Fire and Crime Commissioner for Cumbria.

Componentisation

Identifying and depreciating the components of an asset separately if they have differing patterns of benefits relative to the total cost of the asset.

Contingency

A sum set aside to meet unforeseen expenditure.

Creditors

Amounts owed by the Police, Fire and Crime Commissioner for goods and services provided which had not been paid for at the end of the financial year.

Glossary of Terms

Debtors

Amounts owing to the Police, Fire and Crime Commissioner but not received at the end of the financial year.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-minimis

In general the term means lacking in significance or importance. In terms of the accounts, a de-minimis limit is set for inclusion of projects in the capital programme, below this limit projects would be charged to revenue budgets.

Direct Revenue Contributions (DRC)

Resources provided from the Police, Fire and Crime Commissioner's revenue budget to finance the cost of capital projects.

DLUHC

Department for Levelling Up, Housing and Communities (formerly MHCLG and DCLG).

Earmarked Reserves

Those elements of the Police Fund that have been set aside, "earmarked", for specific purposes.

Fair Value

In accounting and economics, fair value is a rational and unbiased estimate of the potential market price of a good, service, or asset.

Hedge Funds

A hedge fund is a pooled investment vehicle administered by a professional management firm, and often structured as a limited partnership/ limited liability company. Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments.

Heritage Assets

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture.

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services who are a government agency responsible for monitoring the standards and performance of Constabularies and Fire and Rescue Services.

Impairment/Impaired

A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Investment Property

Property (land or building) held solely to earn rentals or for capital appreciation or both, rather than for operational reasons such as the provision of services.

Leasing

A method of financing expenditure over a period of time. There are two main types of lease:

- Finance Lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Police, Fire and Crime Commissioner's balance sheet at a current valuation.
- Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

Minimum Revenue Provision (MRP)

The minimum amount which must be set aside in the Revenue Account each year as a provision for credit liabilities.

Non-current Assets

An asset, which will yield a benefit to the Police and Crime Commissioner for a period of more than one year.

NPCC

The National Police Chiefs Council.

PFCC

The Police, Fire and Crime Commissioner for Cumbria.

Pension actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or
- the actuarial assumptions have changed.

Glossary of Terms

Pension – current service costs

The increase in the present value of a defined benefit's liabilities expected to arise from employee service in the current period.

Pension – defined benefit scheme

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

Pension assets – expected rate of return

For a funded defined benefits 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.

Pension – interest costs

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.

Pension - past service costs

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.

Police Objective Analysis (POA)

The Police Objective Analysis (POA) is a model developed by the Home Office for analysing individual policing areas expenditure. It has been developed to support the need for understandable, accurate and consistent costing information to allow internal and inter-force comparisons.

Precept

The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

Private Equity Funds

A private equity fund is a collective investment scheme used for making investments in various equity (and to a lesser extent debt) securities according to one of the investment strategies associated with private equity.

Provision

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

Public Works Loan Board (PWLB)

A Government agency which provides longer term loans to Local Authorities at interest rates which are only slightly higher than those at which the government itself can borrow.

Reserves

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. The Police Fund represents accumulated balances which may be used to support future spending.

Revaluation Reserve

The revaluation reserve records the unrealised net gain from revaluation of non-current assets made after 1 April 2007. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

SERCOP

The CIPFA Service Reporting Code of Practice. It was introduced as part of the Best Value Regime to bring about more consistent accounting treatment of costs and to facilitate more meaningful financial comparisons between Authorities.

The Commissioner

The Police, Fire and Crime Commissioner for Cumbria.

Annex A - Statement of Accounting Policies

1 General Principles

The Statement of Accounts summarises the financial transactions for the 2023/24 financial year and the financial position at the 31 March 2024. The Police, Fire and Crime Commissioner and [Chief Constable](#) are each required to prepare an annual Statement of Accounts (single entity) in accordance with the Accounts and Audit Regulations 2015 which stipulate that the statements be prepared in accordance with proper accounting practices. Those practices primarily comprise the [CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24](#) (the Code) and the Service Reporting Code of Practice 2023/24 [SERCOP](#), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003. The [Commissioner](#) is responsible for combining the single entity statements to form a set of consolidated group accounts.

Where accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a [grey text box](#), in the notes to the accounts section (see pages 45 to 101). Where an accounting policy is more generic and applicable across the statement accounts it is shown in this **Annex A**.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of [non-current assets](#).

Historic Cost – the amount the organisation originally paid for an item.

2 Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories (stock) on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where 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 debts may not be settled, the balance of [debtors](#) is written down and a charge made to revenue for the income that might not be collected.
- An [accrual](#) is made in respect of employee benefits payable during employment.

Accrual Example 1

An electricity invoice received at the start of April will usually relate to the previous quarters electricity consumption (January to March) and as such this expenditure should be shown in the financial statements for the previous financial year. The invoice will actually be paid in the new year but the costs are charged to the previous year by way of an accrual.

Accrual Example 2

The PFCC/Constabulary insurance premiums are due on 1 November each year. The premium paid covers five months of the current financial year and seven months of the next. A prepayment is made in the accounts to move the cost of the seven months into the correct year.

Annex A - Statement of Accounting Policies

3 Exceptional Items

When exceptional items of income and expense are **material**, their nature and value is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of financial performance.

Materiality – information is material if omitting it or misstating it could influence decisions that users make on the basis of the financial information about a specific reporting organisation. In other words, materiality is an organisation specific aspect of relevance based on the *nature or magnitude or both*, of the items to which the information relates in the context of the individual organisations financial statements.

4 Inventories

Inventories (stocks) are included in the balance sheet at historic cost. This is a departure from IAS2 which requires inventories to be valued at the lower of cost or net realisable value. However, for many stock items, particularly uniforms, net realisable value would be minimal and would not accurately reflect the value of holding these assets. As inventories predominantly relate to operational stocks (uniform and consumables) these are reported in the single entity statements of the Chief Constable and as such are consolidated into the Commissioner's group accounts.

5 Treatment of Overheads

The costs of overheads and support services are incorporated within the cost of Policing and Crime Services line of the comprehensive income and expenditure statement in accordance with the principles of the [CIPFA](#) Code of practice on Local Authority Accounting which requires costs to shown on the same basis as used for resource management.

Under the Commissioner's funding arrangement to the Chief Constable premises costs (except where they are directly attributable to the Chief Constable) are initially recorded in the accounts of the Commissioner and a recharge is made to the Chief Constable in the single entity Comprehensive Income and Expenditure Statements on an appropriate basis. Transport and supplies and services costs (except where they are directly attributable to the Commissioner) are initially recorded in the accounts of the Chief Constable and a recharge is made to the Commissioner in the single entity Comprehensive Income and Expenditure Statements on an appropriate basis.

6 Investment Property

Investment properties are those that are used solely 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 production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at [fair value](#), based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Police Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Police Fund balance. The gains and losses are

Annex A - Statement of Accounting Policies

therefore reversed out of the police 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.

Investment assets are not generally held, however, in some circumstances where a surplus property no longer meets the strict criteria to be classified as “held for sale”, it must be classified as an investment property.

7 Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

8 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty’s Revenue and Customs. VAT receivable is excluded from income.

Annex B – Technical Annex – Financial Instrument Disclosures

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as cash & equivalents, investments and debtors and **financial liabilities** such as creditors and borrowings.*

Accounting Policy - Financial Instruments

Financial Liabilities

Financial Liabilities are initially measured at [fair value](#) and carried at their [amortised cost](#). Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For borrowings this means that the amount presented on the Balance Sheet is the outstanding amount of principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement. Borrowing is undertaken and accounted for in accordance with the Treasury Management Strategy. Where a payable (i.e. creditor) has a maturity of less than 12 months the [fair value](#) is taken to be the principal outstanding, or the billed/invoiced amount. In accordance with the funding arrangement between the Commissioner and the Chief Constable, all financial instrument liabilities, including borrowing and trade creditors are held by the Commissioner.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Commissioner holds financial assets measured at amortised costs (investments, cash and cash equivalent and debtors).

Financial Assets are initially measured at [fair value](#) and carried at their [amortised cost](#). Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Where a debtor has a maturity of less than 12 months, the fair value is taken to be the principal outstanding or the billed/invoiced amount. Investments are shown in the balance sheet at cost. Where investments are fixed term deposits, accrued interest owing at the balance sheet date is included in the Comprehensive Income and Expenditure Statement.

Where assets are identified as [impaired](#) because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. An example of such a charge would be the adjustment made to the [debtors](#) balance as an impairment allowance for doubtful debts (see note 14, page 77).

Investments are undertaken and accounted for in accordance with the Treasury Management Strategy.

Treasury Management is defined as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

The **Treasury Management Strategy** is produced on an annual basis and is approved by the Commissioner in February each year. The strategy contains and investment strategy which provides details of approved counterparties with whom investments can be placed and approved limits and durations for investment. The strategy also includes a borrowing strategy should this be needed and approved practices and procedures to be adopted by staff carrying out investment and borrowing activities.

In accordance with the Commissioner’s funding arrangement with the Chief Constable all financial instrument assets including investments and trade debtors are held by the Commissioner.

Annex B – Technical Annex – Financial Instrument Disclosures

B1 Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

Categories of Financial Instruments	PFCC Long Term		PFCC Current		Group Long Term		Group Current	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Financial Assets								
Cash and Cash Equivalents								
Imprest and cash	0	0	13,097	5,137	0	0	13,097	5,137
Total cash and cash equivalents	0	0	13,097	5,137	0	0	13,097	5,137
Debtors								
Debtors held at Amortised Cost	0	0	5,722	12,321	0	0	5,802	12,337
Items not classified as Financial Instruments	0	0	30,970	26,336	0	0	10,082	8,806
Total Debtors	0	0	36,692	38,657	0	0	15,884	21,143
Total Financial Assets	0	0	49,789	43,794	0	0	28,981	26,280
Financial Liabilities								
Creditors								
Creditors held at Amortised Cost	0	0	(1,237)	(586)	0	0	(8,191)	(4,329)
Items not classified as Financial Instruments	0	0	(34,615)	(33,144)	0	0	(10,429)	(10,283)
Total Creditors	0	0	(35,852)	(33,730)	0	0	(18,620)	(14,612)
Other Long-term Liability (PFI/Finance Lease)								
PFI & Finance Lease Liabilities	(3,701)	(3,402)	(264)	(299)	(3,701)	(3,402)	(264)	(299)
Total other long term liabilities	(3,701)	(3,402)	(264)	(299)	(3,701)	(3,402)	(264)	(299)
Total Financial Liabilities	(3,701)	(3,402)	(36,116)	(34,029)	(3,701)	(3,402)	(18,884)	(14,911)

B2 Gains and Losses on Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in 2023/24 relating to financial instruments are made up as follows:

Gains and Losses on Financial Instruments	PFCC/Group 2022/23				PFCC/Group 2023/24			
	Financial Liabilities Held at amortised cost	Financial Liabilities PFI/Finance Lease	Financial Assets Loans & Receivables	Total	Financial Liabilities Held at amortised cost	Financial Liabilities PFI/Finance Lease	Financial Assets Loans & Receivables	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Interest Expense	0	512	0	512	0	480	0	480
Impairment Losses (Impairment Allowance for Doubtful Debts Increase)	(3)	0	0	(3)	0	0	0	0
Total Expenses in (Surplus) or Deficit on the Provision of Services	(3)	512	0	509	0	480	0	480
Interest Income	0	0	(437)	(437)	0	0	(1,010)	(1,010)
Impairment Gain (Impairment Allowance for Doubtful Debts Reduction)	0	0	0	0	2	0	0	2
Total Income in (Surplus) or Deficit on the Provision of Services	0	0	(437)	(437)	2	0	(1,010)	(1,008)
Net (Gain)/Loss for the Year	(3)	512	(437)	72	2	480	(1,010)	(528)

Annex B – Technical Annex – Financial Instrument Disclosures

B3 Fair value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and assets represented by loans, investments, cash and cash equivalents and long term [debtors](#) and [creditors](#) are carried in the balance sheet at amortised cost. Financial Instruments are to be measured at fair value. The fair value hierarchy must now be followed, whereby inputs used in the valuation techniques for assets and liabilities are prioritised to give the most accurate and appropriate measurement of fair value. 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. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. For example, where the instrument is not actively marketed or measurable, quoted prices of similar assets or liabilities may be used.
- Level 3 – unobservable inputs for the asset or liability.

The fair valuation of the PFCC's long term liabilities is classed as level 2 in the hierarchy.

The PFCC reviews the categorisation of inputs when new formal valuations are undertaken and when trigger events occur (for example a major change of tenant of a rented property, or change in Bank of England base lending rate). The change in category is reported at the next financial year-end following the trigger event.

Their [fair value](#) can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced amount.
- In calculating the fair value of the PFI a discount rate based on the returns of a zero coupon AA corporate bond have been used to discount future cash flows as this instrument has an estimated risk profile equivalent to that of public sector PFI schemes.

The fair values calculated are as follows:

Fair Values of Assets and Liabilities	PFCC 31 March 2023		PFCC 31 March 2024		Group 31 March 2023		Group 31 March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Financial Liabilities								
Creditors	(35,852)	(35,852)	(33,730)	(33,730)	(18,620)	(18,620)	(14,612)	(14,612)
Other Long-term Liabilities (PFI/Finance Lease)	(3,965)	(5,446)	(3,701)	(5,028)	(3,965)	(5,446)	(3,701)	(5,028)
	(39,817)	(41,298)	(37,431)	(38,758)	(22,585)	(24,066)	(18,313)	(19,640)
Financial Assets								
Cash and Cash Equivalents	13,097	13,097	5,137	5,137	13,097	13,097	5,137	5,137
Debtors	36,692	36,692	38,657	38,657	15,884	15,884	21,143	21,143
	49,789	49,789	43,794	43,794	28,981	28,981	26,280	26,280

For financial assets the fair value is shown to be the same as the carrying amount as the investments are for a short period and there is no option to vary the amount or timing of repayment.

In relation to the PFI, the fair value exceeds the carrying amount as a result of the historically higher level of interest rates prevailing at the inception of the PFI arrangement and the interest rate implicit within the PFI agreement.

Annex B – Technical Annex – Financial Instrument Disclosures

B4 Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

The Commissioner’s activities expose it to a variety of financial risks. The Commissioner’s annual Treasury Management Strategy focuses on these risks and seeks to minimise potential adverse effects on the resources available to fund services. The Commissioner provides written policies within its Treasury Management Strategy covering interest rate risk, credit risk and the investment of surplus cash balances. A copy of the current Treasury Management Strategy Statement can be found on the Police, Fire and Crime Commissioner’s website at: [Treasury-Management-Strategy-Statement.pdf \(cumbria-pcc.gov.uk\)](https://www.cumbria-pcc.gov.uk/Treasury-Management-Strategy-Statement.pdf)

B4 (i) Credit Risk

Credit Risk is the possibility that other parties might fail to pay amounts due to the Commissioner.

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

This risk is minimised through the application of policies set out in the annual Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody’s ratings services. The annual TMSS (approved by the Commissioner in February 2023), also imposes a maximum sum to be invested with a financial institution located within each category.

The credit criteria as set out in the 2023/24 TMSS in respect of financial assets held by the Commissioner are detailed below:

Financial Asset Category	Minimum Criteria	Maximum Investment
Deposits with major UK and non UK Banks and Building Societies (Unsecured)	A- The maximum duration of investments varies according to the credit rating. The only exception to this is the NatWest bank (Currently BBB+) which provides the day to day banking services to the Commissioner	Maximum per institution or Group £2m (varies according to credit rating). Maximum of all deposits £20m.
Deposits with major UK and non UK Banks and Building Societies (Secured)	A- The maximum duration of investments varies according to the credit rating.	Maximum per institution or Group £4m (varies according to credit rating). Maximum of all deposits £20m.
Deposits with Money Market Funds/Pooled Funds	Long Term: AAA	£4m per fund. Maximum of all deposits £20m.
Deposits with Government (includes HM Treasury and other Local Authorities)	Not credit rated but are legally required to set a balanced budget.	£4m per Local Authority, unlimited with HM Treasury. Maximum of all deposits – No Limit.

Annex B – Technical Annex – Financial Instrument Disclosures

The Commissioner's maximum exposure to credit risk in relation to its investments in banks, building societies and other Local Authority's of £4m at the balance sheet date 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 Commissioner's deposits, but there was no evidence at the 31 March 2024 that this was likely to happen.

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

Potential Maximum Exposure to Credit Risk	Amount at 31/03/24 £000s	Historical Experience of Default %	Historical Experience Adjusted for Market Conditions at 31/03/23	Estimated maximum exposure to default and uncollectability £000s	Comparative Estimated maximum exposure at 31/03/23 £000s
Customers - Operational Debtors	14,781	0.02%	0.08%	11	13

The Commissioner does not generally allow credit for customers. At the 31 March 2024, £106k (0.7%) of the £14.781m balance of operational debt was past the due date for payment. This sum has reduced from the balance at 31 March 2023 (£95k (1%) out of £8.320m overdue). The Commissioner has reduced the bad debt provision as at 31 March 2024 to £11k following a detailed analysis of amounts outstanding to reflect the degree of uncertainty around a number of the longer standing debts. The past due amount can be analysed by age as follows:

Aged Debt Past Due Date	PFCC/Group As at 31 March	
	2023 £000s	2024 £000s
Total Operational Debtors	8,320	14,781
Aged Debt past its due date by:		
1-30 Days	12	63
31-60 Days	9	3
61-90 Days	25	1
91-120 Days	2	3
121-150 Days	2	0
150+ Days	45	36
	95	106

B4 (ii) Liquidity Risk

Liquidity Risk is the possibility that the Commissioner might not have funds available to meet its commitments to make payments.

As the Commissioner has ready access to borrowings from the PWLB and had at 31 March 2024 no actual long term external debt having financed a number of recent projects through internal borrowing, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. A more pertinent risk is that the Commissioner will be required to replenish a significant proportion of its internal borrowings at a time of unfavourable interest rates. At the balance sheet date the Commissioner is confident that it has adequate working capital principally as a result of its [reserves](#) to mitigate this risk. Nevertheless, prevailing money market rates are regularly monitored with a view to ensuring that long term debt financing decisions are made at the optimum time.

All operational liabilities are due to be repaid within one year.

B4 (iii) Market Risk

Market Risk is the possibility that financial loss might arise for the Commissioner as a result of changes in such measures as interest rates and stock market movements.

The Commissioner is exposed to some risk due to movements in interest rates on its loans and investments. These potential risks are:

- An increase in interest rates will result in a fall in the fair value of borrowings and investments.
- A decrease in interest rates will result in a rise in the fair value of borrowings and investments.
- The value of interest received from investments will rise or fall depending on increases and decreases in interest rates and will impact on the Comprehensive Income and Expenditure Statement.

As all of the Commissioner's existing borrowings and investments have been placed at fixed rates, this risk has to a large extent been minimised.

Borrowings and investments are carried in the Balance Sheet at fair value, so nominal gains and losses on fixed rate financial instruments have no impact on the Comprehensive Income and Expenditure Statement.

The Commissioner carries out its borrowing and investment function within parameters set out in its Treasury Management Strategy, which assesses interest rate exposure to feed into the budget process. Forecasts are updated regularly throughout the year, which allows any significant changes to interest rates to be reflected in current budget projections.

The Treasury Management Strategy also advises on the limits for new variable and fixed-rate borrowing for the year. No new external long-term borrowing was undertaken in 2023/24.

C1 Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Commissioner offers retirement benefits. Although these benefits will not actually be payable until employees retire, under IAS 19 the Commissioner must recognise its future commitment to make payments, which need to be disclosed at the time that employees earn their future entitlement. In addition, the financial statements should contain adequate disclosure of the costs of providing benefits and related gains/losses.

Individually there are three pension schemes for police officers (1987, 2006 and 2015 schemes) and a single scheme for police staff (LGPS). They are all defined benefits schemes.

- **The Local Government Pension Scheme (LGPS)**

Police staff, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which is a funded defined benefit scheme. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

The LGPS for Police Staff employees, is administered by Westmorland & Furness Council (outsourced to Lancashire County Council) – this is a funded defined benefit scheme, meaning that the Commissioner and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets over the long term. On 01 April 2023 the employer contribution rates were increased and during 2023/24 the Commissioner made a contribution of 18.6% of pensionable pay in respect of OPFCC employees and 18.9% for Constabulary employees. In 2023/24 the Commissioner received a refund of pension fund surplus of £363k (PFCC £12k, Constabulary £351k. For 2022/23 the past service contribution was £13k (made up of £23k for the Chief Constable less a repayment for the PCC of £10k). The contribution rate will next be reviewed in March 2025 with a revised rate for employers contributions being applicable from April 2026.

- **The Police Pension Scheme**

There are currently three pension schemes in operation for Police Officers:

- The original Police Pension Scheme (PPS) is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976.
- The new Police Pensions Scheme (NPPS) is also governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006).
- The 2015 Police Pensions Scheme is a career average revalued earnings (CARE) scheme and is governed by the Police Pensions Scheme 2015 Regulations and related regulations under the Police Pensions Act 1976.

The Police Pension Scheme is an unfunded scheme (i.e. there are no investment assets built up to meet pension liabilities and cash has to be generated to meet actual pensions payments as they fall due). The funding arrangements for police officers' pensions changed on 1st April 2006. Before April 2006 pensions of former employees were required to be met on a 'pay as you go' basis with the cost charged to the revenue account. From April 2006 onwards the payments made during the year under the scheme are funded by a combination of employee contributions and employer contributions charged to the Comprehensive Income and Expenditure Statement with the remaining deficit funded by a specific Home Office grant. The employer's contribution rate was increased to 31% from 1st April 2019 and has remained at this level for 2023/24. Following a review, the employers rate will increase to 35.3% from 01 April 2024.

The Commissioner and employees pay contributions into a separate pensions fund account administered by the Commissioner from which on-going pensions liabilities are met. At the year-end any surplus or deficit on the pensions fund account is paid to or met by the Commissioner who then repays or is reimbursed by the Home Office.

Annex C – Technical Annex – Pensions Disclosures

Also from 1st April 2006 legislation required the operation of a Pension Fund Account (shown on pages 102-103). The amounts that must be paid into and out of the fund are specified by regulation. Officers' contributions and the employer's contributions are paid into the pension fund account from which pension payments are made. Any shortfall on the pension fund account is met by a contribution from the Police Fund. A Home Office Grant is received to cover this contribution. Conversely, a surplus on the Pension Fund Account would result in a contribution to the police fund, which would then be recouped by the Home Office.

The principal risk to the Commissioner of the schemes are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Police Fund the amounts required by statute as described in the accounting policy.

Defined Benefit Scheme – A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be **funded** or **unfunded**.

A **funded** scheme is one where employers and employees pay contributions into a fund. The payments to pensioners are then made from this fund.

An **unfunded** scheme is one where there is no fund with investment assets built up to meet pension liabilities and cash has to be generated (from employee and employer contributions) to meet the actual pension payments as they fall due.

The Accounts show the full implementation of IAS19 (Employee Benefits). IAS19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable to the pension fund during the year, an appropriation is made within the pensions reserve equal to the net change in the pensions liability recognised in the Comprehensive Income and Expenditure Statement. The neutralising entry is made through the Movement in Reserves Statement. The Balance Sheet discloses the net liability in relation to retirement benefits. The figures are based on the Actuary's latest estimate.

There are restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and are accounted for using the same policies as applied to the LGPS.

Accounting Policy – Post-Employment Benefits – CIES Entries/Charges to the Police Fund

All accounting entries relating to the Comprehensive Income and Expenditure Statement and the subsequent liability for Police Officer pensions are wholly recorded in the single entity statements of the Chief Constable. For Police Staff all Comprehensive Income and Expenditure Statement entries and subsequent balance sheet liabilities in relation to pensions are apportioned between the Commissioner and the Chief Constable single entity statements by the scheme actuary. All accounting entries for Police Officer pensions and Police Staff pensions are consolidated in the group statements.

As outlined above, the single entity statements of the Commissioner do not include any accounting entries in relation to the Police Officer Pensions funds as these are wholly recognised by the Chief Constable. The group accounts however include all relevant accounting entries in relation to Police Pension Funds.

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

The change in the net pensions liability is analysed into the following components:

- **Service cost comprising:**
 - **Current service costs** – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
 - **Past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
 - Net interest on the net defined pension benefit liability (asset) – i.e. the net interest expense for the organisation – the change during the period in the net defined pension benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined pension benefit obligation at the beginning of the period to the net defined pension benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined pension benefit liability (assets) during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
 - Return on plan assets-excluding amounts included in the net interest on the net defined pension liability (asset) – charged to the pensions reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions (demographic and financial) made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions paid to the pension fund**
 - Cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Annex C – Technical Annex – Pensions Disclosures

The cost of retirement benefits is recognised in the Cost of Services within the Comprehensive Income and Expenditure Statement when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the contributions in the year, so the real cost of retirement benefits is reversed out of the Police Fund in the Movement in Reserves Statement.

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

Pension Transactions in MiRS and Ci&Es	Group LGPS Funded Benefits		Group LGPS Unfunded Benefits		Group Police Scheme 1987 Scheme		Group Police Scheme 2006 Scheme		Group Police Scheme 2015 Scheme		Group Total Pension Schemes	
	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s
Comprehensive Income and Expenditure Statement												
<i>Cost of Services</i>												
<i>Service cost comprising:</i>												
• Current service cost	8,586	4,236	0	0	680	490	0	80	27,710	8,680	36,976	13,486
• Past service costs	33	0	0	0	14,940	0	1,650	0	-16,590	0	33	0
• (Gain)/loss from settlements/curtailments	61	86	0	0	0	0	0	0	0	0	61	86
<i>Financing and Investment Income and Expenditure</i>												
• Net interest expense	1,618	(1,141)	28	34	32,270	42,810	1,730	1,660	4,590	4,500	40,236	47,863
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	10,298	3,181	28	34	47,890	43,300	3,380	1,740	15,710	13,180	77,306	61,435
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement												
<i>Remeasurement of the net defined benefit liability comprising:</i>												
• Return on plan assets (excluding the amount included in the net interest expense)	8,691	(5,721)	0	0	0	0	0	0	0	0	8,691	(5,721)
• Actuarial (gains) and losses arising on changes in demographic assumptions	(5,731)	(2,060)	(22)	(11)	(11,060)	0	(2,580)	0	(11,570)	0	(30,963)	(2,071)
• Actuarial (gains) and losses arising on changes in financial assumptions	(111,734)	(6,404)	(234)	(11)	(364,670)	(17,990)	(30,570)	(820)	(94,220)	(3,940)	(601,428)	(29,165)
• Experience (gains) and losses on liabilities	21,109	1,167	68	7	79,480	10,330	1,190	850	8,490	1,680	110,337	14,034
• Administration expenses	178	190	0	0	0	0	0	0	0	0	178	190
• Impact of Asset Ceiling	21,480	14,226	(781)	781	0	0	0	0	0	0	20,699	15,007
Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure	(66,007)	1,398	(969)	766	(296,250)	(7,660)	(31,960)	30	(97,300)	(2,260)	(492,486)	(7,726)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure	(55,709)	4,579	(941)	800	(248,360)	35,640	(28,580)	1,770	(81,590)	10,920	(415,180)	53,709
<i>Movement in Reserves Statement</i>												
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(10,298)	(3,181)	(28)	(34)	(47,890)	(43,300)	(3,380)	(1,740)	(15,710)	(13,180)	(77,306)	(61,435)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>												
• Employers' contributions payable to the scheme	4,216	4,579	63	67	0	0	0	0	0	0	4,279	4,646
• Retirements benefits payable to pensioners	0	0	0	0	41,180	41,310	330	170	(6,130)	(6,760)	35,380	34,720
Total amount charged against the Police Fund Balance for pensions in the year	4,216	4,579	63	67	41,180	41,310	330	170	(6,130)	(6,760)	39,659	39,366

Annex C – Technical Annex – Pensions Disclosures

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

Pension Transactions in MiRS and CI&ES	PFCC LGPS		PFCC LGPS		PFCC Total LGPS	
	Funded Benefits		Unfunded Benefits		Pension Scheme	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s
Comprehensive Income and Expenditure Statement						
<i>Cost of Services</i>						
<i>Service cost comprising:</i>						
• Current service cost	249	149	0	0	249	149
• (Gain)/loss from settlements/curtailments	0	86	0	0	0	86
<i>Financing and Investment Income and Expenditure</i>						
• Net interest expense	30	(27)	0	0	30	(27)
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	279	208	0	0	279	208
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement						
<i>Remeasurement of the net defined benefit liability comprising:</i>						
• Return on plan assets (excluding the amount included in the net interest expense)	(709)	(161)	0	0	(709)	(161)
• Actuarial (gains) and losses arising on changes in demographic assumptions	(129)	(62)	0	0	(129)	(62)
• Actuarial (gains) and losses arising on changes in financial assumptions	(2,432)	(180)	(5)	0	(2,437)	(180)
• Experience (gains) and losses on liabilities	1,594	37	1	0	1,595	37
• Administration expenses	5	7	0	0	5	7
• Impact of Asset Ceiling	434	392	(15)	15	419	407
Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure	(1,237)	33	(19)	15	(1,256)	48
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(958)	241	(19)	15	(977)	256
<i>Movement in Reserves Statement</i>						
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(279)	(208)	0	0	(279)	(208)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>						
• Employers' contributions payable to the scheme	126	241	1	1	127	242
• Retirements benefits payable to pensioners	0	0	0	0	0	0
Total amount charged against the Police Fund Balance for pensions in the year	126	241	1	1	127	242

Annex C – Technical Annex – Pensions Disclosures

C2 Pensions Assets and Liabilities Recognised in the Balance Sheet

Under IAS 19, the financial statements should reflect at [fair value](#) the assets and liabilities arising from an employer's obligation to pay retirement benefits and the funding provided.

The underlying assets and liabilities for retirement benefits attributable to the Group at 31 March 2024 are as follows:

Pension Scheme Assets & Liabilities	Group LGPS		Group LGPS		Group Police Scheme 1987 Scheme		Group Police Scheme 2006 Scheme		Group Police Scheme 2015 Scheme			
	Funded Benefits		Unfunded Benefits		2022/23		2023/24		2022/23		2023/24	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Present value of the defined benefit obligation	(170,076)	(172,220)	(781)	(733)	(940,820)	(935,150)	(35,720)	(37,320)	(89,140)	(106,820)		
Fair value of plan assets	191,556	207,926	0	0	0	0	0	0	0	0		
Impact of Asset Ceiling	(21,480)	(35,706)	781	0	0	0	0	0	0	0		
Net liability arising from defined benefit obligation	0	0	0	(733)	(940,820)	(935,150)	(35,720)	(37,320)	(89,140)	(106,820)		

The liabilities in the above table show the underlying commitments that the Commissioner has, in the long run, to pay retirement benefits. The total group liability of £1.080b (£1.066b at 31 March 2023) has a substantial impact on the net worth of the Commissioner as recorded in the group balance sheet, resulting in a negative overall balance of £1.003b (£0.982b at 31 March 2023). The reduction in overall liability has arisen as a result in a change in actuarial assumptions.

However, statutory arrangements for funding the deficit mean that the financial position of the group remains healthy, since:

- the deficit on the local government scheme will be made good by increased contributions and changes to benefits over the remaining working life of employees, as assessed by the scheme actuary
- finance is only required to be raised to cover police pensions when the pensions are actually paid.

LGPS – Asset Ceiling

Following the pensions valuation by the Commissioner's actuary, Mercer Ltd, the Commissioner determined that the fair value of its pension plan assets outweighed the present value of the plan obligations as 31st March 2024 resulting in a pension plan asset for the first time. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil for the funded benefits.

This change applied to the Group Accounts above and the PFCC single entity statements below.

Annex C – Technical Annex – Pensions Disclosures

The underlying assets and liabilities for retirement benefits attributable to the PFCC Single Entity at 31 March 2024 are as follows:

Pension Scheme Assets & Liabilities	PFCC LGPS Funded Benefits		PFCC LGPS Unfunded Benefits	
	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s
Present value of the defined benefit obligation	(4,902)	(5,129)	(15)	(14)
Fair value of plan assets	5,336	5,955	0	0
Impact of Asset Ceiling	(434)	(826)	15	0
Net liability arising from defined benefit obligation	0	0	0	(14)

Reconciliation of present value of scheme liabilities for the group:

Reconciliation of Scheme Liabilities	Group LGPS Funded Benefits		Group LGPS Unfunded Benefits		Group Police Scheme 1987 Scheme		Group Police Scheme 2006 Scheme		Group Police Scheme 2015 Scheme	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at Start of Year	(252,789)	(170,076)	(1,004)	(781)	(1,230,360)	(940,820)	(64,630)	(35,720)	(164,600)	(89,140)
Current service cost	(8,586)	(4,236)	0	0	(680)	(490)	0	(80)	(27,710)	(8,680)
Interest cost	(7,048)	(8,092)	(28)	(34)	(32,270)	(42,810)	(1,730)	(1,660)	(4,590)	(4,500)
Contributions by Scheme Participants	(1,461)	(1,535)	0	0	0	0	0	0	(6,340)	(7,190)
Remeasurement gains and (losses):										
- Arising from changes in demographic	5,731	2,060	22	11	11,060	0	2,580	0	11,570	0
- Arising from changes in financial assumptions	111,734	6,404	234	11	364,670	17,990	30,570	820	94,220	3,940
- Experience gains/(losses)	(21,109)	(1,167)	(68)	(7)	(79,480)	(10,330)	(1,190)	(850)	(8,490)	(1,680)
Past service cost	(33)	0	0	0	(14,940)	0	(1,650)	0	16,590	0
Gains/(losses) on curtailment	(61)	(86)	0	0	0	0	0	0	0	0
Benefits Paid/Transfers	3,546	4,508	63	67	41,180	41,310	330	170	210	430
Balance at End of Year	(170,076)	(172,220)	(781)	(733)	(940,820)	(935,150)	(35,720)	(37,320)	(89,140)	(106,820)

The liabilities under the LGPS and Police Pension Schemes have increased during 2023/24. The principal reason for these changes is in relation to increases in interest costs.

Accounting Policy – Post-Employment Benefits – Measurement of Liabilities

The liabilities of each of the pension funds are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate (see assumptions set out in C3 on page 126).

[Actuarial valuations](#) of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities.

Annex C – Technical Annex – Pensions Disclosures

Reconciliation of present value of scheme liabilities for the PFCC Single Entity:

Reconciliation of Scheme Liabilities	PFCC LGPS Funded Benefits		PFCC LGPS Unfunded Benefits	
	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s
Balance at Start of Year	(5,499)	(4,902)	(20)	(15)
Current service cost	(249)	(149)	0	0
Interest cost	(155)	(234)	0	0
Contributions by Scheme Participants	(51)	(63)	0	0
Remeasurement gains and (losses):				
- Arising from changes in demographic	129	62	0	0
- Arising from changes in financial assumptions	2,432	180	5	0
- Experience gains/(losses)	(1,594)	(37)	(1)	0
Gains/(losses) on curtailment	0	(86)	0	0
Benefits Paid/Transfers	85	100	1	1
Balance at End of Year	(4,902)	(5,129)	(15)	(14)

The PFCC single entity liabilities under the LGPS have increased during 2023/24. The principal reason for the increase is in relation to increases in interest costs.

Annex C – Technical Annex – Pensions Disclosures

Reconciliation of fair value of the scheme assets for the group:

Reconciliation of Scheme Assets	Group LGPS		Group LGPS	
	Funded Benefits		Unfunded Benefits	
	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s
Balance at Start of Year	192,864	191,556	0	0
Interest Income	5,430	9,233	0	0
Remeasurements - Gains and (Losses)	(8,691)	5,721	0	0
Administration Expenses	(178)	(190)	0	0
Employer Contributions	4,216	4,579	63	67
Contributions by Scheme Participants	1,461	1,535	0	0
Benefits Paid	(3,546)	(4,508)	(63)	(67)
Balance at End of Year	191,556	207,926	0	0

Reconciliation of fair value of the scheme assets for the PFCC single entity:

Reconciliation of Scheme Assets	PFCC LGPS		PFCC LGPS	
	Funded Benefits		Unfunded Benefits	
	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s
Balance at Start of Year	4,415	5,336	0	0
Interest Income	125	261	0	0
Remeasurements - Gains and (Losses)	709	161	0	0
Administration Expenses	(5)	(7)	0	0
Employer Contributions	126	241	1	1
Contributions by Scheme Participants	51	63	0	0
Benefits Paid	(85)	(100)	(1)	(1)
Balance at End of Year	5,336	5,955	0	0

Accounting Policy – Post-Employment Benefits – Measurement of Assets

The assets of the LGPS pension fund are included in the Balance Sheet at their [fair value](#):

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

Annex C – Technical Annex – Pensions Disclosures

The Police Pension Scheme has no assets to cover its liabilities. The Commissioner's share of assets in the Cumbria Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

LGPS Asset Breakdown	Quoted Y/N	PFCC 2022/23		PFCC 2023/24		Group 2022/23		Group 2023/24	
		£000s	%	£000s	%	£000s	%	£000s	%
Equities									
UK Equity Pooled	Y	256	4.80%	280	4.70%	9,195	4.80%	9,774	4.70%
Global Equity Pooled	Y	1,441	27.01%	1,628	27.34%	51,720	27.00%	56,832	27.33%
Overseas Equity Pooled	Y	256	4.80%	303	5.09%	9,195	4.80%	10,575	5.09%
Bonds									
UK Government Indexed Pooled	N	747	14.00%	790	13.27%	26,818	14.00%	27,600	13.27%
Property									
UK	N	261	4.89%	296	4.97%	9,386	4.90%	10,347	4.98%
Property Funds	N	149	2.79%	177	2.97%	5,363	2.80%	6,190	2.98%
Alternatives									
Private Equity Funds	N	432	8.10%	543	9.12%	15,516	8.10%	18,943	9.11%
Infrastructure Funds	N	710	13.31%	829	13.92%	25,477	13.30%	28,956	13.93%
Private Debt Funds	N	368	6.90%	451	7.57%	13,217	6.90%	15,734	7.57%
Healthcare Royalties	N	85	1.59%	111	1.86%	3,065	1.60%	3,887	1.87%
Multi Asset Credit	N	486	9.11%	456	7.66%	17,432	9.10%	15,926	7.66%
Cash									
Cash Accounts	Y	139	2.60%	91	1.53%	4,981	2.60%	3,162	1.52%
Net Current Assets	N	6	0.11%	0	0.00%	191	0.10%	0	0.00%
		5,336	100.00%	5,955	100.00%	191,556	100.00%	207,926	100.00%

C3 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, which provides an estimate of the pensions that will be payable in future years using assumptions about mortality rates, salary levels, etc. Mercer Ltd an independent firm of actuaries, has carried out the assessment on the Local Government Pension Scheme. These accounts are based on the [actuarial valuation](#) undertaken on 31 March 2024. The Police Scheme estimates have been compiled using a valuation model devised by the Government Actuaries Department.

Accounting Policy – Pensions Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. For pensions, the material estimation techniques used are as follows:

Where the projected unit method of valuation has been applied and which is consistent with the required methodology in IAS 19. This is a valuation method in which the scheme liabilities make an allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits pensioners and deferred pensioners (i.e. individuals who have ceased as active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested or not.

For 2023/24 a discount rate based on the current rate of return on a high quality corporate bond of equivalent currency and term to scheme liabilities is to be used. The actuaries for the Police and LGPS pension funds have advised that discount rates of 2.65% for Police and 4.90% for LGPS are appropriate.

Annex C – Technical Annex – Pensions Disclosures

The principal assumptions used by the actuary have been:

Actuarial Assumptions	LGPS		Police Scheme	
	2022/23	2023/24	2022/23	2023/24
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
- Men	21.9	21.5	21.9	21.9
- Women	24.2	23.9	23.5	23.6
Longevity at 65 for future pensioners:				
- Men	23.1	22.8	23.5	23.6
- Women	26.0	25.7	25.0	25.1
Rate of Inflation (CPI)	2.70%	2.60%	2.60%	3.00%
Rate of increase in salaries	4.20%	4.10%	3.85%	4.75%
Rate of increase in pensions	2.80%	2.70%	2.60%	3.00%
Rate of Revaluation for CARE Pensions	2.70%	2.60%	3.85%	4.25%
Rate for discounting scheme liabilities	4.80%	4.90%	4.65%	2.65%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis – LGPS Pension Scheme

Sensitivity Analysis - LGPS	PFCC			Group		
	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s
Local Government Pension Scheme						
Longevity (1 Year increase in life expectancy)	115	4	6	3,775	105	187
Rate of Inflation (increase by 0.25%)	224	10	11	7,822	283	385
Rate of Increase in Salaries (increase by 0.25%)	42	0	2	1,567	0	79
Rate for Discounting Scheme Liabilities (increase by 0.1%)	(419)	(19)	(28)	(14,642)	(518)	(976)
Change in 2023/24 investment Returns (increase by 1%)	0	0	(3)	0	0	(102)
Change in 2023/24 investment Returns (reduce by 1%)	0	0	2	0	0	101

Annex C – Technical Annex – Pensions Disclosures

Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police Pensions 1987 Scheme	Group Police Pensions 2006 Scheme	Police Pensions 2015 Scheme
	£000s	£000s	£000s
Assumption Sensitivity			
Longevity (1 Year increase in life expectancy)	24,000	1,000	2,000
Rate of Increase in Pensions (increase by 0.5%)	63,000	3,000	18,000
Rate of Increase in Salaries (increase by 0.5%)	6,000	2,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(63,000)	(5,000)	(15,000)

The above tables include the impact of an increase in assumptions, a reduction in assumptions will produce approximately an equal and opposite change.

C4 Impact on the Commissioner's Cash Flows

The objectives of the LGPS scheme are to keep employers' contributions at as constant a rate as possible. The Commissioner has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 10 years. Funding levels are monitored on an annual basis. The latest triennial valuation took place during 2022/23 based on the position at 31 March 2022. The revaluation resulted in an increase in contribution rates from 18.4% to 18.9% for the Constabulary and 18.6% for the PFCC which took effect from 1 April 2023.

The pension schemes will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS and the other main existing public service schemes in England and Wales (which includes the Police Pension schemes) may not provide benefits in relation to service after 31 March 2014 (after 31 March 2015 for other main public service schemes e.g. Police Pension Schemes). This means that the LGPS ceased to be a final salary pension scheme from 31 March 2014 and the Police Pension Scheme ceased to be a final salary pension scheme from 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The total group contributions expected to be made to the Local Government Pension Scheme by the Commissioner in the year to 31 March 2025 are £4,508k (PFCC single entity £192k). Expected contributions for the Police Pension Scheme in the year to 31 March 2024 are £20,214k.

The weighted average duration of the defined benefit obligation for scheme members is shown in the table below:

Weighted Average Duration of the Defined benefit Obligation	2022/23 Years	2023/24 Years
Pensions Scheme		
Local Government Pension Scheme - PFCC	20	20
Local Government Pension Scheme - CC	21	21
Police Pension -1987 Scheme	15	15
Police Pension -2006 Scheme	28	28
Police Pension -2015 Scheme	31	31

Annex D – Annual Governance Statement



Police and Crime Commissioner for Cumbria
Annual Governance Statement 2023/24

Please see agenda item 16c(i) for OPFCC AGS.





The Chief Constable of Cumbria Constabulary
STATEMENT OF ACCOUNTS
2023/24



www.cumbria.police.uk

The draft Statement of Accounts was approved by the Constabulary Chief Finance Officer on 07 June 2024. At this point the Grant Thornton LLP 'appointed auditor' has not yet completed his annual audit and as such has not given an opinion on the accounts. The accounts are therefore watermarked 'subject to audit'. Once the audit has been completed, which is expected to be in September 2024, the Chief Constable will be asked to approve the Statements and the audit opinion provided will be inserted at pages 21-26 and the watermarking removed. Pages 19, 29 and Page AGS2 of these accounts include signatures which have been removed for the purposes of publication on the website.



The Chief Constable of Cumbria
Constabulary

Statement of Accounts 2023/24

About this Publication

This publication contains the single entity financial statements for the Chief Constable of Cumbria Constabulary. All funding for the Constabulary comes from the Police, Fire and Crime Commissioner for Cumbria (the Commissioner). For an overall (group) financial position please see the Commissioner's Statement of Accounts which incorporates those of the Chief Constable.



The Statement of Accounts for 2023/24 is available on the Constabulary's website at www.cumbria.police.uk

The corresponding accounts for the Police, Fire and Crime Commissioner can be found on the Commissioner's website at: www.cumbria-pcc.gov.uk.



The Statement of Accounts is also available in printed format from the office of the Police, Fire and Crime Commissioner for a nominal fee of £10 per copy.

Alternative Formats



You can get a copy of this document in different formats such as large print, Braille, audio, or in a different language by calling 01768 217734

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Cantonese

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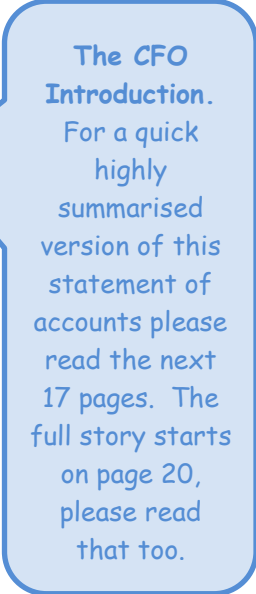
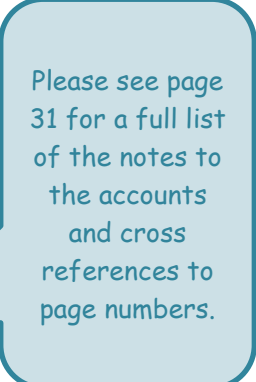
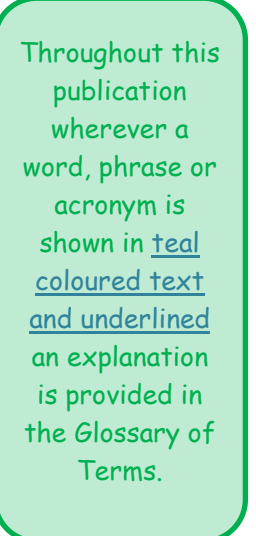
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The Chief Constable of Cumbria Constabulary

Statement of Accounts 2023/24

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Introduction

I am pleased to introduce the financial Statement of Accounts for the 2023/24 financial year. This financial statement sets out the single entity statements of the Chief Constable of Cumbria Constabulary. The Police, Fire and Crime Commissioner for Cumbria (the Commissioner) has also produced group accounts, which consolidate the single entity statements of the Chief Constable and the Commissioner. The accounts are published in accordance with the Accounts and Audit Regulations 2015.

The statement provides a breakdown of net spending during the year and shows the overall financial position of the Chief Constable as at 31 March 2024. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Chief Constable's website: www.cumbria.police.uk

The narrative report provides a simplified summary of the financial statements with expanded information on the objectives, activities, performance and future financial prospects of the Constabulary. This aims to give the reader greater understanding of the context in which the financial statements are set. The narrative report is also available as a stand-alone document on the same website. The Commissioner's consolidated financial statements showing the group position can be accessed from the Commissioner's website: <https://cumbria-pcc.gov.uk/>

Statutory Framework

The Chief Constable was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRSRA 2011). The PRSRA 2011 provides that there will be a Police and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

The PRSRA 2011 established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the King's peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure for the police force.

The PRSRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office, under the legislation, issues a Financial Management Code of Practice for the Police Forces of England and Wales.

Constabulary Chief Finance Officer Narrative Report

The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. All funding for the Chief Constable must come from the Commissioner. This, in addition to the powers of the Commissioner to set the strategic direction for policing and appoint and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group consolidated accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of group accounts.

Organisational Structure

The Chief Constable is supported by a Deputy Chief Constable, and two Assistant Chief Constables who are responsible for a portfolio of functions within the organisation.

During 2022/23 a forcewide restructure was undertaken with the aim of more clearly establishing accountability for policing outcomes and to facilitate improved engagement and collaboration with partner public sector authorities following Local Government Reform in Cumbria. As a result of the restructure, the Constabulary has been split into five commands, each headed by a Chief Superintendent, reporting to an Assistant Chief Constable.

The **Standards, Insight and Command** performs a number of strategic functions including responsibility for management information, performance management, business change and benefits management.

The **Operations Command** is responsible for Command and Control, Civil Contingencies and Event Planning, and specialist functions such as Armed Policing, Public Order and Roads Policing.

The **Crime and Intel Command** is responsible for investigating crime and includes specialist units for gathering intelligence, major crime investigation, countering serious and organised crime, public protection, digital investigation, forensics, serious collision investigation, scientific support and the criminal justice unit. Specialist functions, provide support to Operations Command and BCUs.

There are two basic command units (BCUs), one for **Cumberland** and the other for **Westmorland & Furness**. These align to the unitary authority boundaries created under Local Government Reform in Cumbria. The BCUs are responsible for local policing, response and crime investigation.

There are also two support directorates, known as enabling services, both of which report to one of the Assistant Chief Constables.

Constabulary Chief Finance Officer Narrative Report

The Corporate Support Directorate includes finance, people, estates, fleet, learning & development, commercial and central services. In overall terms, the Corporate Support directorate aims to provide cohesive and integrated support for operational policing.

The Digital, Data and Technology Directorate is responsible for all aspects ICT development and data management.

Legal Services is a small specialist function, which operates independently from the main directorate structure and provides services to the Chief Constable and Commissioner.

Chief Constable's Report

It is a privilege to have been appointed as the Chief Constable of Cumbria Constabulary following the retirement of the former Chief, Michelle Skeer in July 2023. CC Skeer retired after 33 years' service and left the force in a very strong position. During my first 9 months in office, performance has continued to improve, and I am proud of the officers and staff who work tirelessly within the Constabulary. In autumn 2023, I launched an updated mission for the force. Our force mission is to **'deliver an outstanding policing service to keep Cumbria safe'**. This mission consists of four pillars known as the '4Cs'. They are:

- Contempt for criminality
- Compassion for victims
- Community focus
- Care for colleagues



In terms of crime and disorder, Cumbria remains one of the safest places to live, work and visit in England and Wales. Cumbria has some of the lowest reported levels of crime and anti-social behaviour incidents in the country and is delivering some of the highest outcome rates nationally for all crime investigations.

In relation to levels of crime, during 2023/24 we have seen an 8.5% reduction in overall recorded crime. Cumbria has seen reductions in a number of categories including victim-based crime, violence against the person, sexual offences, theft offences and public order offences. Cumbria has, however, seen increases in drugs offences following the highest increase in stop search activity recorded in the country. As with all forces, Cumbria has seen an increase in shoplifting influenced by increases in the cost of living. Crime continues to become more complex as society and technology evolve. Although, this increases the challenges faced by our front-line officers in protecting the public, we constantly review our demand to inform our resourcing options, making sure that we address changing criminality.

The other major challenge faced by the Constabulary during 2023/24 was to maintain impetus on the local implementation of the Government's Operation Uplift Programme, to recruit an additional 20,000 officers nationally. Cumbria's target over the three years was to recruit an additional 169 FTE police officers. The Constabulary was able

Constabulary Chief Finance Officer Narrative Report

to achieve each year's target ahead of schedule and in 2023/24 the Home Office asked us to recruit an additional 29 officers to support the overall national efforts. These additional officers were also successfully recruited in 2023/24 and as a result Cumbria received additional grant funding. Looking ahead to 2024/25 financial year, the Constabulary has been funded to maintain the original 169 uplift officers plus 25 of the additional officers and work is already underway to ensure the increased force establishment for police officers of 1,359 FTE police officers is maintained throughout 2024/25. Ringfenced Home Office grant is to be provided which is conditional on achieving the numbers on two checkpoint dates of 30/09/24 and 31/03/25.

As the Chair of the NPCC Digital, Data and Technology Coordination Committee, I am immensely proud of our representation as a leading force in rolling out mobile technology. Work has continued on developing the digital infrastructure and issuing further mobile devices to enable officers and staff to work flexibly. The force is also committed to an exciting programme of work to replace the main policing Records Management System with its partner Mark 43.

The Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy) by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). In March 2024, the evidence gathering phase of an extensive period of inspection came to an end and I anticipate that the finalised report will be published in July 2024. In the 2021 report, HMICFRS congratulated the Constabulary on its overall good performance, although it needed to improve in some areas. Performance for Cumbria Constabulary was at that time graded across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas. We have taken cognisance of the areas identified by the inspectorate where services could be improved and worked hard to make further improvements with the aim of delivering an outstanding police service to keep Cumbria safe.

The force strategy remains pivotal to the delivery of a policing service to meet the future needs of the county. It seeks to bring together business and change planning into a single cohesive plan, which is aligned to the national policing vision. During 2023/24, in addition to the continued development of operational ICT systems highlighted, we have:

- Launched the Chief Constable's vision in the form of the 4Cs
- Introduced the Chief's Promise
- Developed a Leadership Strategy supported by a reviewed PDR system and promotion process.
- Introduced a dedicated Roads Policing Team
- Introduced a new Firearms Team
- Introduced a dedicated Rural Crime Team
- Developed the Force's Futures Programme

The plan will continue to be developed during 2024/25 under the leadership of the Chief Officer team.

Whilst the favourable grant funding for Operation Uplift and flexibility afforded to Commissioners to increase the precept in 2023/24 is appreciated and has allowed officer numbers to increase, this takes place in the context of uncertainty regarding the longer-term financial outlook. The continued high levels of inflation throughout 2023/24 have put a pressure on the budget. This when combined with constraints on national funding as the Government deals with the financial consequences of the pandemic will compound existing financial risks regarding the sustainability of funding, as will the financial burden of national policing initiatives, pensions costs and potential changes to the police funding formula. In the meantime, the Constabulary will continue to operate as efficiently as possible and deliver savings to balance the budget. The budget setting process for the 2024/25 financial year was concluded in February and a medium-term financial forecast (MTFF) covering 5 years to 31/03/29 was approved. The MTFF shows that the Police, Fire and Crime Commissioner and Constabulary collectively need to identify savings of up to £16m by 2028/29. During 2024/25 a programme of work will be developed to deliver the required savings under the leadership of the Deputy Chief Constable, this programme of work is known as the 'Futures Programme'.

2023/24 Grant Settlement and Budget

Under the provisions of the Police and Social Responsibility Act 2011, the Commissioner receives external funding, principally in the form of central government grants and council tax. The Commissioner is responsible for setting the budget and maintaining the force through the provision of funding to the Chief Constable. Details of the 2023/24 grant settlement, the Commissioner's overall budget and the level of Council Tax levied are provided in the Commissioner's combined financial statements.

In summary, the Government provided significant additional grant funding in 2023/24, which was directed towards the continued maintenance of the additional police officers as part of Operation Uplift; the Government's programme to recruit 20,000 officers nationally by 31/03/2023. The principal challenge presented from the grant settlement was the lack provision to meet the rising cost of providing existing services. To this end, Police and Crime Commissioners were afforded flexibility to increase council tax above inflation to make up the shortfall. Following public consultation, the Commissioner increased the precept by £14.94 for a band D property, which is equivalent to 5.3%. This enabled services to be maintained, offsetting the effect of pay and price increases and other unavoidable commitments, whilst the additional grant has allowed the Constabulary to proceed with the maintenance of the Uplift target of an additional 169 police officers for Cumbria. During 2023/24, the Home Office also provided specific grant funding for an initial further increase in officers numbers of 17 with an additional 12 granted for the second half of the year to help achievement of the national target of 20,000.

Constabulary Chief Finance Officer Narrative Report

Performance

Summary Budget and Outturn

Summary Budget & Outturn	Base Budget 2023/24 £000s	Revised Budget 2023/24 £000s	Outturn 2023/24 £000s	(Under)/Overspend 2023/24 £000s
Police Officers	97,668	100,475	101,594	1,119
PCSOs	2,257	2,257	1,862	(395)
Police Staff	28,480	28,757	28,356	(401)
Other Employee	3,145	2,825	2,906	81
Transport	2,555	2,499	2,850	351
Supplies & Services	11,095	11,650	11,899	249
Third Party Related	4,112	4,048	3,956	(92)
Total Expenditure	149,312	152,511	153,423	912
Income	(5,255)	(7,384)	(7,805)	(421)
Total Constabulary	144,057	145,127	145,618	491

The Chief Constable's budget amounting to £144m is based upon the funding agreement with the Commissioner. The table shows the summary budget for 2023/24 as set on 16 February 2023, the revised budget (taking into account budget changes made during the year) and the outturn position.

The presentation is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table above will not reconcile directly to the

summary Comprehensive Income and Expenditure Statement.

The budget is predominantly made up of funding for employee costs, amounting in total to £131.550m, which is broken down into Police Officers £97.668m, PCSOs £2.257m, Police Staff £28.480m and other employee costs of £3.145m. The remainder of the budget relates to non-staff costs including, transport costs of £2.555m and supplies/other costs of £15.207m. Income of (£5.255m), which is generated through policing activities, is also shown within the Chief Constable's budget.

In-Year Financial Performance

Revenue Expenditure: The Chief Constable's final expenditure position for 2023/24, compared to the revised budget is an overspend of (£0.491m), which represents 0.34% of the budget.

Police Officer pay was overspent by £1.119m through a combination of changes to the workforce plan, a conscious decision to recruit early to ensure achievement of the additional Operation Uplift targets to ensure receipt of the additional grant and continued pressure on overtime budgets. This is partially offset by savings on police staff and PCSOs as a result of a higher than expected level of vacancies and additional income.

Capital Expenditure: Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all non-current assets are under the control of the Commissioner. Details of capital expenditure and funding in relation to the acquisition and enhancement of assets, which amounted to £4.061m in 2023/24 are shown in the

Constabulary Chief Finance Officer Narrative Report

financial statements of the Commissioner. This figure was significantly less than capital budget of £9.176m. Expenditure on ICT amounted to £1.475m, which included upgrading the digital infrastructure, radio replacements, and upgrade of the county wide CCTV system. In relation to the Estate £0.134m, the majority related to replacements of boilers and plant. A further £2.141m was expended on the cyclical replacement of the vehicle fleet. Other expenditure amounted to £0.311m and included taser replacements, drones and mobile camera equipment. Whilst supply issues following Covid disruption have improved compared to 2022/23, some delivery delays for vehicles and ICT equipment are still being experienced and have contributed to the slippage in the Programme.

Organisational Performance

	Number of Crimes 2023/24	% Change from previous year
All Crime	35,586	-8%
Violence against the person	15,395	-9%
Homicide	3	200%
Death or Serious Injury - Unlawful Driving	49	81%
Stalking and Harassment	4,614	-21%
Violence with injury	4,603	-7%
Assault - cause serious harm	251	7%
Assault with injury	4,180	-7%
Other violence with Injury	172	-15%
Violence without injury	6,126	0%
Assault without injury	5,221	-1%
Assault without injury on a Constable	445	21%
Other violence without injury	460	-10%
Rape and sexual offences	1,591	-8%
Robbery	180	16%
Theft offences	5,346	0%
Burglary	1,315	-17%
Vehicle offences	975	0%
Criminal damage and arson offences	4,345	-13%
Drugs offences	1,664	44%
Public order offences	3,344	-29%
Miscellaneous Crimes Against Society	895	9%
Possession of weapons offences	536	16%

The Constabulary operates a comprehensive framework of performance measures to ensure it is meeting its objectives and support the Commissioner in delivering the Police and Crime Plan. The following section provides a summary of performance in relation to crime, incidents and other outcomes for 2023/24.

This table summarises the Constabulary's performance indicators.

Overall crime reduced by 8% (3,263 crimes) compared to the previous financial year.

- 'Violence against the person', experienced a reduction of 9% which equates to 1,528 crimes. However, within this broad category, certain crime types such as homicides and death and serious injury from unlawful driving increased.
- Acquisitive crimes such as robbery, theft and burglary reduced overall in 2023/24. The combined reduction was 4% (250 crimes).
- We encourage the reporting of rape and sex offences; however reported crimes reduced by 8% (129 offences) compared to the previous year.

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- Drug offences experienced an increase of 44% which equates to 510 crimes. This is an indication of increased levels of pro-activity, targeting those who cause significant harm in our communities whilst addressing the threat of County Lines and Serious Organised Crime.
- Reported antisocial behaviour (ASB) has reduced by 6% (314 incidents).
- Work has also targeted increased reporting for domestic violence. During 2023/24 domestic abuse safeguarding crimes increased by 5% which equates to 378 crimes.
- Cumbria generally has a low level of hate crime compared to other forces both nationally and in the North West, however, the latest figures for crimes with a hate indicator show an annual decrease of 250 crimes, which represents an increase of 27.3%.
- The Constabulary is consistently achieving some of the highest levels of call handling performance nationally, further improving our services to our communities.
- The latest figures for public confidence in the local police service remained high at 82.9% for the whole experience (an increase from 76.1% in 2022/23).

People

The Constabulary recognises that its workforce is its most important asset and that maintaining healthy, engaged and motivated officers and staff is critical to the delivery of effective services.

The Constabulary re-launched its People Strategy in 2021/22, which brings together the key themes of:

- health, safety and well-being
- workforce planning, recruitment and talent management
- employee relations
- reward and recognition
- managing workforce change
- learning and development

During 2023/24 there has again been particular focus on recruitment of officers to maintain the Government's Uplift programme.

Occupational Health has continued to play a significant role in maintaining the health and wellbeing of officers and staff. Key activities have included:

- Following successful completion of OH Foundation Standards, the Occupational Health Team is now focused on completion of the Enhanced Standards and the commitment to translate this across to the industry wide SEQOHS Standards.

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- OH is leading the tactical team who will deliver the next level of the Better Health at Work Award – Continuing Excellence. Evidence will be submitted in August prior to an on-site assessment on Sep 13th 2024.
- Occupational Health continues to provide input in training of recruits, leadership courses, specialist roles e.g., AFO, Dispatch, CID. Additional bespoke stress and resilience training in support of the Force Futures Plan has been developed and delivery is underway.
- The Wiser Mind programme has been adapted to provide input into response officer development days; focusing on practical techniques to process trauma and build resilience. This is backed up with fortnightly drop in practice sessions, available to all officers and staff. The drop in sessions are being revised to offer specific techniques for maintaining resilience through change.
- A new Trauma Informed Supervision Training Programme is being implemented with the support of Dr Noreen Tehrani; this aims to equip crime supervisors to have effective 1:1 and group sessions with their staff so they can successfully demobilise, diffuse, identify red flags and develop skills to mitigate accumulative trauma impact whilst cases are ongoing using an evidence-based model.

At the 31st March 2024 the Constabulary employed:

- 1,363 Police Officers
 - 40 PCSOs
 - 641 Police staff
- (all expressed in full time equivalents)

As part of the Commissioner’s council tax pledge in 2023/24 the police officer establishment was increased by 29 FTE, from 1,334 to 1,363, which represented the Constabulary’s additional uplift officers to help the achievement of the national Operation Uplift programme. The achievement of the Uplift target was made a high priority by the Constabulary, with the result that the increased officer numbers were achieved in advance of the deadline. Over 2023/24 the numbers of police staff and PCSOs operated below establishment due to an increase in the level of vacancies.

Actual Employees as at 31 March 2024	CC		Total FTE
	Male FTE	Female FTE	
Directors/Chief Officers	10.0	2.0	12.0
Senior Managers	7.0	6.0	13.0
All Other Employees	997.4	1,021.3	2,018.7
Total CC Employees	1,014.4	1,029.3	2,043.7

This table provides a breakdown of the Constabulary workforce (expressed in full time equivalents (FTE)) by gender.

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The 2023/24 average percentage of working time lost due to sickness decreased for officers and increased for staff compared with the previous year. The police officer rate decreased from 4.2% to 4.0%, whilst police staff rate increased from 4.5% to 4.7%. An attendance action plan is in place with a wide range of actions to pro-actively manage sickness.

The Constabulary is committed to promoting a workforce which reflects our communities and a culture that respects and celebrates all aspects of diversity. Achieving this aim will also lead to a working environment that is free from discrimination, harassment, bullying and victimisation. The Constabulary's diversity strategy covers the period 2020 to 2025 has three objectives:

- 1) Develop a more diverse and inclusive workforce, utilising positive action to reflect the communities of Cumbria Constabulary
- 2) Increase awareness of emerging crime types and effectively work with the public sector to understand vulnerabilities and work together to deliver confidence building projects
- 3) Enhance service delivery and accessibility to protected groups and communities where there is perception of inequality by involving them in our work

The Constabulary recognises the importance of developing the skills and knowledge of its workforce. The Constabulary's has an annual training plan, which aims to ensure that officers, PCSOs and staff are equipped with the requisite skills to perform their role, including mandatory accreditation for specialist responsibilities. During 2023/24 particular training resource was directed to:

- Training for new officer recruits through the Police Educational and Qualification Framework for new officers (developing apprenticeship and degree entry training courses in conjunction with the University of Central Lancashire) including innovative Professional Policing Degree and direct entry Detective programmes.
- Re-introduction of non-degree cohorts as a fourth entry route alongside other PEQF routes. This approach will be maintained for 2024/25.
- Leadership and skills courses for sergeants, inspectors and police staff.
- Specialist crime including an in house developed Investigative Manager course for detective supervisors and forensic interview training.
- Enhanced personal safety and Taser training.

Sustainability

Sustainability is at the heart of the Constabulary's approach to change and business improvement, with the focus on streamlining processes and emphasising quality by putting in systems to get things right first time. In addition, the Constabulary's Demand Strategy delivers sustainability by looking at how demand can be managed down through preventative and collaborative working with other public agencies.

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Within the Commissioner's estate sustainability is promoted both in day to day management of the assets and in new capital developments. The capital programme promotes sustainability within design and strives to better the requirements of the current building regulations by 10%. Specific holistic design targets are set, encouraging use of natural ventilation and sustainable renewable technology where possible. Previous projects have set specific BREEAM energy efficiency targets of a minimum of very good.

Procurement of sustainable goods and services is encouraged with targets set for local labour and supply of materials. Larger specifications of work include a percentage of 'green' and where possible recycled products. Tender evaluation considers whole life costing, including running costs for the life of the building and a sustainability / environmental assessment. These measures are consistent with the social value policy.

The estate is served by a force wide building management system which is used for:

- Regular monitoring and control of consumption.
- Controlling mechanical building services.
- Monitoring faults for timely repair.

Both new and refurbishment work include specific specifications for low energy technology. A move to LED lighting installations and low emission air conditioning across the estate is the standard.

As a result of the measures put in place during the covid pandemic, a more agile approach to home working has developed with many police staff working partly from home and partly from the office. This agile approach delivers sustainability benefits reduced travel between sites, improve space efficiency, reduces estate footprint and drives down the energy and environmental footprint at a number of sites. The measures also improve wellbeing.

For many years the Constabulary has operated a recycling policy.

In line with the national fleet strategy, the Constabulary still operates a mostly diesel fleet, with the strategy being continually reviewed as technology advances. There are now a number of petrol vehicles in the fleet, reflecting the technological improvements in these engines. In addition, there is now a small electric fleet, a mix of both unmarked and marked operational vehicles.

In 2019 a web of electric chargers was fitted throughout the estate to provide infrastructure support to these and future electric vehicles.

The fleet includes vehicles of many different types, which are required to perform a number of roles. Each role has specific targets for emissions and the purchasing criteria for new vehicles dictates that they must be within these limits.

Where appropriate arrangements exist vehicles are purchased on a national framework, which includes sustainability and environmental criteria. The maintenance of vehicles is carried out at garages located strategically throughout the

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county, reducing downtime and transportation. Parts are bought locally and make use of the wider local supply chain where possible.

In a geographically large county, staff are encouraged to make use of virtual meetings as an alternative to physical meetings and the transport time and costs, which that entails. Where journeys are essential, public transport via travel plans, car sharing and cycle to work schemes are promoted.

The Financial Statements

This section of the financial summary provides an explanation of the various parts of the financial statements. The aim of the financial statements are to demonstrate to the reader the overall financial position of the Chief Constable at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure.

The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)
- The Police Officer Pension Fund Accounts

Comprehensive Income and Expenditure Statement

Summary CI&ES	Gross Expenditure 2023/24 £000s	Gross Income 2023/24 £000s	Net Expenditure 2023/24 £000s
Cost of Police Services	120,545	(650)	119,895
Funding Provided by PFCC to CC	0	(146,028)	(146,028)
Cost of Services	120,545	(146,678)	(26,133)
Financing Costs and Investment Income	56,862	(8,972)	47,890
(Surplus)/Deficit on the Provision of Services	177,407	(155,650)	21,757
Other Comprehensive Income and Expenditure			(7,774)
Total Comprehensive Income and Expenditure			13,983

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. The Chief Constable prepares this statement in accordance with the expenditure analysis as prescribed by Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIES is shown on page 27 of the full statement of accounts.

The statement shows that the gross cost of providing policing services amounted to £119.895m in 2023/24. This figure included the costs of neighbourhood policing, incident response, crime investigation, roads policing, communication with the public, criminal justice arrangements and a range of support services.

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In addition, the CIES also records a number of technical adjustments including ‘financing costs & investment income’ £47.890m and ‘other comprehensive income & expenditure’ net income of (£7.774m).

These adjustments principally relate to changes to future pensions obligations over the year based on proper accounting practices. The overall effect of the cost of providing services and the pensions adjustment is to produce an accounting deficit of (£13.983m) for the year, which largely impacts on unusable pensions reserves. The analysis on page 8 of this summary, based on the management accounts, shows an overspend of (£0.491m).

An Income and Expenditure analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in the note 6 to the statement of accounts on page 36.

Movement in Reserves Statement

Summary Movement in Reserves	Balance 31/03/2023 £000s	Movements 2023/24 £000s	Balance 31/03/2024 £000s
Police Pensions Reserve	(1,065,680)	(13,610)	(1,079,290)
LGPS Pensions Reserve	0	(719)	(719)
Accumulated Absences Reserve	(4,760)	346	(4,414)
Total Reserves	(1,070,440)	(13,983)	(1,084,423)

This statement shows the different reserves held by the Chief Constable analysed into ‘Usable Reserves’, which can be applied to fund expenditure and other ‘Unusable Reserves’, which are principally accounting adjustments. It shows the opening balance on each reserve at the start of the year, movements in year and

the closing balance. The Chief Constable’s statement of movements in reserves is shown on page 28 in the full statement of accounts.

The reserves shown above on the Chief Constable’s movement in reserves statement are all classed as ‘unusable’ and provide a mechanism through which accounting adjustments can be made to present the accounts in accordance with proper accounting practices, whilst allowing the statutory amounts required to be charged for council tax purposes.

The Chief Constable’s movements in reserves statement principally records the net impact of the Chief Constable’s negative reserve in relation to the Police Pension and the Local Government Pension Schemes, reflecting the requirement to record pension assets and liabilities as they are earned rather than when they become due for payment. During 2023/24, the overall negative balance on the police pension scheme and the local government pension scheme have increased, largely as a result of changes to actuarial assumptions.

All usable reserves are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner, who formally recognises the need to provide contingencies to meet unplanned and planned expenditure in the future. The Commissioner’s usable reserves include a general reserve of £4.000m to meet unplanned risks and earmarked reserves of £20.971m for specific revenue and capital purposes. During 2023/24, a total of £1.459m has been drawn down from the Commissioner’s earmarked reserves to support the revenue and capital budget in the year.

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The Balance Sheet

Summary Balance Sheet	Balance 31/03/2023 £000s	Balance 31/03/2024 £000s
Current Assets	17,754	19,671
Current Liabilities	(20,807)	(17,513)
Long Term Liabilities	(1,067,387)	(1,086,581)
Net Liabilities	(1,070,440)	(1,084,423)
Unusable Reserves	(1,070,440)	(1,084,423)
Total Reserves	(1,070,440)	(1,084,423)

The balance sheet shows the value as at the balance sheet date (31 March 2024) of the Chief Constable's assets and liabilities.

The Chief Constable's current assets (£19.671m) are comprised of the Chief Constable's share of short-term debtors and the balance of funding between the Commissioner and the Chief Constable. Current liabilities (£17.513m) reflect amounts owed by the Chief Constable. They include the Chief Constable's share of short-term creditors and the balance of funding between the Chief Constable and the Commissioner. Long-term liabilities (£1,087m) represent the Chief Constable's share of the pensions deficit together with a small number of provisions to meet future liabilities. The net assets (assets less liabilities) are matched on the balance sheet by the Chief Constable's reserves. The balance sheet reserves reflect the position at year end and therefore match the final position shown in the movement in reserves statement. The balance sheet is shown on page 29 in the full statement of accounts.

The Chief Constable's 2023/24 balance sheet shows a combined pensions deficit of (£1,080m) ((£1,066m) in 2022/23) for the LGPS and the Police Pension Scheme to which its employees and former employees belong. However, statutory arrangements for funding the deficit, through increased contributions over a period designed to balance the pensions account and central government funding mean that the financial position of the Chief Constable remains healthy.

The Cash Flow Statement

Summary Cash Flow Statement	Cash flows 2022/23 £000s	Cash flows 2023/24 £000s
Cash & Cash Equivalents 1 April	0	0
Net (Surplus)/Deficit on the provision of services	37,798	21,757
Adjustments for Non-cash Movements	(37,798)	(21,757)
Net Cash Flows from Operating Activities	0	0
Cash & Cash Equivalents 31 March	0	0

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all cash and cash equivalents are held by the Commissioner and as such, the Chief Constables cash flow statement simply reflects the surplus or deficit from the provision of services less adjustments for non-cash movements. The statement is shown on page 30 of the full statement of accounts.

Constabulary Chief Finance Officer Narrative Report

Police Officer Pension Fund Account

Summary Police Pension Fund	Pension Fund A/C 2022/23 £000s	Pension Fund A/C 2023/24 £000s
Contributions - Employer	(14,714)	(16,588)
Contributions - Officers	(6,348)	(7,193)
Contributions - Other	(376)	(268)
Benefits Payable	40,622	40,539
Other Payments	163	55
Net Amount Payable	19,347	16,545
Contribution from Home Office	(19,347)	(16,545)
Net Amount Payable	0	0

This statement sets out the transactions on the Police Officer pension fund account for the year. The statement records all of the contributions that have been made to the pension fund during the year. These are primarily contributions from employees and the Constabulary, as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions, either from officers joining the scheme in the year and transferring in existing pensions benefits or additional contributions from the employer to cover the cost of ill-health retirements.

The fund also records the benefits paid out of the fund to its members. Any difference between the contributions received into the fund and amount paid out is met by government grant, paid through the Commissioner. This means that the police pension fund always balances to nil.

The statement identifies contributions made in 2023/24 totaling (£24.049m). The pension benefits that are payable from the fund, together with other payments amounted to £40.594m. The balance between contributions and pensions' benefits paid of £16.545 has been funded by the Home Office via the Police, Fire and Crime Commissioner. The full pensions fund accounts and note can be found on pages 52-53 of the full statement of accounts.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements which are shown alongside the relevant note in the accounts or in Annex A where they are generic to the accounts as a whole. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published alongside the Annual Governance Statement for the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations. The Annual Governance Statement (AGS) of the Chief Constable can be found in Annex D of this Statement of Accounts or on the Constabulary website at www.cumbria.police.uk.

The Financial Outlook

The financial statements provide a breakdown of net spending during the year with the balance sheet showing the strong overall financial position of the Commissioner and Chief Constable as at 31 March 2024. This has primarily arisen as a result of positive action on behalf of the Constabulary to manage costs in the context of increasing demand for services and real terms reductions in funding over the last decade.

Looking forward, the Government has continued to provide funding in respect of the Uplift Programme (the scheme to recruit an additional 20,000 officers nationally by 31/03/2023). In Cumbria's case, further additional ringfenced grant of £3.6m has been provided for 2024/25 (conditional on maintaining the Uplift numbers), which, in combination with continued flexibility afforded to Police and Crime Commissioners to levy increased council tax has enabled the budget for 2024/25 to be balanced.

Whilst the position is financially resilient in the short term, there are uncertainties which have the potential to impact negatively on the budget in the medium term. Based on the MTFF assumptions, savings will need to be delivered from 2025/26 to balance the budget. The cumulative budget gap by 2028/29 is forecast as £16.1m. The uncertain impact of inflation on future budget prospects compounds existing financial risks in relation to the adequacy and sustainability of funding beyond Operation Uplift, the cost of national policing programmes, particularly the Emergency Services Network, pensions issues and the review of the police funding formula. The required savings are considered to be challenging, and will need diligence to ensure they are achievable and manageable.

The Commissioner and Chief Constable recognise that, having already delivered £27m of savings since 2010, future savings will be hard won. They continue to work towards developing and implementing organisational changes that will improve the efficiency of the Constabulary and seek to address the future gap between expenditure and income.

Within the Constabulary a programme of work, known as the 'Futures Programme' is underway to better understand demand and seek efficiencies. In 2024/25 this programme consists of 16 individual projects. Against this background, the level of required savings highlighted in the MTFF are considered to be achievable.

A reserves policy has also been developed, which seeks to balance pro-actively utilising reserves to support current policing services with maintaining reserves at a level that provides some financial resilience.

In light of the financial outlook presented above and in the context of the MTFF and savings plans, the Chief Constable and the Chief Finance Officer have reviewed the going concern position of the Constabulary and have concluded that it is appropriate to produce the Chief Constable's accounts on a going concern basis.

Constabulary Chief Finance Officer Narrative Report

Risks

The focus of the Constabulary's strategic risk register is closely aligned with the financial challenges faced by the Constabulary outlined above and the consequential impact of implementing change across the organisation.

There are currently nine risks on Constabulary strategic risk register. The four highest scoring risks are as follows:

- Financial risk that there may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings as a result of; inflationary pressures, reduced government funding, increased pension contributions and potential changes to the police funding formula.
- Operational analytics and research capability and capacity.
- Operation Equate – additional demand relating to the potential coal mine in West Cumbria.
- Emergency Services Network (ESN) & Airwave – the continued use of Airwave as a result of national delays in the delivery of ESN.

Wherever possible the Constabulary actively mitigates and manages its strategic risks.

Acknowledgements

The financial statements were authorised for issue by me as the Constabulary Chief Finance Officer, on 07 June 2024.

In closing, it is appropriate to acknowledge the dedication and professionalism of Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these statements against tight deadlines.

Michelle Bellis

Constabulary Chief Finance Officer

The accounts present a true and fair view of the position of the Chief Constable of Cumbria Constabulary as at 31 March 2024 and its income and expenditure for the year there ended.

[Signatures removed for the purpose of publication on the website](#)

Michelle Bellis CPFA

Constabulary Chief Finance Officer

Date: 07 June 2024

Responsibilities for the Statement of Accounts

1 The Chief Constable's Responsibilities

The Chief Constable is accountable to the Police, Fire and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police, Fire and Crime Commissioner. The Chief Constable is required to:

- make arrangements for the proper administration of their financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Constabulary Chief Finance Officer (CFO).
- manage their affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

2 The Constabulary Chief Finance Officer's Responsibilities

The CFO is responsible for the production of the Statement of Accounts for the Chief Constable, Commissioner and Group. The CFO is responsible for the preparation of the 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 Account, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- complied with the local authority code.

The CFO has also:

- kept proper accounting records, which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The CFO should sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the organisation at the reporting date and its income and expenditure for the year ended 31 March 2024.

Independent Auditor's Report

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Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Comprehensive Income and Expenditure Statement (CC)		CC	CC	CC	CC	CC	CC
		2022/23	2022/23	2022/23	2023/24	2023/24	2023/24
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	Notes	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing and Crime Services	#	133,715	(671)	133,044	120,545	(650)	119,895
Funding Provided by PFCC to CC		0	(135,452)	(135,452)	0	(146,028)	(146,028)
Cost of Policing and Crime Services		133,715	(136,123)	(2,408)	120,545	(146,678)	(26,133)
Financing and Investment Income and Expenditure							
Net Interest on the net defined benefit liability (asset)	Annex C	45,511	(5,305)	40,206	56,862	(8,972)	47,890
		45,511	(5,305)	40,206	56,862	(8,972)	47,890
(Surplus) or Deficit on Provision of Services		179,226	(141,428)	37,798	177,407	(155,650)	21,757
Remeasurement of the net defined pension benefit liability/asset	Annex C			(491,230)			(7,774)
Other Comprehensive Income and Expenditure				(491,230)			(7,774)
Total Comprehensive Income and Expenditure				(453,432)			13,983

A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure) and other 'Unusable reserves'. The Surplus (or Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The figures for the Chief Constable in 2023/24 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2023/24								
	Note	Balance at 1 April 2023	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Increase/ (decrease) in 2023/24	Balance at 31 March 2024
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves								
Chief Constable's Constabulary Fund	-	0	(21,757)	0	(21,757)	21,757	0	0
Total Usable Reserves		0	(21,757)	0	(21,757)	21,757	0	0
Unusable Reserves								
Chief Constable's Police Pension Reserve	14a	(1,065,680)	0	9,890	9,890	(23,500)	(13,610)	(1,079,290)
Chief Constable's LGPS Pension Reserve	14a	0	0	(2,116)	(2,116)	1,397	(719)	(719)
Chief Constable's Accumulated Absences Account	14b	(4,760)	0	0	0	346	346	(4,414)
Total Unusable Reserves		(1,070,440)	0	7,774	7,774	(21,757)	(13,983)	(1,084,423)
Total Reserves		(1,070,440)	(21,757)	7,774	(13,983)	0	(13,983)	(1,084,423)

The comparative figures for 2022/23 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2022/23								
	Note	Balance at 1 April 2022	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Increase/ (decrease) in 2022/23	Balance at 31 March 2023
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
Usable Reserves								
Chief Constable's Constabulary Fund	-	0	(37,798)	0	(37,798)	37,798	0	0
Total Usable Reserves		0	(37,798)	0	(37,798)	37,798	0	0
Unusable Reserves								
Chief Constable's Police Pension Reserve	14a	(1,459,590)	0	425,510	425,510	(31,600)	393,910	(1,065,680)
Chief Constable's LGPS Pension Reserve	14a	(59,825)	0	65,720	65,720	(5,895)	59,825	0
Chief Constable's Accumulated Absences Account	14b	(4,457)	0	0	0	(303)	(303)	(4,760)
Total Unusable Reserves		(1,523,872)	0	491,230	491,230	(37,798)	453,432	(1,070,440)
Total Reserves		(1,523,872)	(37,798)	491,230	453,432	0	453,432	(1,070,440)

Balance Sheet

This statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Chief Constable. The net assets (assets less liabilities) are matched by the reserves held by the Chief Constable.

Balance Sheet	Notes	CC	CC
		31 March 2023	31 March 2024
		£000s	£000s
Inventories		522	554
Short Term Debtors (amounts owed to CC by PFCC re CC share of external Debtors)	10	5,774	5,664
Short Term Debtors (amounts owed to CC by employees re accumulated absences)	10	216	328
Short Term Debtors (funding balance owed to CC by PFCC)	10	11,242	13,125
Current Assets		17,754	19,671
Short Term Creditors (amounts owed by CC to PFCC re share of external creditors)	11	(9,535)	(6,553)
Short Term Creditors (amounts owed by CC to employees re accumulated absences)	11	(4,976)	(4,742)
Short Term Creditors (funding balance due from CC to PFCC)	11	(6,296)	(6,218)
Current Liabilities		(20,807)	(17,513)
Provisions	12	(1,707)	(6,572)
Other Long Term Liabilities			
Pensions liability - Police	Annex C	(1,065,680)	(1,079,290)
Pensions liability - LGPS	Annex C	0	(719)
Long Term Liabilities		(1,067,387)	(1,086,581)
Net Liabilities		(1,070,440)	(1,084,423)
Unusable Reserves			
Pensions Reserve - Police	14a	(1,065,680)	(1,079,290)
Pensions Reserve - LGPS	14a	0	(719)
Accumulated Absences Account	14b	(4,760)	(4,414)
		(1,070,440)	(1,084,423)
Total Reserves		(1,070,440)	(1,084,423)

The unaudited accounts were authorised for issue on 07 June 2024.

Signature removed for the purpose of publication on the website

Signed: _____

Michelle Bellis, Constabulary Chief Finance Officer.

Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the funding arrangement between the Police and Crime Commissioner and the Chief Constable, the Chief Constable does not engage in investment and financing activities therefore all cash flows are classified as operating activities.

Cash Flow Statement (CC)	CC	
	2022/23 £000s	2023/24 £000s
Net (Surplus) or Deficit on the provision of services	37,798	21,757
Adjustment to net surplus or deficit on the provision of services for non-cash movements	CF1 (37,798)	(21,757)
Net cash (inflow)/ outflow from Operating Activities	0	0
CF1 - The Adjustment to net surplus or deficit on the provision of services for non-cash movements are made up as follows:		
Pension Liability (Contributions to/from Pensions Reserve)	(37,495)	(22,103)
Debtors - Adjustment re CC Share of Debtors	308	2
Debtors - Adjustment re Balance of Funding due from PFCC to CC	4,333	1,883
Creditors - Adjustment re CC Share of Creditors	(4,525)	3,217
Creditors - Adjustment re Balance of Funding due from CC to PFCC	(360)	78
Stock - Change in Balance Sheet	52	32
Provisions - Change in Balance Sheet	(111)	(4,866)
Adjustment to net surplus or deficit on the provision of services for non-cash movements	(37,798)	(21,757)

Notes to the Accounts

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The notes to the accounts are provided to aid the understanding of material items within the core financial statements. As a general rule, the column showing the figures for 2023/24 will be highlighted, whilst the comparatives for 2022/23 (where provided) will not.

The notes sometimes include terms that may require further explanation. Where possible, explanations are provided within the note, otherwise explanations are provided within the “glossary of terms” in pages 54-56. Terms for which an explanation is provided will be depicted by text that is shown in teal coloured text and underlined.

Notes to the Accounts

1 Accounting Policies

There are a number of accounting policies that determine how items within the accounts are treated. Where these accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a grey text box. Where an accounting policy is more generic and applicable across the statement accounts it will continue to be shown in a separate technical annex, **Annex A** (see pages 57-60).

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex A (pages 57 to 60), the [Chief Constable](#) has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for policing. However, the Chief Constable and Commissioner have determined that this uncertainty is not yet sufficient to provide an indication that the assets of the [Commissioner](#) might be impaired as a result of a need to close facilities and reduce levels of service [provision](#).

3 Events after the Balance Sheet Date

A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the code require adjustment or disclosure. Consideration has been given as to whether any events meet the requirement to be disclosed as a post balance sheet event and it has been concluded that no such matters require disclosure.

The Statement of Accounts was authorised for issue by the Constabulary Chief Finance Officer on 07 June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Accounting Policy - Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date the Statement of Accounts is authorised for issue which have an impact on the financial statements and are treated as follows. Two types of events can be identified:

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

Events taking place after the authorised for issue date are not reflected in the statement of accounts.

Notes to the Accounts

4 Assumptions made about the future and other Sources of Estimation Uncertainty

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

The items in the Chief Constable’s balance sheet as at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>Two firms of consulting actuaries are engaged to provide the Chief Constable with expert advice about the assumptions to be applied for both the Police Pension Scheme (Government Actuaries Department) and the Local Government Pension Scheme (Mercer Ltd).</p> <p>At the balance sheet date, the liability in respect of the police pension scheme was £1,079m.</p> <p>In relation to LGPS, the actuary calculated that the valuation resulted in a net asset of £34m, however under IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:</p> <ul style="list-style-type: none"> • The surplus in the defined benefit plan; and • The asset ceiling. <p>The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which leaves a deficit of £719k in relation to unfunded benefits, with the funded benefits being reduced to Nil.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. Examples of the impact of changes in individual assumptions is included in the sensitivity analysis provided in the technical annex to the accounts Annex C, Pensions on pages 63-72.</p>

Notes to the Accounts

5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax precepts) by the Chief Constable in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between subjective headings. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The figures for the Chief Constable in 2023/24 and comparatives for 2022/23 are provided in the table below:

Expenditure and Funding Analysis (CC)	Net Expenditure Chargeable to the Police Fund balance and as reported for resource management	CC 2022/23 Adjustments between Funding and Accounting Basis (Note 5 & 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the Police Fund balance and as reported for resource management	CC 2023/24 Adjustments between Funding and Accounting Basis (Note 5 & 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	76,682	(6,990)	69,692	84,443	(25,470)	58,973
PCSO Pay & Allowances	2,204	277	2,481	1,833	(24)	1,809
Police Staff Pay & Allowances	26,423	3,908	30,331	28,463	(293)	28,170
Other Employee Budgets	4,162	0	4,162	4,090	0	4,090
Premises Related Expenditure	6,635	0	6,635	7,519	0	7,519
Transport Related Expenditure	4,222	0	4,222	2,260	0	2,260
Supplies & Services Expenditure	13,025	0	13,025	14,325	0	14,325
Third Party Related Expenditure	2,143	0	2,143	2,520	0	2,520
Technical Accounting Adjustments	(303)	303	0	346	(346)	0
Non distributed costs	94	94	188	0	0	0
Termination Payments	165	0	165	229	0	229
Funding Provided by PFCC to CC	(135,452)	0	(135,452)	(146,028)	0	(146,028)
Net Cost of Services	0	(2,408)	(2,408)	0	(26,133)	(26,133)
Other Income and Expenditure	0	40,206	40,206	0	47,890	47,890
(Surplus)/Deficit on the Provision of Services	0	37,798	37,798	0	21,757	21,757

Notes to the Accounts

5.a Note to the Expenditure Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the Police Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (page 27). The relevant transfers between reserves are explained in the Movement in Reserves Statement (page 28).

The figures for 2023/24 and comparatives for 2022/23 are shown in the table below:

Note to the Expenditure and Funding Analysis (CC)	Net change for the Pensions Adjustment (See below)	CC 2022/23 Other Differences (See below)	Total Adjustment Between funding and accounting basis	Net change for the Pensions Adjustment (See below)	CC 2023/24 Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing & Crime Services						
Police Officer Pay & Allowances	(6,990)	0	(6,990)	(25,470)	0	(25,470)
PCSO Pay & Allowances	277	0	277	(24)	0	(24)
Police Staff Pay & Allowances	3,908	0	3,908	(293)	0	(293)
Technical Accounting Adjustments	0	303	303	0	(346)	(346)
Non distributed costs	94	0	94	0	0	0
Net Cost of Services	(2,711)	303	(2,408)	(25,787)	(346)	(26,133)
Other Income and Expenditure	40,206	0	40,206	47,890	0	47,890
(Surplus)/Deficit on the Provision of Services	37,495	303	37,798	22,103	(346)	21,757
Further Analysis of Adjustments						
Police - Interest on Liabilities	38,590	0	38,590	48,970	0	48,970
Police - Reverse Employer Contributions	(35,380)	0	(35,380)	(34,720)	0	(34,720)
Police - Current Service Cost	28,390	0	28,390	9,250	0	9,250
LGPS - Interest on Liabilities	6,921	0	6,921	7,892	0	7,892
LGPS - Return on Plan Assets	(5,305)	0	(5,305)	(8,972)	0	(8,972)
LGPS - Reverse Employer Contributions	(4,152)	0	(4,152)	(4,404)	0	(4,404)
LGPS - Current Service Cost	8,337	0	8,337	4,087	0	4,087
LGPS - Non Distributed Costs	94	0	94	0	0	0
Accumulated Absences Account Adj	0	303	303	0	(346)	(346)
Total Adjustments	37,495	303	37,798	22,103	(346)	21,757

Notes to the Accounts

6 Expenditure and Income Analysed by Nature

This note provides an analysis of the expenditure and income by the nature of that spend/income.

Expenditure and Income	CC	CC
	2022/23	2023/24
	£000s	£000s
Expenditure		
Police Pay & Allowances	76,682	84,443
PCSO Pay & Allowances	2,204	1,833
Police Staff Pay & Allowances	26,423	28,463
Other Employee Costs	4,162	4,090
Premises Related Costs	6,635	7,519
Transport Related Costs	4,222	2,260
Supplies & Services	13,025	14,325
Third Party Payments	2,143	2,520
Technical Accounting Adjustments	(303)	346
Non Distributed Costs	94	0
Termination Payments	165	229
Funding Between PFCC & CC	(135,452)	(146,028)
Total Expenditure	0	0
(Surplus)/Deficit on the Provision of Services	0	0

Notes to the Accounts

7 Adjustments between Accounting Basis and Funding Basis under Regulations

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

The figures for 2023/24 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	CC Constabulary Fund Balance £000s	CC Police Pension Reserve £000s	CC LGPS Pension Reserve £000s	CC Accumulated Absences Account £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	Annex C	22,103	(23,500)	1,397	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	14b	(346)	0	0	346
Total Adjustments		21,757	(23,500)	1,397	346

The comparative figures for 2022/23 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	CC Constabulary Fund Balance £000s	CC Police Pension Reserve £000s	CC LGPS Pension Reserve £000s	CC Accumulated Absences Account £000s
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	Annex C	37,495	(31,600)	(5,895)	0
- Holiday Pay (transfers to or from Accumulated Absences Account)	14b	303	0	0	(303)
Total Adjustments		37,798	(31,600)	(5,895)	(303)

Notes to the Accounts

8 Audit Fees

In 2023/24 the [Chief Constable](#) incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

External Audit Fees	CC	CC
	2022/23 £000s	2023/24 £000s
Amounts Relating to The Chief Constable		
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:		
- In relation to 2021/22 Audit	3	0
- In relation to 2022/23 Audit	22	3
- In relation to 2023/24 Audit	0	52
Total External Audit Fees for Year	25	55

The above table shows the gross fees payable to the external auditor during the year. The amounts in the table agree to the amounts recorded in the comprehensive income and expenditure statement. Subsequent to the closure of the accounts for 2021/22, the external auditors advised in June that their intended audit fee in relation to the 2021/22 audit was to increase to £20k, the difference of £2k has been reflected in the accounts for 2022/23.

9 Financial Instruments

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as loans and receivables and **financial liabilities** such as creditors and borrowings.*

Under International Financial Reporting Standards a full set of disclosure notes are required in respect of financial instruments. These notes for the Chief Constable are included in a separate technical appendix at Annex B on pages 61 to 62.

The disclosures include:

- The Categories of Financial Instrument
- Gains and Losses on Financial Instruments
- Fair value of Assets and Liabilities Carried at Amortised Cost
- Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

Notes to the Accounts

10 Short-term Debtors

A breakdown of the amounts owing to the [Chief Constable](#) as at 31 March 2024 with comparative information for the previous year is set out in the table below:

Short-term Debtors	CC	
	As at 31 March	
	2023 £000s	2024 £000s
Balance Owed from PFCC re CC Share of External Debtors		
- Trade Receivables	97	39
- Police pensions prepayment	2,881	3,132
- Prepayments/Payments in Advance	2,796	2,493
	5,774	5,664
Balance Owed from Employees (re accumulated Absences)	216	328
Balance Owed from PFCC re Balance of Funding	11,242	13,125
Total Debtors	17,232	19,117

11 Short-term Creditors

An analysis of the amounts owed by the [Chief Constable](#) as at 31 March 2024 with comparative information for the previous year is set out in the table below:

Short-term Creditors	CC	
	As at 31 March	
	2023 £000s	2024 £000s
Balance Owed to PFCC re CC Share of External Creditors		
- Trade Payables	(6,954)	(3,743)
- HMRC PAYE Amounts Due	(2,581)	(2,810)
	(9,535)	(6,553)
Balance owed to Employees (re accumulated absences)	(4,976)	(4,742)
Balance owed to PFCC re balance of Funding	(6,296)	(6,218)
Total Creditors	(20,807)	(17,513)

12 Provisions

The [Chief Constable](#) is able to maintain [provisions](#) to meet expected future liabilities. The Code of Practice on Local Authority Accounting advises that the value of any provisions be charged to the appropriate part of the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met in the future. The classification of provisions is consistent with the Code of Practice.

A brief description of the purpose of the individual provisions as at 31 March 2024 is provided below:

Insurance liabilities – this provision has been established to meet a number of eventualities from ongoing claims which are not covered by external insurers. In particular, liability risks up to £250k per event (this figure was £25k until 1 November 2014 when the policy excess was increased to £100k, and increased again to £250k from 1 November 2021) are retained by the Chief Constable and met internally. The provision for insurance liabilities is subject to an actuarial review on a biennial basis to determine the most appropriate level for the provision based on the circumstances at the time of the review.

Legal Claims – this provision has been established to cover the potential costs relating to a number of legal claims that are currently ongoing.

DDAT National Portfolio – this provision has been established to cover the potential costs relating to a number of national initiatives as part of the Chief Constable's national portfolio for DDAT.

Accounting Policy – Provisions

[Provisions](#) are made when an event has taken place that gives a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, involvement in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate function line in the Comprehensive Income and Expenditure Statement in the year that awareness of the obligation arises, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will subsequently be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant function.

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

Notes to the Accounts

The table below shows the movements during the year on each of the provisions and the position as at 31 March 2024.

Provisions	Balance as at 01/04/23	Additional Provisions Made 2023/24	Amounts Used in 2023/24	Unused Amounts Reversed in 2023/24	Balance as at 31/03/24
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(682)	(988)	200	0	(1,470)
Legal Claims	(1,025)	(330)	285	168	(902)
DDAT National Portfolio	0	(4,200)	0	0	(4,200)
Total Provisions	(1,707)	(5,518)	485	168	(6,572)

The comparative information for year ended 31 March 2023 is as follows:

Provisions	Balance as at 01/04/22	Additional Provisions Made 2022/23	Amounts Used in 2022/23	Unused Amounts Reversed in 2022/23	Balance as at 31/03/23
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(682)	(70)	70	0	(682)
Legal Claims	(914)	(516)	261	144	(1,025)
Total Provisions	(1,596)	(586)	331	144	(1,707)

13 Pensions

The Chief Constable participates in the Local Government Pension Scheme (LGPS) for Police Staff and three pensions schemes in respect of Police Officers. Under International Financial reporting Standards a full set of disclosure notes are required in respect of Pensions. These notes for the Chief Constable are included in a separate technical appendix at Annex C on pages 63 to 72.

The disclosures include:

- Details of the pension schemes
- A summary of accounting entries in respect of pensions
- Pensions assets and liabilities recognised in the balance sheet
- Reconciliation of the Fair Value of scheme assets
- Basis for estimating assets and liabilities
- A summary of principal assumptions used by scheme actuary
- Sensitivity analysis in relation to pensions
- Impact on the Chief Constable's Cash Flows

Notes to the Accounts

14 Unusable Reserves

Unusable reserves derive from accounting adjustments and are not available to be spent.

Certain [reserves](#) are kept to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the [Chief Constable](#).

Accounting Policy – Reserves

Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all usable reserves i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use, are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner. However, the Chief Constable does hold certain unusable reserves in relation to pensions and accumulated employee absences, which arise from Constabulary activities and are not covered by the funding arrangement and are shown on the Chief Constable's balance sheet.

14.a Pensions Reserve

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

Pensions Reserve	CC LGPS Pensions		CC Police Pensions	
	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s
Balance at Start of Year	(59,825)	0	(1,459,590)	(1,065,680)
Remeasurement of the net defined pension benefit liability/asset	86,000	12,484	425,510	9,890
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	(10,047)	(3,007)	(66,980)	(58,220)
Employer's pension contributions and direct payments to pensioners payable in the year.	4,152	4,404	35,380	34,720
Impact of Asset Ceiling	(20,280)	(14,600)	0	0
Balance at End of Year	0	(719)	(1,065,680)	(1,079,290)

Notes to the Accounts

14.b Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the Police Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave, time off in lieu and rest day entitlements carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	CC	CC
	2022/23 £000s	2023/24 £000s
Balance at Start of Year	(4,457)	(4,760)
Settlement or cancellation of accrual made at the end of the preceding year	4,457	4,760
Amounts accrued at the end of the current year	(4,760)	(4,414)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(303)	346
Balance at End of Year	(4,760)	(4,414)

Accounting Policy - Employee Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for functions in the year in which employees render service. An [accrual](#) is made for the cost of holiday entitlements, time off in lieu, flexi leave and rest days in lieu earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the balance sheet date. The employee accrual is then reversed out through the movement in reserves statement so that it is not charged against council tax.

Notes to the Accounts

15 Members Allowances and Expenses

The Code of Practice on Local Authority Accounting requires the disclosure of the total amount of members allowances paid in the year. This is set out in the table below together with a comparative figure for the previous year.

Members Allowances	CC	CC
	2022/23	2023/24
	£000s	£000s
Basic Allowance	21	44
Travel and Subsistence	6	7
	27	51
Analysis by Type:		
Joint Audit Committee	10	14
Ethics and Integrity Panel	9	17
Independent Custody Visitors	4	3
Misconduct Panel	4	17
	27	51

The above table includes expenses for the appointed members of the Joint Audit Committee, the Ethics and Integrity Panel, misconduct panels together with travel allowances payable to independent custody visitors. The table above includes the total costs of members and these apply jointly between the Commissioner and Constabulary.

Please note that the figures shown in the table above in relation to the 2022/23 financial year are not the same as quoted in the 2022/23 financial statements. This is as a result of an error in pasting the table into the report. The above table provides the correct figures for 2022/23.

A full disclosure of allowances and expenses paid to individual members can be found on the Police, Fire and Crime Commissioners website at: <https://cumbria-pcc.gov.uk/finance-governance/allowances/>.

Notes to the Accounts

16 Disclosure of Remuneration for Senior Employees

The following table sets out the remuneration disclosures for Senior Officers and Relevant Police Officers whose salary is more than £50,000 per year.

The tables include members of the Extended Chief Officer Group which is the formal decision making body for the Constabulary.

The table below gives the information for 2023/24 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Termination Pay & Compensation for loss of office	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable - Michelle Skeer	1	55	3	0	0	1	59	0	59
Chief Constable - Robert Carden	2	160	(2)	0	0	11	169	50	219
Deputy Chief Constable (a)	3	99	11	0	0	0	110	0	110
Deputy Chief Constable (b)	4	11	0	0	0	3	14	0	14
Assistant Chief Officer	5	126	2	0	0	0	128	37	165
Temporary Assistant Chief Constable	6	109	10	0	0	1	120	29	149
Assistant Chief Officer	7	46	4	0	62	0	112	8	120
Chief Superintendent (Cumberland) (a)	8	60	2	0	0	1	63	15	78
Temporary Chief Superintendent (Cumberland)	9	78	2	0	0	4	84	24	108
Chief Superintendent (Cumberland) (b)	10	94	1	0	0	1	96	26	122
Temporary Chief Superintendent (Westmorland & Furness)		99	1	(1)	0	1	100	31	131
Temporary Chief Superintendent (Westmorland & Furness)	11	90	1	0	0	1	92	27	119
Chief Superintendent (Operations)		96	4	0	0	1	101	27	128
Temporary Chief Superintendent (Crime & Intel)		93	4	0	0	1	98	27	125
Director of Performance & Change		78	1	0	0	0	79	15	94
Joint Chief Finance Officer	13	19	0	0	0	0	19	3	22
Constabulary Chief Finance Officer		78	0	(17)	0	0	61	14	75
Director of Corporate Support	14	83	0	0	140	0	223	15	238
Director of Legal Services		94	1	(1)	0	0	94	18	112
Total Chief Constable		1,568	45	(19)	202	26	1,822	366	2,188

Notes

- Chief Constable Michelle Skeer retired on 01/08/23.
- Chief Constable Robert Carden was promoted from Deputy CC in 01/08/23.
- Deputy Chief Constable (a) was appointed on 01/07/23.
- Deputy Chief Constable (b) was seconded to the Police Officer Uplift Programme and associated costs were reimbursed by other forces until her resignation on 30/04/23.
- Assistant Chief Constable was promoted from Temporary ACC to substantive on 16/06/23.
- Temporary Assistant ACC was promoted from Ch Supt Crime & Intel) to T ACC on 26/06/23.
- The Assistant Chief Officer left the organisation on 10/08/23.
- Chief Supt (Cumberland) (a) resigned on 08/10/23.
- Temp Ch Supt (Cumberland) held the post from 26/06/23 until he retired on 09/02/24.
- Ch Supt (Cumberland) (b) moved from Standards, Insight & Performance to Cumberland on 22/01/24.
- Temp Ch Supt (Westmorland & Furness) (b) was appointed to the role on 11/09/23.
- Temp Ch Supt (Crime & Intel) was appointed to the role on 26/06/23.
- The Joint Chief Finance Officer retired on 15/06/23.
- The Director of Corporate Support left the organisation on 29/02/24.

Notes to the Accounts

The table below gives the comparative information for 2022/23 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Salary Sacrifice	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable - Michelle Skeer		164	9	0	0	3	176	0	176
Deputy Chief Constable (a)	1	1	0	0	0	0	1	0	1
Deputy Chief Constable (b)	2	137	0	0	0	4	141	0	141
Deputy Chief Constable (c)	3	91	(1)	0	0	9	99	28	127
Assistant Chief Officer	4	93	8	0	5	0	106	17	123
Temporary Assistant Chief Constable		113	9	0	0	0	122	29	151
Joint Chief Finance Officer		90	0	0	0	0	90	17	107
Director of Corporate Support		90	0	0	0	0	90	17	107
Chief Superintendent (Cumberland)	5	93	2	0	2	0	97	28	125
Chief Superintendent (Crime & Intel Command)	6	87	3	0	1	0	91	27	118
Temporary Chief Superintendent (Crime & Intel)	7	8	0	0	0	0	8	0	8
Chief Superintendent (Operations)	8	88	1	0	1	0	90	27	117
Temporary Chief Superintendent (Standard Insight & Performance Command)	9	90	1	0	2	0	93	27	120
Chief Superintendent (Westmorland & Furness)	10	93	2	0	0	0	95	28	123
Director of Legal Services		90	1	(1)	1	0	91	17	108
Total Chief Constable		1,328	35	(1)	12	16	1,390	262	1,652

Notes

- Deputy Chief Constable (a) resigned on 04/04/2022.
- Deputy Chief Constable (b) is seconded to the Police Officer Uplift Programme and associated costs are reimbursed by other forces.
- Deputy Chief Constable (c) joined the Constabulary on 08/07/2022.
- The Assistant Chief Officer joined the Constabulary on 25/06/2022.
- The Chief Superintendent (Cumberland) took up the post on 05/09/2022, prior to that she was the Chief Superintendent (Insight & Performance).
- The Chief Superintendent (Crime & Intel Command) was promoted to Chief Superintendent w.e.f. 23/05/2022.
- The Temporary Chief Superintendent (Crime Command) retired on 29/04/2022.
- The Chief Superintendent (Operations) was promoted to Chief Superintendent on 05/09/2022.
- The temporary Chief Superintendent (Insight and Performance) was promoted to Chief Superintendent 05/09/2022.
- The Chief Superintendent (Westmorland and Furness) was promoted to Chief Superintendent on 05/09/2022.

Notes to the Accounts

17 Employee Remuneration

The Code of Practice on Local Authority Accounting requires the disclosure of the number of employees whose remuneration, excluding pension's contributions, exceeded £50,000 and senior police officers (defined as those holding a rank **above** that of superintendent). This is set out in the table below in bands of £5,000:

Remuneration Band	2022/23			2023/24		
	CC Police Staff	CC Snr Police Officers	CC Total	CC Police Staff	CC Snr Police Officers	CC Total
£50,000 to £54,999	7	0	7	18	0	18
£55,000 to £59,999	5	0	5	3	1	4
£60,000 to £64,999	1	0	1	2	0	2
£65,000 to £69,999	7	0	7	1	0	1
£70,000 to £74,999	1	0	1	4	0	4
£75,000 to £79,999	1	0	1	3	0	3
£80,000 to £84,999	0	0	0	0	1	1
£85,000 to £89,999	0	2	2	0	0	0
£90,000 to £94,999	3	3	6	2	1	3
£95,000 to £99,999	1	1	2	0	3	3
£100,000 to £104,999	0	0	0	0	1	1
£105,000 to £109,999	0	0	0	0	1	1
£110,000 to £114,999	0	1	1	1	0	1
£115,000 to £119,999	0	0	0	0	1	1
£120,000 to £124,999	0	0	0	0	0	0
£125,000 to £129,999	0	0	0	0	1	1
£130,000 to £134,999	0	0	0	0	0	0
£135,000 to £139,999	0	0	0	0	0	0
£140,000 to £144,999	0	1	1	0	0	0
£145,000 to £149,999	0	0	0	0	0	0
£150,000 to £154,999	0	0	0	0	0	0
£155,000 to £159,999	0	0	0	0	0	0
£160,000 to £164,999	0	0	0	0	0	0
£165,000 to £169,999	0	1	1	0	1	1
£170,000 to £174,999	0	0	0	0	0	0
£175,000 to £179,999	0	0	0	0	0	0
£180,000 to £184,999	0	0	0	0	0	0
£185,000 to £189,999	0	0	0	0	0	0
£190,000 to £194,999	0	0	0	0	0	0
£195,000 to £199,999	0	0	0	0	0	0
£200,000+	0	0	0	1	0	1
Total	26	9	35	35	11	46

In 2023/24 the remuneration for 377 Police Officers (282 in 2022/23) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000. The large increase represents the full year impact of the September 2022 pay award and part year impact of the September 2023 pay award. The employee in the £200k+ line represents the impact of an exit payment.

The table above includes those employees and senior police officers that are also required to be disclosed on a more detailed individual basis. Please see note 16 for more information.

Notes to the Accounts

18 Exit Packages/Termination Payments

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

Exit package cost band (including special payments)	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	Headcount	Headcount	Headcount	Headcount	Headcount	Headcount	£000's	£000's
£0-£20,000	0	0	1	0	1	0	18	0
£20,001 - £40,000	0	0	2	1	2	1	65	26
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	1	0	1	0	62
£80,001 - £100,000	0	0	1	0	1	0	82	0
£100,001 - £150,000	0	0	0	1	0	1	0	141
£150,001 - £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	0	0	0	0	0	0	0
Total	0	0	4	3	4	3	165	229

During 2023/24 the contracts of a small number of employees were terminated incurring termination payments amounting to £229k (£165k in 2022/23). This amount is made up of exit packages paid in 2023/24.

The exit packages paid in 2023/24 amount to £229k (£165k in 2022/23). The exit packages can be further split into compensation for loss of employment £229k (£101k in 2022/23) and enhanced pension benefits £0k (£64k in 2022/23). The Exit Packages table above provides details of the number and total cost of exit packages per band and include those exit packages paid in 2023/24.

Accounting Policy - Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged (on an accruals basis) to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the organisation can no longer withdraw the offer of those benefits or when the organisation recognises the costs for restructuring.

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

19 Related Party Transactions

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

19.a Police, Fire and Crime Commissioner

The Police, Fire and Crime Commissioner has direct control over the Chief Constable's finances, providing funding for all running costs. [The Commissioner](#) is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the funding agreement set by the Commissioner, to deliver the aims and objectives set out in the Police and Crime Plan.

19.b Central Government

Central government has effective control over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates and provides the majority of its funding via [the Commissioner](#).

19.c Officers and Employees

Senior officers and staff of the Constabulary were asked to declare any direct financial relationship through outside bodies or companies with the Chief Constable. No material transactions have been reported in respect of the 2023/24 financial year.

19.d Other Public Bodies

The Chief Constable's transactions with the Cumbria Local Government Pension Scheme (administered by the former County Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex C) pages 63-72.

The Chief Constable has included within the Comprehensive Income and Expenditure Statement his respective share of costs in relation to collaborative arrangements with other forces/councils. In particular these include:

- The PCC for Cheshire – North West Underwater Search Unit, Northwest Armed Policing Collaboration, Northwest Strategic Automatic Number Plate Recognition (ANPR) and Regional Emergency Services Network (ESN).
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team, Regional Insourced Forensic Science Services.
- The PCC for Lancashire – Regional Insourced Forensic Science Services.

20 Pension Challenge

The Chief Constable of Cumbria along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

Legal Claims

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

Notes to the Accounts

21 Accounting Standards that have been Issued but have not yet been Adopted

For 2023/24 the following accounting policy changes that need to be reported relate to:

- a) **IFRS 16 Leases** issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year). Note the OPFCC/Constabulary have chosen to delay the adoption until 2024/25.
- b) **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
 - clarify how lending conditions affect classification, and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- c) **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)** issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) **Non-current Liabilities with Covenants (Amendments to IAS 1)** issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- e) **International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)** issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
 - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
 - targeted disclosure requirements for affected entities.
- f) **Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)** issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
 - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Note that a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. It is likely that though they provide clarifications, items b), c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f).

In the Financial Statements for 2024/25, the effect of the changes will be assessed and where necessary, the comparative figures restated.

Police Officer Pension Fund Account

Police Officer Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2023/24 financial year together with comparative information for 2022/23.

Police Officer Pension Fund Account	CC 2022/23 £000s	CC 2023/24 £000s
Contributions Receivable		
Employer		
- Contributions (31.0% of Pensionable Pay)	(14,714)	(16,588)
Officers' Contributions		
- 1987 Scheme Member Contributions (see narrative for rates)	(2)	(9)
- 2006 Scheme Member Contributions (see narrative for rates)	0	0
- 2015 Scheme Member Contributions (see narrative for rates)	(6,346)	(7,184)
	(21,062)	(23,781)
Transferees in from Other Schemes	(121)	(96)
Capital Equivalent charge for ill-health schemes	(255)	(172)
	(376)	(268)
Benefits Payable		
Recurrent Pensions	33,656	36,689
Commutations and Lump Sums	6,882	3,614
Other (Scheme Pays)	84	236
	40,622	40,539
Payments to and on Account of Leavers		
Refund of Contributions	57	45
Transfer out to other schemes	106	10
	163	55
Net Amount Payable for the Year	19,347	16,545
Additional Contribution from the Police, Fire & Crime Commissioner	(19,347)	(16,545)
Net Amount Payable (Receivable) for the Year	0	0

Net Assets Statement

This statement shows the net assets and liabilities of the scheme as at 31 March 2024.

Pension Fund Net Assets & liabilities	CC 2022/23 £000s	CC 2023/24 £000s
Current Assets		
Pensions Benefits paid in advance	2,810	3,051
Current Liabilities		
Amount due to the Police, Fire & Crime Commissioner	(2,810)	(3,051)

Notes to the Police Officer Pension Fund Account

Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the requirements of the Police Pension Fund Regulations 2015 (SI 2015 No 445). The Pension Fund Accounts are administered by the Chief Constable and have been prepared on an accruals basis.

Operation of Police Pensions Schemes

Since 1 April 2015 the Chief Constable has operated three Pensions Schemes for Police Officers. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they fall due. The original Police Officer Pension scheme is known as the 1987 scheme. 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 onwards automatically become members of the 2006 scheme and the previous 1987 scheme was closed to new members. Officers who were members of the 1987 scheme were allowed by regulation to become members of the 2006 scheme if they wished.

From 1 April 2015, a new pension scheme was introduced for Police Officers, known as the 2015 Scheme. The 2015 scheme is based on career average revalued earnings (CARE). All Police Officers recruited from 1 April 2015 automatically become members of the new scheme and the two previous schemes (1987 and 2006) have been closed to new members from that date. Members of the two older police pension schemes received full protection to 31 March 2022, transferred to the new 2015 scheme on 1 April 2015, or transferred on different tapering dates in the future subject to individual circumstances around age and length of service remaining. All members transferred to the 2015 Scheme on 1 April 2022 when the legacy scheme 1987 and 2006 closed. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2023/24 and 2022/23.

The financial statements for the Police Officer pension fund account do not take account of liabilities to pay pensions and other benefits after the period end. Details of the Chief Constable's long term pensions obligations can be found in the main accounting statements (see Balance Sheet page 29). Detailed disclosure notes regarding the Police Pension schemes can be found in the Technical Annex to the Statement of Accounts (Annex C Pensions on pages 63-72).

Funding of Police Pension Schemes

In 2006/07 a new arrangement was established to fund Police Pensions. This revised arrangement is for both new and existing police officer schemes, but has no effect on the benefit structures of either scheme. The purpose of the change is to smooth fluctuations in costs, that would previously have been charged to the Chief Constable's Comprehensive Income and Expenditure Statement on a 'pay as you go basis', and to more clearly show the effect of the liability as opposed to current pension payments. Under the revised arrangements the liability for payment of police pensions is removed from the Chief Constable and replaced with an employers' contribution, currently set at 31% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. The employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to periodic revaluation by the Government Actuary's Department. Pensions are then paid from this account. The pensions account is balanced to nil annually, with any shortfall met by a top up from the Commissioner, or vice versa. However, the Home Office indemnify the Commissioner against any financial liability arising from a deficit on the Pension Account by providing a grant to the Commissioner equal to the Commissioner's top up. Similarly, any surplus on the Pension Account is ultimately repayable to the Home Office.

Glossary of Terms

Accruals

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

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, for example on behalf of a pension fund.

Agency Costs

Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

Amortisation/Amortised Cost

The practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation, though in practice amortisation tends to be used for the write-off of intangible assets, such as computer software.

BCU

Basic Command Unit.

Budget

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

Capital Adjustment Account

The CAA records the balance of resources set aside to finance capital expenditure (i.e. Capital Receipts, Minimum Revenue Provision (MRP), Direct Revenue Contributions (DRC) and Deferred Grants Account (DGA)) and also the consumption of resources associated with the historical cost of acquiring, creating or enhancing non-current assets over the life of those assets (i.e. depreciation/impairment).

Capital Expenditure

As defined in section 16 of the Local Government Act 2003 and regulation 25 of the Capital Finance and Accounting Regulations 2003, but broadly expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Financing Requirement (CFR)

The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.

Capital Receipt

Monies received from the sale of capital assets, which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules prescribed by Central Government. Capital Receipts cannot be used to finance revenue expenditure, with the exception that up to 4% of sale proceeds may be transferred to the General Fund to finance costs directly associated with the disposal of the asset.

Cash and Cash Equivalents

Cash is represented by cash in hand and in bank accounts. Cash Equivalents include demand deposits with financial institutions which are highly liquid in that they are repayable without penalty on notice of not more than 24 hours.

CC or Chief Constable

The Chief Constable of Cumbria Constabulary.

CFO

The Constabulary Chief Finance Officer.

CIPFA

The Chartered Institute of Public Finance and Accountancy. The main professional body for accountants working in the public services.

Commissioner

The Police, Fire and Crime Commissioner for Cumbria.

Componentisation

Identifying and depreciating the components of an asset separately if they have differing patterns of benefits relative to the total cost of the asset.

Contingency

A sum set aside to meet unforeseen expenditure.

Creditors

Amounts owed by the Police, Fire and Crime Commissioner for goods and services provided which had not been paid for at the end of the financial year.

Glossary of Terms

Debtors

Amounts owing to the Police, Fire and Crime Commissioner but not received at the end of the financial year.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-minimis

In general the term means lacking in significance or importance. In terms of the accounts, a de-minimis limit is set for inclusion of projects in the capital programme, below this limit projects would be charged to revenue budgets.

Direct Revenue Contributions (DRC)

Resources provided from the Police, Fire and Crime Commissioner's revenue budget to finance the cost of capital projects.

DLUHC

Department for Levelling Up, Housing and Communities (formerly MHCLG and DCLG).

Earmarked Reserves

Those elements of the Police Fund that have been set aside, "earmarked", for specific purposes.

Fair Value

In accounting and economics, fair value is a rational and unbiased estimate of the potential market price of a good, service, or asset.

Hedge Funds

A hedge fund is a pooled investment vehicle administered by a professional management firm, and often structured as a limited partnership/ limited liability company. Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments.

Heritage Assets

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture.

HMICFRS

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services who are a government agency responsible for monitoring the standards and performance of Constabularies and Fire and Rescue Services.

Impairment/Impaired

A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

Investment Property

Property (land or building) held solely to earn rentals or for capital appreciation or both, rather than for operational reasons such as the provision of services.

Leasing

A method of financing expenditure over a period of time. There are two main types of lease:

- Finance Lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Police, Fire and Crime Commissioner's balance sheet at a current valuation.
- Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

Minimum Revenue Provision (MRP)

The minimum amount which must be set aside in the Revenue Account each year as a provision for credit liabilities.

Non-current Assets

An asset, which will yield a benefit to the Police, Fire and Crime Commissioner for a period of more than one year.

NPCC

The National Police Chiefs Council.

PFCC

The Police, Fire and Crime Commissioner for Cumbria.

Pension actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or
- the actuarial assumptions have changed.

Glossary of Terms

Pension – current service costs

The increase in the present value of a defined benefit's liabilities expected to arise from employee service in the current period.

Pension – defined benefit scheme

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

Pension assets – expected rate of return

For a funded defined benefits 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.

Pension – interest costs

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.

Pension - past service costs

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.

Police Objective Analysis (POA)

The Police Objective Analysis (POA) is a model developed by the Home Office for analysing individual policing areas expenditure. It has been developed to support the need for understandable, accurate and consistent costing information to allow internal and inter-force comparisons.

Precept

The demands made by the Police, Fire and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

Private Equity Funds

A private equity fund is a collective investment scheme used for making investments in various equity (and to a lesser extent debt) securities according to one of the investment strategies associated with private equity.

Provision

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

Public Works Loan Board (PWLB)

A Government agency which provides longer term loans to Local Authorities at interest rates which are only slightly higher than those at which the government itself can borrow.

Reserves

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. The Police Fund represents accumulated balances which may be used to support future spending.

Revaluation Reserve

The revaluation reserve records the unrealised net gain from revaluation of non-current assets made after 1 April 2007. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

SERCOP

The CIPFA Service Reporting Code of Practice. It was introduced as part of the Best Value Regime to bring about more consistent accounting treatment of costs and to facilitate more meaningful financial comparisons between Authorities.

The Commissioner

The Police, Fire and Crime Commissioner for Cumbria.

Annex A - Statement of Accounting Policies

1 General Principles

The Statement of Accounts summarises the financial transactions for the 2023/24 financial year and the financial position at the 31 March 2024. The Police, Fire and Crime Commissioner and Chief Constable are each required to prepare an annual Statement of Accounts (single entity) in accordance with the Accounts and Audit Regulations 2015 which stipulate that the statements be prepared in accordance with proper accounting practices. Those practices primarily comprise the [CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24](#) (the Code) and the Service Reporting Code of Practice 2023/24 (SERCOP), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The Police, Fire and Crime Commissioner is responsible for combining the single entity statements to form a set of consolidated group accounts.

Where accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a [grey text box](#), in the notes to the accounts section (see pages 31 to 51). Where an accounting policy is more generic and applicable across the statement accounts it is shown in this **Annex A**.

2 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:

- 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 (stock) 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.
- 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.
- An [accrual](#) is made in respect of employee benefits payable during employment

Accrual Example 1

An electricity invoice received at the start of April will usually relate to the previous quarters electricity consumption (January to March) and as such this expenditure should be shown in the financial statements for the previous financial year. The invoice will actually be paid in the new year but the costs are charged to the previous year by way of an accrual.

Accrual Example 2

The PFCC/Constabulary insurance premiums are due on 1 November each year. The premium paid covers five months of the current financial year and seven months of the next. A prepayment is made in the accounts to move the cost of the seven months into the correct year.

3 Cash and Cash Equivalents

In accordance with the terms of [the Commissioner's funding arrangement to the Chief Constable](#), the Chief Constable is funded on a cash basis, accordingly all [cash and cash equivalent](#) balances are recorded on the balance sheet of the Commissioner.

Annex A - Statement of Accounting Policies

4 Exceptional Items

When exceptional items of income and expense are **material**, their nature and value is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of financial performance.

Materiality – information is material if omitting it or misstating it could influence decisions that users make on the basis of the financial information about a specific reporting organisation. In other words, materiality is an organisation specific aspect of relevance based on the *nature or magnitude or both*, of the items to which the information relates in the context of the individual organisations financial statements.

5 Charges to Revenue for Non-Current Assets

In accordance with the terms of [the Commissioner's](#) funding arrangement to the [Chief Constable](#), the Commissioner holds all [non-current assets](#). Accordingly, all [depreciation](#), revaluations and [impairments](#) are recorded in the Commissioner's single entity statement. However, the Commissioner makes a charge to the Chief Constable in the Comprehensive Income and Expenditure Statement for the use of non-current assets, which is equivalent to his share of depreciation.

6 Government Grants and Contributions

In accordance with the statutory responsibility of the [Commissioner](#) to maintain the Police Fund outlined in the Police and Social Responsibility Act 2011, all grants and contributions are attributable to the Commissioner and recorded in his accounts.

7 Intangible Assets

In accordance with the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#) all intangible assets are held by the Commissioner.

8 Inventories

Inventories (stocks) are included in the balance sheet at historic cost. This is a departure from IAS2 which requires inventories to be valued at the lower of cost or net realisable value. However, for many stock items, particularly uniforms, net realisable value would be minimal and would not accurately reflect the value of holding these assets.

9 Leases

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

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

Agreements 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.

Annex A - Statement of Accounting Policies

The [Chief Constable](#) does not hold any finance leases (either as lessee or lessor) or operating leases (as lessor or lessee).

10 Treatment of Overheads

The costs of overheads and support services are incorporated within the cost of Policing and Crime Services line of the comprehensive income and expenditure statement in accordance with the principles of the [CIPFA](#) Code of practice on Local Authority Accounting, which requires costs to shown on the same basis as used for resource management.

Under the [Commissioner's](#) funding arrangement to the [Chief Constable](#) premises costs (except where they are directly attributable to the Chief Constable) are initially recorded in the accounts of the Commissioner and a recharge is made to the Chief Constable in the single entity comprehensive income and expenditure statements on an appropriate basis.

Under the Commissioner's funding arrangement to the Chief Constable transport, supplies and services costs and those for police staff supporting both the Commissioner and Chief Constable (except where they are directly attributable to the Commissioner) are initially recorded in the accounts of the Chief Constable and a recharge is made to the Commissioner in the single entity comprehensive income and expenditure statements on an appropriate basis.

11 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Under the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#) all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, [impairment](#), [depreciation](#) and sale of such assets are recorded in the single entity accounts of the Commissioner. As noted in policy 5 above, the Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

12 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

There is currently one PFI scheme and this relates to the Cumberland BCU Deployment Centre at Workington. Under the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#), the Commissioner controls all property and accordingly the PFI building is recorded on the balance sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the comprehensive income and expenditure statement for the Constabulary's use of the building and the services provided.

13 Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

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

Annex A - Statement of Accounting Policies

14 Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. The only material estimation techniques used is in relation to pensions disclosures as set out in the technical annex, Annex B.

15 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

Annex B – Technical Annex – Financial Instrument Disclosures

B1 Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

Categories of Financial Instruments	CC Current	
	31 March 2023	31 March 2024
	£000s	£000s
Financial Assets		
Debtors		
Debtors held at Amortised Cost	80	17
Items not classified as Financial Instruments	17,152	19,100
Total Financial Assets	17,232	19,117
Financial Liabilities		
Creditors		
Creditors held at Amortised Cost	(6,953)	(3,743)
Items not classified as Financial Instruments	(13,854)	(13,770)
Total Financial Liabilities	(20,807)	(17,513)

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as debtors and **financial liabilities** such as creditors and borrowings.*

Accounting Policy – Financial Instruments

Financial liabilities are initially measured at [fair value](#) and carried at their [amortised cost](#). Where payable (i.e. a creditor) has a maturity of less than 12 months the fair value is taken to be the principal outstanding, or the billed / invoiced amount.

Financial assets are initially measured at [fair value](#) and carried at their amortised cost. Where a financial asset (i.e. a debtor) has a maturity of less than 12 months, the fair value is taken to be the principal outstanding or the billed / invoiced amount.

Where assets are identified as [impaired](#) because of a likelihood arising from a past event that payments due under contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. An example of such a charge would be an adjustment made to the [debtors](#) balance as a [provision](#) for bad debt.

B2 Fair value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and assets represented by long term [debtors](#) and [creditors](#) 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 will take place over the remaining term of the instruments, using the following assumptions:

- The fair value of trade and other receivables is taken to be the invoiced amount.

As the [Chief Constable](#) only holds debtors and creditors as financial instruments, the fair value is estimated to be the same as the carrying amount as set out in the table above.

B3 Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

The [Chief Constable's](#) activities expose him to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Chief Constable.
- Liquidity Risk – the possibility that the Chief Constable might not have funds available to meet its commitments to make payments.

Credit Risk

Credit Risk is the possibility that other parties might fail to pay amounts due to the Chief Constable.

As the [Chief Constable](#) is funded by the [Commissioner](#), the Chief Constable's credit risk arises indirectly through the Commissioner's deposits with banks and financial institutions, as well as credit exposures to the Commissioner's customers.

This risk is minimised through the application of policies set out in the annual Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody's ratings services. The annual TMSS (approved by the Commissioner in February 2023), also imposes a maximum sum to be invested with a financial institution located within each category.

Liquidity Risk

Liquidity Risk is the possibility that the Chief Constable might not have funds available to meet his commitments to make payments.

Under the terms of the funding arrangement between the Commissioner and the Chief Constable the Commissioner provides funding to the Chief Constable on a cash basis. As the Commissioner has ready access to borrowings from the Public Works Loans Board (PWLB) and had at 31 March 2024 no actual long term external debt, having financed a number of recent projects through internal borrowing, there is no significant risk that it will be unable to raise finance to meet its commitments to the Chief Constable within the terms of the funding arrangement.

C1 Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the [Chief Constable](#) offers retirement benefits. Although these benefits will not actually be payable until employees retire, under IAS 19 the Chief Constable must recognise its future commitment to make payments, which need to be disclosed at the time that employees earn their future entitlement. In addition, the financial statements should contain adequate disclosure of the costs of providing benefits and related gains/losses.

Individually, there are three pension schemes for police officers (1987, 2006 and 2015 schemes) and a single scheme for police staff. They are all defined benefits schemes.

- **The Local Government Pension Scheme (LGPS)**

Police staff, subject to certain qualifying criteria, are eligible to join the LGPS, which is a funded defined benefit scheme. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

The LGPS for Police Staff employees is administered by Westmorland & Furness Council (outsourced to Lancashire County Council) – this is a funded [defined benefit scheme](#), meaning that the Chief Constable and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets over the long term. In 2023/24 the Chief Constable received a refund of pension fund surplus of £351k. The contribution rate was last reviewed in March 2022 with a revised rate for employers contributions of 18.9% being applicable from April 2023. The contribution rate will next be reviewed in March 2025 with a revised rate for employers contributions being applicable from April 2026.

- **The Police Pension Scheme**

There are currently three pension schemes in operation for Police Officers:

- The original 1987 Police Pension Scheme is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976.
- The 2006 Police Pensions Scheme is also governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006).
- The 2015 Police Pensions Scheme is a career average revalued earnings (CARE) scheme and is governed by the Police Pensions Scheme 2015 Regulations and related regulations under the Police Pensions Act 1976.

The Police Pension Scheme is an unfunded scheme (i.e. there are no investment assets built up to meet pension liabilities and cash has to be generated to meet actual pensions payments as they fall due). The funding arrangements for police officers' pensions changed on 1st April 2006. Before April 2006 pensions of former employees were required to be met on a 'pay as you go' basis with the cost charged to the revenue account. From April 2006 onwards the payments made during the year under the scheme are funded by a combination of employee contributions and employer contributions charged to the Comprehensive Income and Expenditure Statement with the remaining deficit funded by a specific Home Office grant. The employer's contribution was increased to 31% from 1st April 2019 and has remained at this level for 2023/24. Following a review, the employers rate will increase to 35.3% from 01 April 2024.

The Chief Constable and employees pay contributions into a separate pensions fund account administered by the Chief Constable from which on-going pensions liabilities are met. At the year-end any surplus or deficit on the pensions fund account is paid to or met by the Commissioner who then repays or is reimbursed by the Home Office.

Annex C – Technical Annex – Pension Disclosures

Also from 1st April 2006 legislation required the operation of a Pension Fund Account (shown on pages 52-53). The amounts that must be paid into and out of the fund are specified by regulation. Officers' contributions and the employer's contributions are paid into the pension fund account from which pension payments are made. Any shortfall on the pension fund account is met by a contribution from the police fund. A Home Office Grant is received to cover this contribution. Conversely, a surplus on the Pension Fund Account would result in a contribution to the police fund, which would then be recouped by the Home Office. As the Commissioner is responsible for maintaining the police fund the receipt of Home Office pension grant and corresponding contribution to the Police Pension Fund Account are shown in the accounts of the Commissioner.

Defined Benefit Scheme – A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be **funded** or **unfunded**.

A **funded** scheme is one where employers and employees pay contributions into a fund. The payments to pensioners are then made from this fund.

An **unfunded** scheme is one where there is no fund with investment assets built up to meet pension liabilities and cash has to be generated (from employee and employer contributions) to meet the actual pension payments as they fall due.

The Accounts show the full implementation of IAS19 (Employee Benefits). IAS19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable to the pension fund during the year, an appropriation is made within the pensions reserve equal to the net change in the pensions liability recognised in the Comprehensive Income and Expenditure Statement. The Balance Sheet discloses the net liability in relation to retirement benefits. The figures are based on the Actuary's latest estimate.

There are restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and are accounted for using the same policies as applied to the LGPS.

Annex C – Technical Annex – Pension Disclosures

The cost of retirement benefits is recognised in the Cost of Services within the Comprehensive Income and Expenditure Statement when employees earn them, rather than when the benefits are eventually paid as pensions.

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

Pension Transactions in MIRS and CIES	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme		CC Total Pension Schemes	
	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s	2022/23 £000s	2023/24 £000s
Comprehensive Income and Expenditure Statement												
<i>Cost of Services</i>												
<i>Service cost comprising:</i>												
• Current service cost	8,337	4,087	0	0	680	490	0	80	27,710	8,680	36,727	13,337
• Past service costs	33	0	0	0	14,940	0	1,650	0	(16,590)	0	33	0
• (Gain)/loss from settlements/curtailments	61	0	0	0	0	0	0	0	0	0	61	0
<i>Financing and Investment Income and Expenditure</i>												
• Net interest expense	1,588	(1,114)	28	34	32,270	42,810	1,730	1,660	4,590	4,500	40,206	47,890
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	10,019	2,973	28	34	47,890	43,300	3,380	1,740	15,710	13,180	77,027	61,227
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement												
<i>Remeasurement of the net defined benefit liability comprising:</i>												
• Return on plan assets (excluding the amount included in the net interest expense)	9,400	(5,560)	0	0	0	0	0	0	0	0	9,400	(5,560)
• Actuarial (gains) and losses arising on changes in demographic assumptions	(5,602)	(1,998)	(22)	(11)	(11,060)	0	(2,580)	0	(11,570)	0	(30,834)	(2,009)
• Actuarial (gains) and losses arising on changes in financial assumptions	(109,302)	(6,224)	(229)	(11)	(364,670)	(17,990)	(30,570)	(820)	(94,220)	(3,940)	(598,991)	(28,985)
• Experience (gains) and losses on liabilities	19,515	1,130	67	7	79,480	10,330	1,190	850	8,490	1,680	108,742	13,997
• Administration expenses	173	183	0	0	0	0	0	0	0	0	173	183
• Impact of Asset Ceiling	21,046	13,834	(766)	766	0	0	0	0	0	0	20,280	14,600
Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure	(64,770)	1,365	(950)	751	(296,250)	(7,660)	(31,960)	30	(97,300)	(2,260)	(491,230)	(7,774)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(54,751)	4,338	(922)	785	(248,360)	35,640	(28,580)	1,770	(81,590)	10,920	(414,203)	53,453
<i>Movement in Reserves Statement</i>												
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(10,019)	(2,973)	(28)	(34)	(47,890)	(43,300)	(3,380)	(1,740)	(15,710)	(13,180)	(77,027)	(61,227)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>												
• Employers' contributions payable to the scheme	4,090	4,338	62	66	0	0	0	0	0	0	4,152	4,404
• Retirements benefits payable to pensioners	0	0	0	0	41,180	41,310	330	170	(6,130)	(6,760)	35,380	34,720
Total amount charged against the Police Fund Balance for pensions in the year	4,090	4,338	62	66	41,180	41,310	330	170	(6,130)	(6,760)	39,532	39,124

Accounting Policy - Post-Employment Benefits – CIES Entries/Charges to the Police Fund

All accounting entries in relation to the Comprehensive Income and Expenditure Statement and the subsequent liability for police officers pensions are wholly recorded in the [Chief Constable's](#) accounts. For police staff all Comprehensive Income and Expenditure Statement entries and subsequent balance sheet liabilities in relation to pensions are apportioned between [the Commissioner](#) and the Chief Constable single entity statements by the scheme actuary.

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

Accounting Policy - Post-Employment Benefits - CIES Entries

The change in the net pensions liability is analysed into the following components:

- **Service cost comprising:**
 - [Current service costs](#) – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
 - [Past service cost](#) – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
 - Net interest on the net defined pension benefit liability (asset) – i.e. the net interest expense for the organisation – the change during the period in the net defined pension benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined pension benefit obligation at the beginning of the period to the net defined pension benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined pension benefit liability (assets) during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
 - Return on plan assets-excluding amounts included in the net interest on the net defined pension liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions (demographic and financial) made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions paid to the pension fund**
 - cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Annex C – Technical Annex – Pension Disclosures

C2 Assets and Liabilities in relation to Retirement Benefits

Under IAS 19, the financial statements should reflect at [fair value](#) the assets and liabilities arising from an employer's obligation to pay retirement benefits and the funding provided.

The underlying assets and liabilities for retirement benefits attributable to the [Chief Constable](#) at 31 March 2024 with comparative information for the previous year are as follows:

Pension Scheme Assets & Liabilities	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Present value of the defined benefit obligation	(165,174)	(167,091)	(766)	(719)	(940,820)	(935,150)	(35,720)	(37,320)	(89,140)	(106,820)
Fair value of plan assets	186,220	201,971	0	0	0	0	0	0	0	0
Impact of Asset Ceiling	(21,046)	(34,880)	766	0	0	0	0	0	0	0
Net liability arising from defined benefit obligation	0	0	0	(719)	(940,820)	(935,150)	(35,720)	(37,320)	(89,140)	(106,820)

The liabilities in the above table show the underlying commitments that the Chief Constable has, in the long run, to pay retirement benefits. The total liability of £1.080b (£1.066b in 2022/23) has a substantial impact on the net worth of the Chief Constable as recorded in the balance sheet, resulting in a negative overall balance of £1.084b (£1.070b in 2022/23). The reduction in overall liability has arisen as a result in a change in actuarial assumptions.

However, statutory arrangements for funding the deficit mean that the financial position of the Constabulary remains healthy, since:

- the deficit on the local government scheme will be made good by increased contributions and changes to benefits over the remaining working life of employees, as assessed by the scheme actuary
- finance is only required to be raised to cover police pensions when the pensions are actually paid.

LGPS – Asset Ceiling

Following the pensions valuation by the Constabulary's actuary, Mercer Ltd, the Constabulary determined that the fair value of its pension plan assets outweighed the present value of the plan obligations as 31st March 2024 resulting in a pension plan asset for the first time. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The calculation has been completed by the actuary, and an adjustment has been made to reflect the asset ceiling which is nil for funded benefits.

Annex C – Technical Annex – Pension Disclosures

Reconciliation of present value of scheme liabilities:

Reconciliation of Scheme Liabilities	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at Start of Year	(247,290)	(165,174)	(984)	(766)	(1,230,360)	(940,820)	(64,630)	(35,720)	(164,600)	(89,140)
Current service cost	(8,337)	(4,087)	0	0	(680)	(490)	0	(80)	(27,710)	(8,680)
Interest cost	(6,893)	(7,858)	(28)	(34)	(32,270)	(42,810)	(1,730)	(1,660)	(4,590)	(4,500)
Contributions by Scheme Participants	(1,410)	(1,472)	0	0	0	0	0	0	(6,340)	(7,190)
Remeasurement gains and (losses):										
- Arising from changes in demographic	5,602	1,998	22	11	11,060	0	2,580	0	11,570	0
- Arising from changes in financial assumptions	109,302	6,224	229	11	364,670	17,990	30,570	820	94,220	3,940
- Experience gains/(losses)	(19,515)	(1,130)	(67)	(7)	(79,480)	(10,330)	(1,190)	(850)	(8,490)	(1,680)
Past service cost	(33)	0	0	0	(14,940)	0	(1,650)	0	16,590	0
Gains/(losses) on curtailment	(61)	0	0	0	0	0	0	0	0	0
Benefits Paid/Transfers	3,461	4,408	62	66	41,180	41,310	330	170	210	430
Balance at End of Year	(165,174)	(167,091)	(766)	(719)	(940,820)	(935,150)	(35,720)	(37,320)	(89,140)	(106,820)

The liabilities under the LGPS and Police pension Schemes have increased during 2023/24. The principal reason for these changes is in relation to increases in interest costs.

Accounting Policy - Post-Employment Benefits – Measurement of Liabilities

The liabilities of the pension fund are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate (see assumptions set out in C3 on page 71).

[Actuarial valuations](#) of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities.

Annex C – Technical Annex – Pension Disclosures

Reconciliation of [fair value](#) of the scheme assets:

Reconciliation of Scheme Assets	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits	
	2022/23	2023/24	2022/23	2023/24
	£000s	£000s	£000s	£000s
Balance at Start of Year	188,449	186,220	0	0
Interest Income	5,305	8,972	0	0
Remeasurements - Gains and (Losses)	(9,400)	5,560	0	0
Administration Expenses	(173)	(183)	0	0
Employer Contributions	4,090	4,338	62	66
Contributions by Scheme Participants	1,410	1,472	0	0
Benefits Paid	(3,461)	(4,408)	(62)	(66)
Balance at End of Year	186,220	201,971	0	0

Accounting Policy - Post-Employment Benefits – Measurement of Assets

The assets of the LGPS pension fund are included in the Balance Sheet at their [fair value](#):

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

Annex C – Technical Annex – Pension Disclosures

The Police Pension Scheme has no assets to cover its liabilities. The [Chief Constable's](#) share of assets in the Cumbria Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

LGPS Asset Breakdown	Quoted Y/N	CC 2022/23		CC 2023/24	
		£000s	%	£000s	%
Equities					
UK Equity Pooled	Y	8,939	4.80%	9,494	4.70%
Global Equity Pooled	Y	50,279	27.00%	55,204	27.33%
Overseas Equity Pooled	Y	8,939	4.80%	10,272	5.09%
Bonds					
UK Government Indexed Pooled	N	26,071	14.00%	26,810	13.27%
Property					
UK	N	9,125	4.90%	10,051	4.98%
Property Funds	N	5,214	2.80%	6,013	2.98%
Alternatives					
Private Equity Funds	N	15,084	8.10%	18,400	9.11%
Infrastructure Funds	N	24,767	13.30%	28,127	13.93%
Private Debt Funds	N	12,849	6.90%	15,283	7.57%
Healthcare Royalties	N	2,980	1.60%	3,776	1.87%
Multi Asset Credit	N	16,946	9.10%	15,470	7.66%
Cash					
Cash Accounts	Y	4,842	2.60%	3,071	1.52%
Net Current Assets	N	185	0.10%	0	0.00%
		186,220	100.00%	201,971	100.00%

C3 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, which provides an estimate of the pensions that will be payable in future years using assumptions about mortality rates, salary levels, etc. Mercer Ltd, an independent firm of actuaries, has carried out the assessment on the Local Government Pension Scheme. These accounts are based on the [actuarial valuation](#) undertaken on 31 March 2024. The Police Scheme estimates have been compiled using a valuation model devised by the Government Actuaries Department.

Accounting Policy – Pensions Material Estimation Techniques

Where the projected unit method of valuation has been applied and which is consistent with the required methodology in IAS 19. This is a valuation method in which the scheme liabilities make an allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits pensioners and deferred pensioners (i.e. individuals who have ceased as active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested or not.

For 2023/24 a discount rate based on the current rate of return on a high quality corporate bond of equivalent currency and term to scheme liabilities is to be used. The actuaries for the Police and LGPS pension funds have advised that discount rates of 2.65% for Police and 4.90% for LGPS are appropriate.

Annex C – Technical Annex – Pension Disclosures

The principal assumptions used by the actuary have been:

Actuarial Assumptions	LGPS		Police Scheme	
	2022/23	2023/24	2022/23	2023/24
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
- Men	21.9	21.5	21.9	21.9
- Women	24.2	23.9	23.5	23.6
Longevity at 65 for future pensioners:				
- Men	23.1	22.8	23.5	23.6
- Women	26.0	25.7	25.0	25.1
Rate of Inflation (CPI)	2.70%	2.60%	2.60%	3.00%
Rate of increase in salaries	4.20%	4.10%	3.85%	4.75%
Rate of increase in pensions	2.80%	2.70%	2.60%	3.00%
Rate of Revaluation for CARE Pensions	2.70%	2.60%	3.85%	4.25%
Rate for discounting scheme liabilities	4.80%	4.90%	4.65%	2.65%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis – LGPS Pension Scheme

Sensitivity Analysis - LGPS	CC		
	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s
Local Government Pension Scheme			
Longevity (1 Year increase in life expectancy)	3,660	101	181
Rate of Inflation (increase by 0.25%)	7,598	273	374
Rate of Increase in Salaries (increase by 0.25%)	1,525	0	77
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(14,223)	(499)	(948)
Change in 2023/24 investment Returns (increase by 1%)	0	0	(99)
Change in 2023/24 investment Returns (reduce by 1%)	0	0	99

Annex C – Technical Annex – Pension Disclosures

Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police	CC	Police
	Pensions	Pensions	Pensions
	1987	2006	2015
	Scheme	Scheme	Scheme
	£000s	£000s	£000s
Assumption Sensitivity			
Longevity (1 Year increase in life expectancy)	24,000	1,000	2,000
Rate of Increase in Pensions (increase by 0.5%)	63,000	3,000	18,000
Rate of Increase in Salaries (increase by 0.5%)	6,000	2,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(63,000)	(5,000)	(15,000)

The above tables include the impact of an increase in assumptions, a reduction in assumptions will produce approximately an equal and opposite change.

C4 Impact on the Chief Constable's Cash Flows

The objectives of the LGPS scheme are to keep employers' contributions at as constant a rate as possible. The [Chief Constable](#) has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 10 years. Funding levels are monitored on an annual basis. The latest triennial valuation took place during 2022/23 based on the position at 31 March 2022. The revaluation resulted in an increase in contribution rates from 18.4% to 18.9% which took effect from 1 April 2023.

The pension schemes will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS and the other main existing public service schemes in England and Wales (which includes the Police Pension schemes) may not provide benefits in relation to service after 31 March 2014 (after 31 March 2015 for other main public service schemes e.g. Police Pension Schemes). This means that the LGPS ceased to be a final salary scheme from 31 March 2014 and the Police Pension Scheme ceased to be a final salary pension scheme from 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The total contributions expected to be made to the Local Government Pension Scheme by the Chief Constable in the year to 31 March 2025 are £4.684m. Expected contributions for the Police Pension Scheme in the year to 31 March 2025 are £20.214m.

The weighted average duration of the defined benefit obligation for scheme members is shown in the table below:

Weighted Average Duration of the Defined benefit Obligation	2022/23	2023/24
	Years	Years
Pensions Scheme		
Local Government Pension Scheme - CC	21	21
Police Pension -1987 Scheme	15	15
Police Pension -2006 Scheme	28	28
Police Pension -2015 Scheme	31	31



The Chief Constable of Cumbria Constabulary

Annual Governance Statement 2023/24

For Constabulary AGS, see Item 16c(ii) on the agenda





Cumbria Office of the Police, Fire and Crime Commissioner Report

Title: Treasury Management Activities 2023/24 Quarter 4 (January to March 2024) and Annual Report 2023/24

Strategic Business Board 21 May and JAC Meeting 26 June 2024

Purpose of the Report

The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period January to March 2024, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

TMA are undertaken in accordance with the Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs) approved by the Commissioner in February each year.

Recommendations

The Commissioner is asked to note the contents of this report.

JAC Members are asked to note the contents of this report. The report is provided as part of the arrangements to ensure members are briefed on Treasury Management and maintain an understanding of activity in support of their review of the annual strategy.

Economic Background

Investment returns picked up throughout the course of 2023/24 as central banks, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for.

Starting April at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August. By the end of the financial year, no further increases were anticipated. Indeed, the market is predicting a first cut in Bank Rate in either June or August 2024.

By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in May 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 3.4% but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages, and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

TM Operations and Performance Measures

The Commissioners day to day TMA are undertaken in accordance with the TMSS. The TMSS establishes an investment strategy with limits for particular categories of investment and individual counterparty limits within the categories.

Outstanding Investments: As at 31 March 2024 the total value of investments was **£5.126m** and all were within TMSS limits.

The chart below shows the outstanding investments at 31 March by category.

Category	Category Limit (£m)	Investments at 31 Mar (£m)	Compliance with Limit
1 - Banks Unsecured	20	1.846	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	0.000	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	3.280	Yes
Total		5.126	

A full list of the investments that make up the balance of £5.126m is provided at **Appendix A**.

Investment Activity: During quarter 4 a total of 5 investments with a combined value of £16.460m were made within TM categories 1-3 (banks unsecured, banks secured and Government). In addition to these there were regular smaller investments in category 5 (money market pooled funds).

Non-specified investments: The TMSS sets a limit for investments with a duration of greater than 364 days at the time the investment is made (known as non-specified investments), this limit is £5m. At 31 March the Commissioner had no investments meeting this description.

Investment Income: The base budget for investment interest receivable in 2023/24 was set at £400k based on the interest rate predictions at the time. The actual income achieved against this target was £1.009m. This was as a result of the numerous base rate rises throughout the year as shown in the table below:

Date	Increase	Rate
23/03/2023	-	4.25%
11/05/2023	0.25%	4.50%
22/06/2023	0.25%	5.00%
03/08/2023	0.25%	5.25%

The average return on investments during quarter 4 was 5.28%. As a measure of investment performance, the rate achieved on maturing investments of over 3 months in duration would normally be compared with the average BOE base rate for the period of the investment.

Cash Balances: The aim of the TMSS is to invest surplus funds and minimise the level of un-invested cash balances.

The actual un-invested cash balances for the period January to March are summarised in the table below:

	Number of Days	Average Balance	Largest Balance
Quarter 4		£	£
Days In Credit	91	80,997	316,951
Days Overdrawn	0	0	0

There were a number of occasions where the bank balance exceeded the target balance of £7.5k as the practice of sweeping smaller balances daily into the liquidity select account was halted in August 2021. The time taken to perform and verify the transfers outweighed the lost interest from holding higher balances in the main fund. Both the main fund and liquidity select account are held at the Commissioners main bank (the NatWest) so there was no change to the risk profile.

The overnight balance of £316k occurred in January 2024, seized cash was received into the PFCC's main fund account late in the afternoon, after the money market funds had closed. The funds were held overnight as they are not guaranteed as cleared until the next working day.

Loan Activity: There were no external loans in place on the 31 March 2024.

Prudential Indicators

In accordance with the Prudential Code, the TMSS includes a number of measures known as Prudential Indicators which determine if the TMSS meets the requirements of the Prudential Code in terms of *Affordability, Sustainability and Prudence*.

An analysis of the current position with regard to those prudential indicators for the financial year 2023/24 is provided at **Appendix B**. The analysis confirms that the Prudential Indicators set for 2023/24 have all been complied with.

Annual Report on Treasury Management Operations 2023/24

Treasury Strategy: In February 2023 the Commissioner approved the 2023/24 Treasury Management Strategy Statement (TMSS). The TMSS incorporated the investment and borrowing strategies for the 2023/24 financial year. The investment strategy approved for 2023/24 was largely the same as had been adopted for the previous year. The limits for each category of investment were based on the relative security of each class of financial institution and a percentage of the estimated balances, which would be available for investment during the year.

In relation to borrowing, the Commissioner has an underlying need to borrow funds to finance the capital programme, which is measured by the Capital Financing requirement (CFR).

The CFR at the start of 2023/24 amounted to £21.468m (including £3.964m relating to the PFI agreement for Workington BCU HQ) leaving a £17.504m exposure to external borrowing at some time in the future, which is presently being covered by the use of internal funds (reserves).

The closing CFR for 2023/24 is £20.799m, of which £3.700m relates to the PFI thereby leaving a £17.099m exposure to the requirement to undertake external borrowing at some point.

During 2023/24 the Commissioner has maintained this strategy of using cash balances, arising primarily from reserves, to meet the cash flow commitments and was not therefore compelled to borrow.

Long term borrowing rates were high during 2023/24 and the core advice from Link Asset services was to reappraise any capital expenditure plans/profiles, and internally borrow for any financing, or use short dated borrowing, this advice will remain until the long term rates reduce.

The provision of treasury management advice services is through a contract with Link Asset Services Ltd.

The Commissioner, in consultation with the treasury advisors continues to look for the most opportune time to undertake any longer term borrowing to fund the capital financing requirement.

Key Statistics

Principal:

Number of investments placed during 2023/24 was 89 (99 in 2022/23).

Value of investments placed during 2023/24 was **£157.714m** (£162.728m in 2022/23).

Of these investments made, 87 were to external counterparties and as such will have attracted a £10 transfer fee per transaction. The transfer to the NatWest Liquidity Select account for overnight money is classed as an inter-account transfer' as the NatWest holds the Commissioner's main bank account. This type of transfer is free although we do pay a small fee to access the internet banking site.

The **average** daily investment balance during 2023/24 was **£20.242m** (£20.082m in 2022/23).

The **highest** daily investment balance in 2023/24 was **£34.129m** (£29.197m in 2022/23)

The **lowest** daily investment balance in 2023/24 was **£5.126m** (£4.764m in 2022/23).

A detailed breakdown of the closing balance invested as at 31 March 2024 is provided at **Appendix A**.

The level of cash reserves available to invest has followed the same pattern as seen in previous years. Following the introduction of the Home Office Police Pensions Grant in 2007/08, there has been an annual spike in investments in July, when the majority of the grant is received, followed by a gradual decline in balances as pension payments are made throughout the remainder of the year.

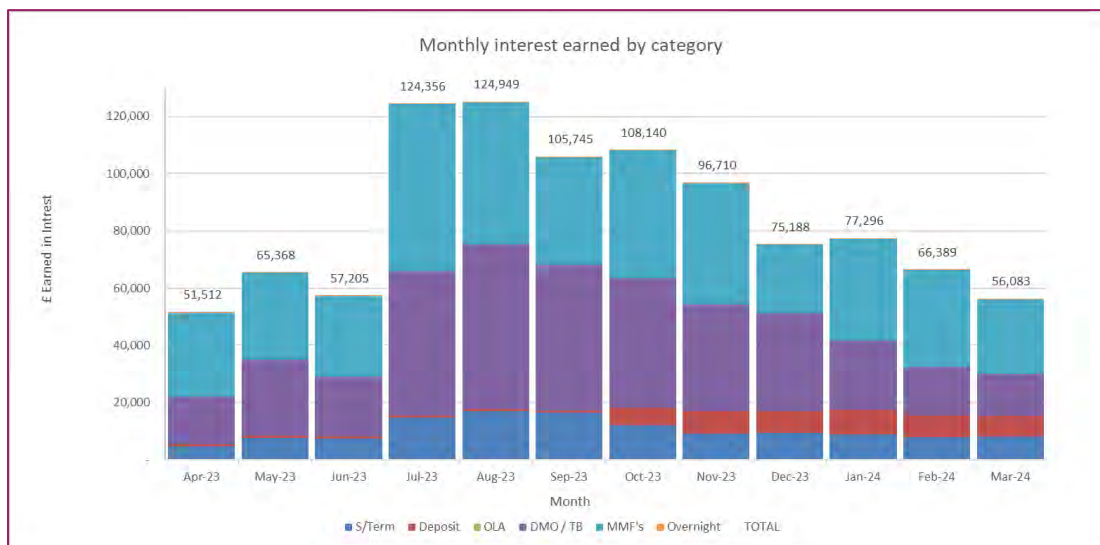


This chart illustrates the monthly average amounts invested during 2023/24 (with monthly comparatives for 2022/23).

Key Statistics

Interest:

A total of £1.009m was earned in 2023/24 (£437k in 2022/23) from the Commissioner's treasury management activities and can be broken down as follows:



This chart illustrates the monthly interest receipts during 2023/24 by category of investment

The average return on investments for 2023/24 was 4.97% (2.17% in 2022/23). The base rate started the year at 4.25 % and was increased 3 times towards the end of the financial year as follows:

Date	Increase	Rate
23/03/2023	-	4.25%
11/05/2023	0.25%	4.50%
22/06/2023	0.25%	5.00%
03/08/2023	0.25%	5.25%

The rate has been held at 5.25% since August 2023, it is expected that rates will start to reduce during 2024.

The table above shows the outturn on investment interest as £1.009m for 2023/24 which is considerably above the £400k base budget. The base budget was set when interest rates were 3% and still volatile. In each quarterly treasury management activities report the latest expected outturn has been reported, namely, June £750k, September £750k and December £950k.

The latest forecasts estimate that rates will reduce to 4.5% by the end of the financial year although the economy is still volatile, and this is the current forecast.

Treasury Operations - Investments: As discussed above the aim of the Treasury Management Strategy is to invest surplus cash and minimise the level of un-invested cash balances, whilst limiting risks to the Commissioner’s funds.

Actual un-invested balances for 2023/24 for the Commissioner’s main bank account are summarised in the table below:

	Number of Days	Average Balance	Largest Balance
2023/24		£	£
Days In Credit	362	62,657	586,071
Days Overdrawn	3	0	(112,602)

The largest credit and overdrawn balances occurred during quarter 2.

Only one occurrence where the credit balance was higher than within normal operating levels. In September 2023 £573k of seized cash was received into the PFCC's main fund account late in the afternoon, after the money market funds had closed. The funds were held overnight as they are not guaranteed as cleared until the next working day.

The account was overdrawn once whereby an error was made calculating the grant income due & the late arrival of precepts from Cumbria's two local authorities. The error was noticed later in the afternoon by which time it was too late to call funds back. A new account has since been set up with Lloyds bank, which allows money to be called back up until 4pm to help minimise this particular risk in the future.

Treasury Operations – Borrowing:

No borrowing activities were carried out during 2023/24.

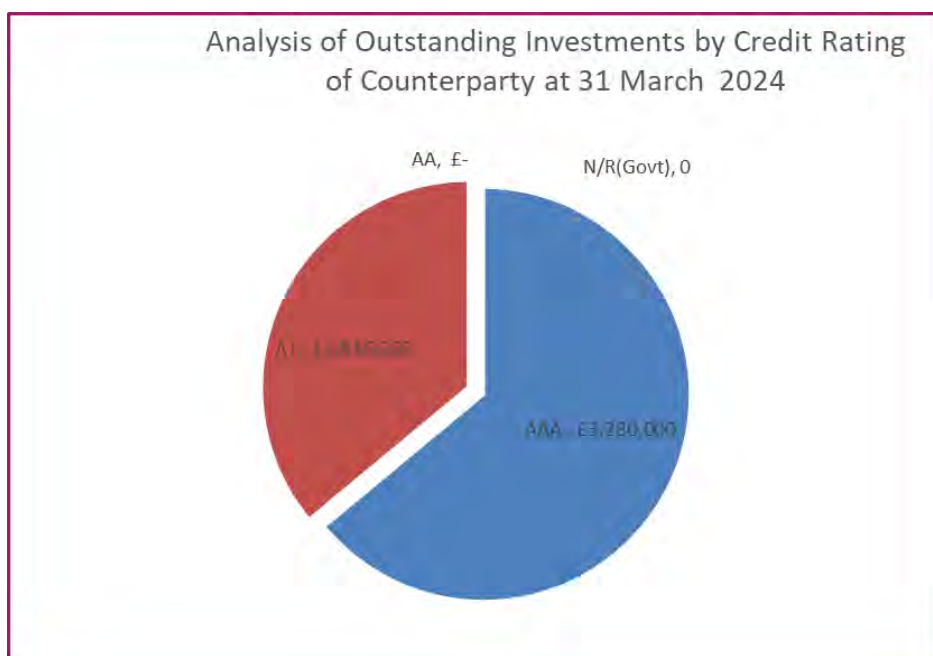
Compliance with Prudential Indicators

All treasury related Prudential Indicators for 2023/24, which were set in February 2023 as part of the annual Statement of Treasury Management Strategy, have been complied with. Further details can be found at **Appendix B**

Appendix A

Investment Balance at 31 March 2024

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)							
Lloyds Bank	A+	31/03/2024	On Demand	N/A	5.14%	1,836,365	1,836,365
NatWest (Liquidity Select Acc)	A+	31/03/2024	On Demand	O/N	1.45%	10,000	10,000
						1,846,365	1,846,365
Category 2 - Banks Secured (Includes Banks & Building Societies)							
None							
						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
None							
						0	0
Category 4 - Registered Providers (Includes Providers of Social Housing)							
None							
						0	0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)							
Goldman Sachs	AAA	Various	On demand	O/N	5.170%	3,280,000	3,280,000
						3,280,000	3,280,000
Total						5,126,365	5,126,365



Note – The credit ratings in the table & chart relate to the standing as at 31 March 2024, these ratings are constantly subject to change.

Appendix B

Prudential Indicators 2023/24

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
<p>The Authorised Limit</p> <p><i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the Local Government Act 2003.</i></p>	<p>TEST - Is current external borrowing within the approved limit</p>	YES		<p>Ratio of Financing Costs to Net Revenue Stream</p> <p><i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs.</i></p>	<p>TEST - Is the ratio of capital expenditure funded by revenue within planned limits</p>	YES	
<p>The Operational Boundary</p> <p><i>The operational boundary represents and estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i></p>	<p>TEST - Is current external borrowing within the approved limit</p>	YES		<p>Net Borrowing and the Capital Financing Requirement</p> <p><i>This indicator is to ensure that net borrowing will only be for capital purposes. The Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i></p>	<p>TEST - Is net debt less than the capital financing requirement</p>	YES	
<p>Actual External Debt</p> <p><i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i></p>	<p>TEST - Is the external debt within the Authorised limit and operational boundary</p>	YES		<p>Capital Expenditure and Capital financing</p> <p><i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2023/24.</i></p>	<p>TEST - Is the current capital outturn within planned limits</p>	YES	
<p>Gross and Net Debt</p> <p><i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i></p>	<p>TEST - Is the PFCC planning to borrow in advance of need</p>	NO		<p>Capital Financing Requirement</p> <p><i>The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i></p>	<p>TEST - Is the capital financing requirement within planned limits</p>	YES	
<p>Maturity Structure of Borrowing</p> <p><i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i></p>	<p>TEST - Does the PFCC have large amounts of fixed rate debt requiring repayment at any one time</p>	NO					
<p>Upper Limit for total principal sums invested for over 365 Days</p> <p><i>The purpose of this indicator is to ensure that the Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i></p>	<p>TEST - Is the value of long term investments within the approved limit</p>	YES					